

TITLE 11

DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF INSURANCE

CHAPTER 1

ADMINISTRATION

Authority

N.J.S.A. 17:1-8.1 and 17:1-15e.

Source and Effective Date

R.2001 d.75, effective January 31, 2001.
See: 32 N.J.R. 4184(a), 33 N.J.R. 794(a), 33 N.J.R. 1920(a).

Executive Order No. 66(1978) Expiration Date

Chapter 1, Administration, expires on January 31, 2006.

Chapter Historical Note

Chapter 1, Plan of Organization of the Department of Insurance, was adopted as R.1971 d.11, effective January 20, 1971, and codified at N.J.A.C. 11:1 Subchapter 1. Notice was not published in the New Jersey Register.

Subchapter 3, Cancellation for Nonpayment of Premium Where Producer of Record Has Advanced Premium, was adopted as R.1972 d.168, effective August 25, 1972. See: 4 N.J.R. 128(b), 4 N.J.R. 221(b).

Subchapter 2, Filings; Property-Liability, was adopted as R.1973 d.120, effective May 1, 1973. See: 5 N.J.R. 113(a), 5 N.J.R. 190(b).

Subchapter 5, Administrative Orders and Declarations, was adopted as Emergency New Rule, R.1974 d.237, and the Motor Vehicle Liability Security Fund was declared exhausted, effective August 22, 1974. See: 6 N.J.R. 351(d).

Subchapter 4, Unfair Discrimination, was adopted as R.1975 d.128, effective September 1, 1975. See: 7 N.J.R. 168(a), 7 N.J.R. 276(b).

Subchapter 6, New Jersey Property-Liability Insurance Guaranty Association, was adopted as R.1975 d.170, effective July 1, 1975. See: 7 N.J.R. 229(a), 7 N.J.R. 334(b).

Subchapter 10, Insurance Licensing of Financial Institutions, was adopted as R.1976 d.166, effective May 27, 1976. See: 8 N.J.R. 233(a), 8 N.J.R. 300(c).

Subchapter 11, Conduct Constituting Violations by Brokers and Agents, was adopted as R.1976 d.235, effective July 22, 1976. See: 8 N.J.R. 287(e), 8 N.J.R. 398(b).

Subchapter 7, Service and Placement Fees, was adopted as R.1976 d.266, effective August 23, 1976. See: 7 N.J.R. 468(a), 8 N.J.R. 422(b).

Subchapter 8, Property-Casualty Agents, was adopted as R.1976 d.267, effective October 1, 1976. See: 7 N.J.R. 469(a), 8 N.J.R. 423(a).

Subchapter 12, Corporate and Partnership License Requirements, was adopted as R.1976 d.412, effective December 16, 1976, operative March 1, 1977. See: 8 N.J.R. 421(c), 9 N.J.R. 24(b).

Subchapter 13, Disclosure Agreements for Motor Club Service Contracts Sold in Connection with Automobile Insurance Policies, was adopted as R.1982 d.177, effective June 7, 1982, operative August 15, 1982. See: 13 N.J.R. 879(b), 14 N.J.R. 579(a).

Subchapter 14, Insurance Licensees, was adopted as R.1982 d.336, effective October 4, 1982, operative November 19, 1982. See: 14 N.J.R. 748(a), 14 N.J.R. 1099(b).

Subchapter 9, Agents for Life Insurance, Health Insurance and Annuity Contracts-Temporary Licensing, was adopted as R.1983 d.603, effective January 3, 1984. See: 15 N.J.R. 1828(a), 16 N.J.R. 49(c).

The Executive Order No. 66(1978) expiration date of Subchapter 5, Administrative Orders and Declarations, was extended by gubernatorial directive from June 6, 1984 to September 6, 1984. See: 16 N.J.R. 1451(a).

Pursuant to Executive Order No. 66(1978), Subchapter 5, Administrative Orders and Declarations, was readopted as R.1984 d.426, effective October 1, 1984. See: 16 N.J.R. 1689(a), 16 N.J.R. 2677(a), 17 N.J.R. 2566(a).

Subchapter 15, Petitions for Rules, was adopted as R.1984 d.511, effective November 5, 1984. See: 16 N.J.R. 2224(b), 16 N.J.R. 3033(b).

