ii. Coverage under a governmental plan, or coverage required or provided by law. This does not include a State plan under Medicaid (Title XIX, Grants to States for Medical Assistance Programs, of the United States Social Security Act as amended from time to time). It also does not include any plan when, by law, its benefits are excess to those of any private insurance program or other nongovernmental program.

Each contract or other arrangement for coverage under ii. is a separate plan. Also, if an arrangement has two parts and COB rules apply only to one of the two, each of the parts is a separate plan.

(B) "This Plan" is the part of the group contract that provides benefits for health care expenses.

(C) "Primary Plan/Secondary Plan". The order of benefit determination rules state whether This Plan is a Primary Plan or Secondary Plan as to another plan covering the person.

When This Plan is a Primary Plan, its benefits are determined before those of the other plan and without considering the other plan's benefits.

When This Plan is a Secondary Plan, its benefits are determined after those of the other plan and may be reduced because of the other plan's benefits.

When there are more than two plans covering the person, This Plan may be a Primary Plan as to one or more other plans, and may be a Secondary Plan as to a different plan or plans.

(D) "Allowable Expense" means a necessary, reasonable, and customary item of expense for health care, when the item of expense is covered at least in part by one or more plans covering the person for whom the claim is made.

The difference between the cost of a private hospital room and the cost of a semi-private hospital room is not considered an Allowable Expense under the above definition unless the patient's stay in a private hospital room is medically necessary either in terms of generally accepted medical practice, or as specifically defined in the plan.

When a plan provides benefits in the form of services, the reasonable monetary value of each service rendered will be considered both an Allowable Expense and a benefit paid.

(E) "Claim Determination Period" means a calendar year. However, it does not include any part of a year during which a person has no coverage under This Plan, or any part of a year before the date this COB provision or a similar provision takes effect.

(III) ORDER OF BENEFIT DETERMINATION RULES.

(A) General. When there is a basis for a claim under This Plan and another plan, This Plan is a Secondary Plan which has its benefits determined after those of the other plan, unless:

i. The other plan has rules coordinating its benefits with those of This Plan; and

ii. Both those rules and This Plan's rules, in subparagraph (B) below, require that This Plan's benefits be determined before those of the other plan.

(B) Rules. This Plan determines its order of benefits using the first of the following rules which applies:

i. Nondependent/Dependent. The benefits of the plan which covers the person as an employee, member or subscriber (that is, other than as a dependent) are determined before those of the plan which covers the person as a dependent.

ii. Dependent Child/Parents not Separated or Divorced. Except as stated in subparagraph (B)iii below, when This Plan and another plan cover the same child as a dependent of different persons called "parents":

a. The benefits of the plan of the parent whose birthday falls earlier in a year are determined before those of the plan of the parent whose birthday falls later in that year; but

b. If both parents have the same birthday, the benefits of the plan which covered the parent longer are determined before those of the plan which covered the other parent for a shorter period of time.

However, if the other plan does not have the rule described in a. immediately above, but instead has a rule based upon the gender of the parent, and if, as a result, the plans do not agree on the order of benefits, the rule in the other plan will determine the order of benefits.

iii. Dependent Child/Separated or Divorced Parents. If two or more plans cover a person as a dependent child of divorced or separated parents, benefits for the child are determined in this order:

a. First, the plan of the parent with custody of the child;

b. Then, the plan of the spouse of the parent with the custody of the child; and

c. Finally, the plan of the parent not having custody of the child.

However, if the specific terms of a court decree state that one of the parents is responsible for the health care expenses of the child, and if the plan of that parent is a secondary plan, and further, if the entity obligated to pay or provide the benefits of the plan of that parent has actual

knowledge of those terms, the benefits of that plan are determined first. The plan of the other parent shall be the Secondary Plan. This paragraph does not apply with respect to any Claim Determination Period or Plan year during which any benefits are actually paid or provided before the entity has that actual knowledge.

iv. Active/Inactive Employee. The benefits of a plan which covers a person as an employee who is neither laid off nor retired (or as that employee's dependent) are determined before those of a plan which covers that person as a laid off or retired employee (or as that employee's dependent). If the other plan does not have this rule, and if, as a result, the plans do not agree on the order of benefits, this rule (iv) is ignored.

v. Longer/Shorter Length of Coverage. If none of the above rules determines the order of benefits, the benefits of the plan which covered an employee, member or subscriber longer are determined before those of the Plan which covered that person for the shorter term.

