Commonly Asked Questions

1) Please describe the rationale for the proposed rate filing amount as it relates to the indicated need, as well as the strategic objective(s) with the overall filing (the % increase, other revisions, etc.).

Response: We are trying to balance the overall profitability of the book of business while retaining a large portion of our existing customers. This filing, along with the continued refinement of our rating segmentation, allows us to more accurately price business at rate-adequate levels.

2) Please summarize other actions being taken by the company, in addition to rate revision filings, to address overall profitability and growth plans, if/as applicable.

Response**:** We are utilizing a combination of rate and underwriting to help achieve rate adequacy in New Jersey. We continue to leverage our rating platform to further segment and rate each risk accordingly. We also continue to refine our underwriting guidelines to improve risk selection and overall book profitability.

3) Please define the overall company strategy with writing business in New Jersey as well as what differentiates your product from other competitors in the marketplace such as niche/specialty markets, geographic focus, enhanced coverages, preferred/standard/non-standard-type business, multi-line offerings, etc.

Response**:** Our overall company strategy in the New Jersey Personal Auto market is to pursue profitable, sustainable growth by offering products that are adequately priced, fair, and nondiscriminatory. We aim to maintain a competitive presence in the state while ensuring rate adequacy and sound underwriting performance.

We differentiate ourselves through a broad suite of Personal Lines offerings that support multi-line customer relationships, including Home, Umbrella, and other complementary products. This multi-product approach allows us to meet a wide range of customer needs and provide bundled coverage options. Our underwriting strategy primarily targets preferred and standard-market business, supported by enhanced coverage options and modern digital tools that streamline quoting, servicing, and claims handling. Together, these elements position us to compete effectively while providing a high-quality customer experience.

4) Please identify and explain any material increase/decrease in the inforce policy count/exposures over the past several years, identifying the underlying reason(s) and if the directional shift (growing, retracting) is in line with the company objectives in the New Jersey market.

Due to competitive environments, combined with our rate and underwriting actions to improve rate adequacy, policy count has decreased in recent years. Our long-term company objective in the New Jersey market is for growth at rate adequate levels.

5) For the data used to select the loss development factors, please provide the rationale for relying on New Jersey loss data from the former Metropolitan companies, and list the companies included.

The data from the following companies are included in the Loss Development triangles: Farmers Property & Casualty Insurance Company, Farmer Group Property & Casualty Insurance Company and Farmers Direct Property & Casualty Insurance Company. These companies were combined for enhanced stability in these turbulent economic times. Additionally, it was done for consistency with the precedent set over the last several years of filings.