Subchapter 10, Insurance Licensing of Financial Institutions, was repealed by R.1985 d.69, effective February 19, 1985. See: 16 N.J.R. 2919(a), 17 N.J.R. 458(a).

Subchapter 20, Cancellation and Nonrenewal of Property and Casualty/Liability Insurance Policies, was adopted as Emergency New Rule, R.1985 d.507, effective September 17, 1985, to expire November 16, 1985. See: 17 N.J.R. 2460(a). The provisions of R.1985 d.507 were readopted without change as R.1985 d.627 effective November 16, 1985. See: 17 N.J.R. 2978(b). The provisions of R.1985 d.626 were readopted without change as R.1986 d.27, effective January 14, 1986. See: 18 N.J.R. 419(b).

Pursuant to Executive Order No. 66(1978), Subchapter 20, Cancellation and Nonrenewal of Property and Casualty/Liability Insurance Policies, was readopted as R.1985 d.627, effective November 16, 1985. See: 17 N.J.R. 2978(b).

Subchapter 21, Loss Reserve Opinions, was adopted as R.1985 d.711, effective January 21, 1986. See: 17 N.J.R. 2596(a), 18 N.J.R. 196(b).

Subchapter 18, Approval of Business Names, was adopted as R.1986 d.10, effective February 3, 1986. See: 17 N.J.R. 41(a), 18 N.J.R. 278(a).

Subchapter 19, Branch Offices, was adopted as R.1986 d.11, effective February 3, 1986. See: 17 N.J.R. 42(a), 18 N.J.R. 280(a).

Subchapter 20, Cancellation and Nonrenewal of Property and Casualty/Liability Insurance Policies, was repealed, and Subchapter 20, Cancellation and Nonrenewal of Commercial and Homeowners' Insurance Policies, was adopted as new rules, effective July 7, 1986, with portions operative July 28, 1986, and Subchapter 22, Prohibition of Certain Cancellation and Nonrenewal Activity, was adopted as R.1986 d.272, effective July 7, 1986. See: 18 N.J.R. 457(b), 18 N.J.R. 1388(a).

Subchapter 16, Requirements for Filing a Downward Deviation in Currently Approved Rates, was adopted as R.1986 d.478, effective December 15, 1986. See: 18 N.J.R. 1998(a), 18 N.J.R. 2458(a).

Subchapter 25, Official Department Mailing List: Address Information, was adopted as R.1988 d.64, effective February 1, 1988. See: 19 N.J.R. 2236(a), 20 N.J.R. 294(b).

Subchapter 9, Agents for Life Insurance, Health Insurance and Annuity Contracts-Temporary Licensing, Subchapter 14, Insurance Licensees, Subchapter 18, Approval of Business Names, and Subchapter 19, Branch Offices, were repealed by R.1988 d.186, effective April 18, 1988. See: 20 N.J.R. 225(c), 20 N.J.R. 904(b).

Pursuant to Executive Order No. 66(1978), Subchapter 20, Cancellation and Nonrenewal of Commercial and Homeowners' Insurance Policies, and Subchapter 22, Prohibition of Certain Cancellation and

Nonrenewal Activity, were readopted as R.1988 d.341, effective June 24, 1988. See: 20 N.J.R. 1061(a), 20 N.J.R. 1720(a).

Subchapter 10, Admission Requirements for Foreign and Alien Property and Casualty Insurers, was adopted as new rules by R.1989 d.329, effective June 19, 1989. See: 21 N.J.R. 426(a), 21 N.J.R. 1702(a).

Subchapter 26, Annual Publication of Insurer Profitability Information, was adopted as R.1989 d.538, effective October 16, 1989. See: 21 N.J.R. 2181(a), 21 N.J.R. 3297(c).

Subchapter 3, Cancellation for Nonpayment of Premium Where Producer of Record Has Advanced Premium, Subchapter 7, Service and Placement Fees, Subchapter 8, Property-Casualty Agents, and Subchapter 13, Disclosure Agreements for Motor Club Service Contracts Sold in Connection with Automobile Insurance Policies, were repealed by R.1990 d.11, effective January 2, 1990. See: 21 N.J.R. 1317(a), 22 N.J.R. 30(b).