(IV) EFFECT ON THE BENEFITS OF THIS PLAN.

(A) When This Section Applies. This Section (IV) applies when, in accordance with Section (III) Order of Benefit Determination Rules, This Plan is a Secondary Plan as to one or more other plans. In that event the benefits of This Plan may be reduced under this section. Such other plan or plans are referred to as "the other plans" in (B) immediately below.

(B) Reduction in This Plan's Benefits. The benefits of This Plan will be reduced when the sum of:

i. The benefits that would be payable for the Allowable Expenses under This Plan in the absence of this COB provision; and

ii. The benefits that would be payable for the Allowable Expenses under the other plans, in the absence of provisions with a purpose like that of this COB provision, whether or not claim is made; exceeds those Allowable Expenses in a Claim Determination Period. In that case, the benefits of This Plan will be reduced so that they and the benefits payable under the other plans do not total more than those Allowable Expenses.

When the benefits of This Plan are reduced as described above, each benefit is reduced in proportion. The amount paid is then charged against any applicable benefit limit of This Plan.

(V) RIGHT TO RECEIVE AND RELEASE NEEDED INFORMATION.

Certain facts are needed to apply these COB rules. (Insurer) has the right to decide which facts it needs. It may get needed facts from or give them to any other organization or person. (Insurer) need not tell, or get the consent of, any person to do this. Each person claiming benefits under This Plan must give (Insurer) any facts it needs to pay the claim.

(VI) FACILITY OF PAYMENT.

A payment made under another plan may include an amount which should have been paid under This Plan. If it does, (Insurer) may pay that amount to the organization which made that payment. That amount will then be treated as though it were a benefit paid under This Plan. (Insurer) will not have to pay that amount again. The term "payment made" includes providing benefits in the form of services, in which case "payment made" means reasonable monetary value of the benefits provided in the form of services.

(VII) RIGHT OF RECOVERY.

If the amount of the payments made by (Insurer) is more than it should have paid under this COB provision, it may recover the excess from one or more of:

(A) The persons it has paid or for whom it has paid;

(B) Insurance companies; or

(C) Other organizations.

The "amount of the payments made" includes the reasonable monetary value of any benefits provided in the form of services.

SUBCHAPTER 29. HOMEOWNERS COMPARISON SURVEY

11:4–29.1 Purpose and scope

(a) This subchapter requires the submission of data by insurers concerning premiums on personal homeowners, tenant and/or condominium coverage to enable the Department to compile an annual Homeowners Insurance Price Comparison Guide for use by the general public.

(b) This subchapter applies to every insurer authorized to provide and sell personal homeowners, tenant and/or condominium coverage insurance in the State of New Jersey.

11:4–29.2 Definitions

The following terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

"Commissioner" means the Commissioner of the Department of Insurance of the State of New Jersey.

"Department" means the Department of Insurance of the State of New Jersey.

"Insurer" means a company writing homeowners, tenants and/or condominium policies in the State of New Jersey.

"Personal homeowners, tenant and/or condominium coverage" means a policy insuring the dwelling structure, contents, personal liability and medical payments in kinds and amounts set forth by the Commissioner.

11:4–29.3 Coverage option survey requirements

(a) Every insurer shall prepare and file with the Commissioner a premium survey concerning premiums charged on personal homeowners, tenant and/or condominium coverage in the following manner.

1. The survey shall reflect the total number of homeowners, tenant and/or condominium policies issued by each insurer as of December 31 of the reporting year.

2. Survey forms reflecting premiums for homeowners, tenants and/or condominium policies as of December 31 of the reporting year shall be filed with the Commissioner on or before January 31 of the following year.

