AMERICAN INTERNATIONAL COMPANIES

PROGRAM DIVISION BULLETIN

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Important Information Regarding New Jersey Property and Liability Guarantee Association Assessment

The Property-Liability Insurance Guaranty Association (PLIGA) has issued instructions to insurers that effective April 1, 2004 an assessment of 1% is to be applied to all property and casualty insurance lines currently subject to PLIGA coverage. This 1% assessment replaces the .25% currently in place.

The lines of business are: fire, allied lines, commercial multi-peril (liability portion), commercial multi-peril (non-liability portion), inland marine, earthquake, other liability, products liability, commercial motor vehicle, burglary and theft and boiler and machinery.

All program administrators who do not utilize UPS or CoverAll issuance systems should make provisions for their systems to be updated.

Please note that this assessment does not apply to surplus lines.

If you have any questions please contact your program manager.

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LEXINGTON INSURANCE COMPANY PROGRAM DIVISION