Subchapter 28, Formation of a Domestic Property and Casualty Insurance Corporation (Stock or Mutual) or Reciprocal Insurance Exchange, was adopted as R.1990 d.162, effective March 19, 1990. See: 21 N.J.R. 3607(a), 22 N.J.R. 954(b), 22 N.J.R. 1266(a).

Subchapter 29, Temporary Certificate of Authority, was adopted as R.1991 d.15, effective January 7, 1991. See: 22 N.J.R. 2453(a), 23 N.J.R. 100(a).

Pursuant to Executive Order No. 66(1978), Chapter 1, Administration, was readopted as R.1991 d.101, effective January 31, 1991. See: 22 N.J.R. 3686(a), 23 N.J.R. 690(b).

Subchapter 32, Fees was adopted as new rules by R.1991 d.303, effective June 17, 1991, operative July 1, 1991. See: 23 N.J.R. 825(a), 23 N.J.R. 1948(a).

Subchapter 6, New Jersey Property-Liability Insurance Guaranty Association, was repealed, and a new Subchapter 6, New Jersey Property-Liability Insurance Guaranty Association Assessment Premium Surcharge was adopted as new rules by R.1991 d.461, effective September 3, 1991. See: 23 N.J.R. 823(b), 23 N.J.R. 2638(a).

Subchapter 33, Public Advocate Reimbursement Disputes, was adopted as new rules by R.1993 d.179, effective April 19, 1993. See: 24 N.J.R. 2706(a), 25 N.J.R. 1764(c).

Subchapter 35, Insurance Holding Company Systems, was adopted as emergency new rules by R.1993 d.445, effective August 16, 1993, to expire October 15, 1993. See: 25 N.J.R. 4275(a). The provisions of R.1993 d.445 were readopted without change as R.1993 d.554, effective October 15, 1993. See: 25 N.J.R. 4275(a), 25 N.J.R. 5170(b).

Subchapter 36, Examination of Insurers, was adopted as emergency new rules by R.1993 d.446, effective August 16, 1993, to expire October 15, 1993. See: 25 N.J.R. 4284(a). The provisions of R.1993 d.446 were readopted as R.1993 d.555, effective October 15, 1993. See: 25 N.J.R. 4284(a), 25 N.J.R. 5180(a).

Subchapter 3, Disability Discrimination Grievance Procedure, was adopted as new rules by R.1993 d.618, effective December 6, 1993. See: 25 N.J.R. 1327(a), 25 N.J.R. 5666(b). Subchapter 3 is exempt from expiration under 28 C.F.R. Part 35.

Subchapter 34, Surplus Lines: Exportable List, was adopted as new rules by R.1994 d.7, effective January 3, 1994. See: 24 N.J.R. 4331(a), 26 N.J.R. 236(b).

Subchapter 31, Surplus Lines Insurer Eligibility, was adopted as new rules by R.1994 d.102, effective February 22, 1994. See: 25 N.J.R. 1819(a), 26 N.J.R. 1096(a).

Subchapter 37, Licensing of Public Adjusters, was adopted as new rules by R.1994 d.207, effective April 18, 1994. See: 25 N.J.R. 5432(a), 26 N.J.R. 327(a), 26 N.J.R. 1711(a).

Subchapter 7, Medical Malpractice Reporting Requirements, was adopted as new rules by R.1994 d.493, effective September 19, 1994. See: 26 N.J.R. 1433(a), 26 N.J.R. 3864(a).

Subchapter 39, Disclosure of Material Transactions, was adopted as new rules by R.1995 d.234, effective May 1, 1995. See: 27 N.J.R. 816(a), 27 N.J.R. 1802(a).

Subchapter 21A, Actuarial Opinion and Memorandum for Life/Health Insurers, was adopted as new rules by R.1995 d.605, effective November 20, 1995. See: 27 N.J.R. 2998(a), 27 N.J.R. 4720(a).

Subchapter 26, Annual Publication of Insurer Profitability Information, Subchapter 29, Temporary Certificate of Authority, and Subchapter 33, Public Advocate Reimbursement Disputes, were repealed by R.1996 d.116, effective March 4, 1996. See: 27 N.J.R. 4121(a), 28 N.J.R. 1382(a).