3. Completed coverage option survey forms shall be submitted to:

Division of Public Affairs
New Jersey Department of Insurance
CN 325
Trenton, NJ 08625–0325

4. In the preparation and filing of the information required by this subchapter, insurers shall use forms prescribed and provided by the Commissioner. These forms appear in Appendices A, B and C of this subchapter, which are hereby incorporated by reference as part of this subchapter.

Amended by R.1996 d.4, effective January 2, 1996.
See: 27 N.J.R. 3557(a), 28 N.J.R. 165(a).

APPENDIX A

Company Name: _____

Affiliated with Group (name): _____

Price Comparison Survey

Period Ending: _____

A. Homeowners Coverage: Policy Form HO–3, frame structure built five years ago as of December 31 of the reporting year with a smoke detector, dwelling amount $150,000, personal liability $300,000, medical payments $1,000, $250.00 deductible, five miles or less to a fire station and within 1,000 feet of a hydrant or usable suction point and both dwelling and contents amounts written on a replacement cost basis. Price as of December 31, of the reporting year. All surcharges should be included in premium price.

If Your Policy Differs From Above, Please Explain: _____

_____

List Any Dividends Your Company Offers: _____

_____

Identify any special eligibility criteria your company may have; for example, certain groups or professional associations, referrals from present policyholders, etc. _____

_____

Location		Annual Premium
1. Cities		
City of	County of	
Bayonne	Hudson	* _____ *
Camden	Camden	* _____ *
Clifton	Passaic	* _____ *
E. Orange	Essex	* _____ *
Elizabeth	Union	* _____ *
Jersey City	Hudson	* _____ *
Newark	Essex	* _____ *
Passaic	Passaic	* _____ *
Paterson	Passaic	* _____ *
Trenton	Mercer	* _____ *
Woodbridge	Middlesex	* _____ *
2. Other than Cities		
County of		
Atlantic		* _____ *
Bergen		* _____ *
Burlington		* _____ *
Camden		* _____ *
Cape May		* _____ *
Cumberland		* _____ *
Essex		* _____ *
Gloucester		* _____ *
Hudson		* _____ *
Hunterdon		* _____ *
Mercer		* _____ *
Middlesex		* _____ *
Monmouth		* _____ *
Morris		* _____ *
Ocean		* _____ *
Passaic		* _____ *
Salem		* _____ *
Somerset		* _____ *
Sussex		* _____ *
Union		* _____ *
Warren		* _____ *

As of January 1, 19____, _____ (company name) had _____ New Jersey homeowners policies in force.

As of December 31, 19____, _____ (company name) had _____ New Jersey homeowners policies in force.

Signature of Officer or Senior Manager

Phone Number: _____

PLEASE RETURN TO:

DIVISION OF PUBLIC AFFAIRS

NEW JERSEY DEPARTMENT OF INSURANCE

CN 325

TRENTON, NJ 08625

Amended by R.1996 d.4, effective January 2, 1996.
See: 27 N.J.R. 3557(a), 28 N.J.R. 165(a).

APPENDIX B

Company Name: _____

Affiliated with Group (name): _____

Price Comparison Survey

Period Ending: _____

B. Tenant Coverage: Policy Form HO–4, contents amount $20,000, personal liability $300,000, medical payments $1,000, smoke detector, $250.00 deductible and five miles or less to a fire station and within 1,000 feet of a hydrant or useable suction point with contents amount written on a replacement cost basis. Price as of December 31, of the reporting year. All surcharges should be included in premium price.

If Your Policy Differs From Above, Please Explain: _____

List Any Dividends Your Company Offers: _____

Identify any special eligibility criteria your company may have; for example, certain groups or professional associations, referrals from present policyholders, etc. _____

