

New Jersey Property-Liability Insurance Guaranty Association

Statutory Administrator For

New Jersey Surplus Lines Insurance Guaranty Fund
New Jersey Medical Malpractice Reinsurance Association
Unsatisfied Claim and Judgment Fund
New Jersey Automobile Full Insurance Underwriting Association
Market Transition Facility of New Jersey

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NJPLIGA BULLETIN 2004 – 003

TO: New Jersey Property-Liability Insurance Guaranty Association
Member Companies

FROM: Joseph DellaFera, Executive Director

SUBJECT: 2nd NJPLIGA 2004 ASSESSMENT

DATE: October 4, 2004

The Board of Directors of the New Jersey Property-Liability Insurance Guaranty Association (NJPLIGA) met on September 29, 2004 to revisit the funding needs of NJPLIGA for insolvencies and excess medical benefits and a potential 2nd 2004 Assessment. The Board discussed the "due diligence" analysis which was mentioned in NJPLIGA BULLETIN 2004 - 002 and reviewed a revised Cash Flow analysis. The Board authorized a 2nd 2004 NJPLIGA Assessment of 0.75% (seventy-five basis points) of Property and Casualty Insurance Net Direct Written Premium (NDWP). The Department of Banking and Insurance indicated willingness at the meeting of issuing contemporaneously with the Assessment Notice a companion Recoupment Order. The Assessment Notice will be sent out by October 15, 2004 with an expected payment receipt date of December 1st.

The Board also discussed future funding needs and potential assessments and felt it appropriate to inform the industry that NJPLIGA Assessments for 2005 and the following year or two are projected to be in the range of 1.75% (one hundred and seventy-five basis points) of NDWP. This would be in addition to any assessment needed for the Unsatisfied Claim and Judgment Fund (UCJF) which in 2004 was 0.20% (twenty basis points) of Automobile Insurance NDWP. As per the recommendations of the Assessment Working Group, future assessments are expected to be issued in July with appropriate True Ups to the prior year actual NDWP.