Subchapter 38, Oversight of Fireman's Relief Associations, was adopted as new rules by R.1996 d.125, effective March 4, 1996, operative March 4, 1996, except for N.J.A.C. 11:1-38.4 which shall be operative January 1, 1997. See: 27 N.J.R. 634(a), 28 N.J.R. 1384(a).

Pursuant to Executive Order No. 66(1978), Chapter 1, Administration, was readopted as R.1996 d.116, effective January 31, 1996. See: 27 N.J.R. 4121(a), 28 N.J.R. 1382(a).

Petition for Rulemaking. See: 29 N.J.R. 707(c), 29 N.J.R. 948(b).

Subchapter 41, Surety Bonds for Contracts Involving the State, Local Contracting Units, Boards of Education, State Colleges and County Colleges, was adopted as R.1996 d.496, effective October 21, 1996. See: 28 N.J.R. 3505(a), 28 N.J.R. 4582(a).

Subchapter 38, Oversight of Firemen's Relief Associations, was adopted as R.1996 d.125, effective March 4, 1996, operative March 4, 1996, except for N.J.A.C. 11:1-38.4 which became operative July 1, 1997. See: 27 N.J.R. 634(a), 28 N.J.R. 1384(a), 29 N.J.R. 425(a).

Subchapter 43, Unusual Hardship For Covered Claims Under The New Jersey Property-Liability Insurance Guaranty Association and New Jersey Surplus Lines Insurance Guaranty Fund, was adopted as R.1997 d.512, effective December 1, 1997. See: 29 N.J.R. 3765(a), 29 N.J.R. 5065(b).

Subchapter 24, Use of Credit Cards, Charge Cards, Debit Cards Or Direct Account Deduction (Alternative Payment Method) To Pay Insurance Premiums, was adopted as R.1998 d.276, effective June 1, 1998. See: 29 N.J.R. 3588(a), 30 N.J.R. 2003(a).

Pursuant to Executive Order No. 66(1978), Chapter 1, Administration, was readopted as R.2001 d.75, effective January 31, 2001. See: 32 N.J.R. 4184(a), 33 N.J.R. 794(a).

CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. ORGANIZATION

- 11:1-1.1 Organization
- 11:1-1.2 Sharing of information with other insurance departments

SUBCHAPTER 2. FILINGS: PROPERTY AND CASUALTY

- 11:1-2.1 Purpose and scope
- 11:1-2.2 Filing of rates, manual rules, rating plans, policy forms and endorsements
- 11:1-2.3 Filing of changes
- 11:1-2.4 Adoption of rules and forms approved for other filers
- 11:1-2.5 New filings
- 11:1-2.6 Notification
- 11:1-2.7 Penalties

APPENDIX

SUBCHAPTER 3. DISABILITY DISCRIMINATION GRIEVANCE PROCEDURE

- 11:1-3.1 Definitions
- 11:1-3.2 Purpose
- 11:1-3.3 Required ADA notice
- 11:1-3.4 Designated ADA coordinator

ADMINISTRATION

- 11:1-3.5 Grievance procedure
- 11:1-3.6 Grievance contents
- 11:1-3.7 Grievance form
- 11:1-3.8 Investigation

SUBCHAPTER 4. UNFAIR DISCRIMINATION

- 11:1-4.1 (Reserved)
- 11:1-4.2 Sex and/or marital discrimination
- 11:1-4.3 Complications of pregnancy

SUBCHAPTER 5. FIRE AND CASUALTY INSURANCE

- 11:1-5.1 FAIR Plan Surcharge
- 11:1-5.2 Notice of cancellation and nonrenewal of fire and casualty coverage
- 11:1-5.3 FAIR Plan short notice cancellation procedures
- 11:1-5.4 Distribution of fire insurance premium tax
- 11:1-5.5 Notice regarding flood damage coverage
- 11:1-5.6 FAIR plan retention level

SUBCHAPTER 6. NEW JERSEY PROPERTY-LIABILITY INSURANCE GUARANTY ASSOCIATION ASSESSMENT PREMIUM SURCHARGE

- 11:1-6.1 Purpose and scope
- 11:1-6.2 Definitions
- 11:1-6.3 Establishment of Association assessment premium surcharge
- 11:1-6.4 Reporting requirements
- 11:1-6.5 Penalties