Location		Annual Premium
1. Cities		
City of	County of	
Bayonne	Hudson	* _____ *
Camden	Camden	* _____ *
Clifton	Passaic	* _____ *
E. Orange	Essex	* _____ *
Elizabeth	Union	* _____ *
Jersey City	Hudson	* _____ *
Newark	Essex	* _____ *
Passaic	Passaic	* _____ *
Paterson	Passaic	* _____ *
Trenton	Mercer	* _____ *
Woodbridge	Middlesex	* _____ *
2. Other than Cities		
County of		
Atlantic		* _____ *
Bergen		* _____ *
Burlington		* _____ *
Camden		* _____ *
Cape May		* _____ *
Cumberland		* _____ *
Essex		* _____ *
Gloucester		* _____ *
Hudson		* _____ *
Hunterdon		* _____ *
Mercer		* _____ *
Middlesex		* _____ *
Monmouth		* _____ *
Morris		* _____ *
Ocean		* _____ *
Passaic		* _____ *
Salem		* _____ *
Somerset		* _____ *
Sussex		* _____ *
Union		* _____ *
Warren		* _____ *

As of January 1, 19___, _____ (company name) had _____ New Jersey tenant policies in force.

As of December 31, 19___, _____ (company name) had _____ New Jersey tenant policies in force.

Signature of Officer or Senior Manager

Phone Number: _____

PLEASE RETURN TO:

DIVISION OF PUBLIC AFFAIRS

NEW JERSEY DEPARTMENT OF INSURANCE

CN 325

TRENTON, NJ 08625

Amended by R.1996 d.4, effective January 2, 1996.
See: 27 N.J.R. 3557(a), 28 N.J.R. 165(a).

APPENDIX C

Company Name: _____

Affiliated with Group (name): _____

Price Comparison Survey

Period Ending: _____

C. Condominium Coverage: Policy Form HO–6, owner occupied only, contents amount $20,000, personal liability $300,000, medical payments $1,000, smoke detector, $250.00 deductible and five miles or less to a fire station and within 1,000 feet of a hydrant or useable suction point with contents amount written on a replacement cost basis. Price as of December 31, of the reporting year.

If Your Policy Differs From Above, Please Explain: _____

_____

List Any Dividends Your Company Offers: _____

_____

Identify any special eligibility criteria your company may have; for example, certain groups or professional associations, referrals from present policyholders, etc.: _____

_____

Location		Annual Premium
1. Cities		
City of	County of	
Bayonne	Hudson	*_____*
Camden	Camden	*_____*
Clifton	Passaic	*_____*
E. Orange	Essex	*_____*
Elizabeth	Union	*_____*
Jersey City	Hudson	*_____*
Newark	Essex	*_____*
Passaic	Passaic	*_____*
Paterson	Passaic	*_____*
Trenton	Mercer	*_____*
Woodbridge	Middlesex	*_____*
2. Other than Cities		
County of		
Atlantic		*_____*
Bergen		*_____*
Burlington		*_____*
Camden		*_____*
Cape May		*_____*
Cumberland		*_____*
Essex		*_____*
Gloucester		*_____*
Hudson		*_____*
Hunterdon		*_____*
Mercer		*_____*
Middlesex		*_____*
Monmouth		*_____*
Morris		*_____*
Ocean		*_____*
Passaic		*_____*
Salem		*_____*
Somerset		*_____*
Sussex		*_____*
Union		*_____*
Warren		*_____*

As of January 1, 19____, _____ (company name) had _____ New Jersey condominium policies in force.

As of December 31, 19____, _____ (company name) had _____ New Jersey condominium policies in force.

_____

Signature of Officer or Senior Manager

Phone Number: _____

_____

PLEASE RETURN TO:

DIVISION OF PUBLIC AFFAIRS

NEW JERSEY DEPARTMENT OF INSURANCE

CN 325

TRENTON, NJ 08625

Amended by R.1996 d.4, effective January 2, 1996.
See: 27 N.J.R. 3557(a), 28 N.J.R. 165(a).

_____

SUBCHAPTER 30. ACCELERATED DEATH BENEFITS

11:4–30.1 Purpose

The purpose of these rules is to regulate the content, filing and disclosure of information to individual policy owners and group certificate holders with respect to accelerated death benefit provisions of life insurance policies.

11:4–30.2 Application and scope

These rules shall apply to all accelerated death benefit provisions of individual and group life insurance policies delivered or issued for delivery in this State on and after September 18, 1995.