SUBCHAPTER 7. MEDICAL MALPRACTICE REPORTING REQUIREMENTS

- 11:1-7.1 Purpose and scope
- 11:1-7.2 Definitions
- 11:1-7.3 Medical malpractice reporting requirements
- 11:1-7.4 Confidentiality
- 11:1-7.5 Penalties

SUBCHAPTERS 8 THROUGH 9. (RESERVED)

SUBCHAPTER 10. ADMISSION REQUIREMENTS FOR FOREIGN AND ALIEN PROPERTY AND CASUALTY INSURERS

- 11:1-10.1 Purpose
- 11:1-10.2 Scope
- 11:1-10.3 Definitions
- 11:1-10.4 General eligibility requirements
- 11:1-10.5 Letter of intent
- 11:1-10.6 Final application
- 11:1-10.7 Review procedures; appeals
- 11:1-10.8 Requirements upon admission
- 11:1-10.9 Severability

SUBCHAPTER 11. CONDUCT CONSTITUTING VIOLATIONS BY BROKERS AND AGENTS

- 11:1-11.1 Scope
- 11:1-11.2 Unworthiness and bad faith under N.J.S.A. 17:22-6.16(h) and 17B:22-27(12)
- 11:1-11.3 Disciplinary action; restitution

SUBCHAPTER 12. CORPORATE AND PARTNERSHIP LICENSEE REQUIREMENTS

- 11:1-12.1 (Reserved)
- 11:1-12.2 Responsibility of active officers of corporate licensees
- 11:1-12.3 through 11:1-12.4 (Reserved)
- 11:1-12.5 Responsibility of active members of partnership licensee
- 11:1-12.6 (Reserved)

SUBCHAPTERS 13 THROUGH 14. (RESERVED)

SUBCHAPTER 15. PETITIONS FOR RULES; RULEMAKING NOTICE

- 11:1-15.1 Scope
- 11:1-15.2 Procedure for petitioner
- 11:1-15.3 Procedure of the Department
- 11:1-15.4 Rulemaking activity
- 11:1-15.5 Sufficient public interest for the purposes of extending the comment period or granting a public hearing

SUBCHAPTER 16. REQUIREMENTS FOR FILING A DOWNWARD DEVIATION IN CURRENTLY APPROVED RATES

- 11:1-16.1 Purpose and scope
- 11:1-16.2 Filing requirements

SUBCHAPTERS 17 THROUGH 19. (RESERVED)

SUBCHAPTER 20. CANCELLATION AND NONRENEWAL OF COMMERCIAL AND HOMEOWNERS' INSURANCE POLICIES

- 11:1-20.1 Scope
- 11:1-20.2 Nonrenewal and cancellation notice requirements
- 11:1-20.3 Policy provisions relating to cancellation or nonrenewal
- 11:1-20.4 Cancellation and nonrenewal underwriting guidelines
- 11:1-20.5 Cancellation or nonrenewal based on loss of or reduction in available insurance capacity
- 11:1-20.6 Cancellation and nonrenewal based on changes in statutory or case law
- 11:1-20.7 Cancellation or nonrenewal based on loss of or substantial changes in applicable reinsurance
- 11:1-20.8 Cancellation and nonrenewal based on agency termination
- 11:1-20.9 Policy provisions
- 11:1-20.10 Separability
- 11:1-20.11 Penalties
- 11:1-20.12 (Reserved)

SUBCHAPTER 21. LOSS RESERVE OPINIONS

- 11:1-21.1 General requirements
- 11:1-21.2 Identification paragraph
- 11:1-21.3 Scope paragraph
- 11:1-21.4 Opinion paragraph
- 11:1-21.5 Exemptions

SUBCHAPTER 21A. ACTUARIAL OPINION AND MEMORANDUM FOR LIFE/HEALTH INSURERS

- 11:1-21A.1 Purpose and scope
- 11:1-21A.2 Definitions
- 11:1-21A.3 General requirements
- 11:1-21A.4 Required opinions
- 11:1-21A.5 Statement of actuarial opinion not including an asset adequacy analysis
- 11:1-21A.6 Statement of actuarial opinion based on an asset adequacy analysis
- 11:1-21A.7 Description of actuarial memorandum including an asset adequacy analysis
- 11:1-21A.8 Additional considerations for analysis
- 11:1-21A.9 Penalties