11:4–30.3 Definitions

The following terms, when used in this subchapter, shall have the following meanings:

"Accelerated death benefits" means the advance settlement of death proceeds payable under a life insurance contract:

1. To the policy owner or certificate holder, during the lifetime of the insured, when the insured is reasonably expected to have a drastically limited life span;

2. Which reduce the death benefit otherwise payable under the contract through a total or partial surrender of the contract or imposition of a lien upon the death benefits; and

3. Which are payable upon the occurrence of a single qualifying event resulting in the payment of a benefit amount fixed at the time of acceleration.

"Commissioner" means the Commissioner of the Department of Insurance, State of New Jersey.

"Qualifying event" means a medical condition which is reasonably expected to result in a drastically limited life span for the insured, such limitation to be specified in the contract; for example, a remaining life span of 24 months. A qualifying event also includes those conditions which result in a limited life span and which are reasonably expected to require continuous confinement in an eligible institution, as defined in the contract, until the death of the insured; and any other qualifying events which the Commissioner may approve.

11:4–30.4 Permitted forms of accelerated death benefit provisions

Accelerated death benefit provisions will be permitted in the form of either a total or partial surrender of the policy or a lien on the death benefits.

11:4–30.5 Partial surrender

(a) Under the partial surrender approach, the insured in the case of group insurance or the policy owner in the case of individual insurance is permitted to accelerate the payment of a portion of the death benefit, which portion is specified in the contract, through a partial surrender of the contract. The cash value is reduced by the same percentage as the death benefit. The premium in individual life policies is reduced to the premium that would apply had the contract been issued at the reduced amount of death benefit. The premium in group life policies is reduced to reflect the remaining amount of insurance in effect.

(b) The following requirements apply to accelerated death benefit options which utilize the partial surrender approach.

1. The amount of the accelerated death benefit may be applied to repayment of an outstanding policy loan but only up to the amount of the outstanding policy loan multiplied by the percentage of the death benefits which have been accelerated. For example, where a policy owner or certificate holder has a death benefit of $100,000 with an outstanding policy loan of $20,000 and seeks to accelerate the payment of $25,000 or 25 percent of the death benefit, the $25,000 may be applied to repay up to 25 percent of the outstanding policy loan of $20,000. Thus, of the $25,000 accelerated payment, $5,000 may be applied to repayment of the policy loan and $20,000 may be paid to the policy owner or certificate holder.

2. Under the partial surrender method, the premium is reduced to the premium that would apply had the contract been issued at the reduced amount and may be further reduced according to some defined formula, or become paid-up.

3. The insurer may pay the policy owner or certificate holder a present value of the death benefit which is being accelerated. The present value calculation shall be based on any actuarial discount appropriate to the policy design. The interest rate or interest rate methodology used in the calculation shall be based on sound actuarial principles and disclosed in the contract and actuarial memorandum. The maximum interest rate shall not exceed the greater of:

i. The current yield on 90–day treasury bills; or

ii. The current maximum statutory adjustable policy loan interest rate.

11:4–30.6 Lien

(a) Under the lien approach, the payment to the policy owner or certificate holder of the accelerated death benefit is treated as a lien on the death benefits of the contract. Expense charges may be added to the lien. Due and unpaid premiums may be included in the lien after the automatic premium loan, if available, is exercised. Access to cash value may be restricted to the excess of the cash value over the sum of the lien and any other outstanding policy loans.

(b) The following requirements apply to accelerated death benefit provisions which utilize the lien approach.

1. The lien may only be made against the death benefit, not against the cash value.

2. Interest bearing liens are permitted. The interest rate accrued on the portion of the lien which is equal to the cash value of the contract at the time of acceleration shall be no more than the policy loan interest rate stated in the contract. For the amount of the lien in excess of such cash value, the interest rate or interest rate methodology as a whole must be based on sound actuarial principles and disclosed in the contract and actuarial memorandum. The maximum interest rate for the lien in excess of cash value shall not exceed the greater of:

i. The current yield on 90–day treasury bills; or

ii. The current maximum statutory adjustable policy loan interest rate.

3. The amount of the lien and any interest thereon may not exceed the net amount at risk, that is, death benefit less cash value. Interest shall not be charged on the lien once the lien equals the net amount at risk.