APPENDIX

SUBCHAPTER 22. PROHIBITION OF CERTAIN CANCELLATION AND NONRENEWAL ACTIVITY

- 11:1-22.1 Scope; definitions
- 11:1-22.2 Prohibitions
- 11:1-22.3 Penalties
- 11:1-22.4 (Reserved)

SUBCHAPTER 23. (RESERVED)

SUBCHAPTER 24. USE OF CREDIT CARDS, CHARGE CARDS, DEBIT CARDS OR DIRECT ACCOUNT DEDUCTION (ALTERNATIVE PAYMENT METHOD) TO PAY INSURANCE PREMIUMS

- 11:1-24.1 Purpose and scope
- 11:1-24.2 Definitions
- 11:1-24.3 Use of credit cards, charge cards, debit cards, and direct account deduction (alternative payment method) for payment of premiums
- 11:1-24.4 Ratemaking
- 11:1-24.5 Cancellation of policy
- 11:1-24.6 Payment of premiums
- 11:1-24.7 Disclosure of optional methods of payment
- 11:1-24.8 Penalties

SUBCHAPTER 25. OFFICIAL DEPARTMENT MAILING AND ELECTRONIC MAILING LISTS: ADDRESS INFORMATION

- 11:1-25.1 Purpose
- 11:1-25.2 Scope
- 11:1-25.3 Official mailing and electronic mailing lists; change in address information
- 11:1-25.4 Foreign insurers—designation of individual for service of process through Commissioner
- 11:1-25.5 Penalties

SUBCHAPTERS 26 THROUGH 27. (RESERVED)

SUBCHAPTER 28. FORMATION OF A DOMESTIC PROPERTY AND CASUALTY INSURANCE CORPORATION (STOCK OR MUTUAL) OR RECIPROCAL INSURANCE EXCHANGE

- 11:1-28.1 Purpose
- 11:1-28.2 Scope
- 11:1-28.3 Definitions
- 11:1-28.4 Types of insurance
- 11:1-28.5 Feasibility study
- 11:1-28.6 Additional information requirements
- 11:1-28.7 Criminal history record check
- 11:1-28.8 Permit to solicit
- 11:1-28.9 Organization examination
- 11:1-28.10 Certificate of authority
- 11:1-28.11 Failure to comply with subchapter; denial of certificate of authority
- 11:1-28.12 Severability

APPENDIX A. FORMAT FOR THE PREPARATION OF A DOMESTIC PROPERTY/LIABILITY INSURANCE COMPANY'S CERTIFICATE OF INCORPORATION

APPENDIX B. BIOGRAPHICAL AFFIDAVIT

APPENDIX C. AFFIDAVIT OF OFFICERS AND DIRECTORS

SUBCHAPTERS 29 THROUGH 30. (RESERVED)

SUBCHAPTER 31. SURPLUS LINES INSURER ELIGIBILITY

- 11:1-31.1 Purpose and scope
- 11:1-31.2 Definitions
- 11:1-31.3 General requirements
- 11:1-31.4 Certificate of eligibility; filing requirements
- 11:1-31.5 Certificate of eligibility; issuance
- 11:1-31.6 Withdrawal of eligibility
- 11:1-31.7 Failure to comply with subchapter; denial of certificate of eligibility

SUBCHAPTER 32. FEES AND SPECIAL PURPOSE APPORTIONMENT

- 11:1-32.1 Purpose and scope
- 11:1-32.2 Definitions
- 11:1-32.3 General procedures
- 11:1-32.4 Fees; general
- 11:1-32.5 Fees; life and health insurance; legal insurance
- 11:1-32.6 Fees; property and casualty insurance
- 11:1-32.7 Fees; surplus lines insurers, risk retention groups and purchasing groups
- 11:1-32.8 Applicability of fees imposed by insurance laws of this State
- 11:1-32.9 Special purpose apportionment; de minimis amounts
- 11:1-32.10 Penalties
- 11:1-32.11 (Reserved)

SUBCHAPTER 33. SURPLUS LINES INSURANCE: POLICY FORM APPROVAL PROCEDURES AND STANDARDS

- 11:1-33.1 Purpose and scope
- 11:1-33.2 Definitions
- 11:1-33.3 Policy form filings
- 11:1-33.4 Policy form standards
- 11:1-33.5 Exclusions
- 11:1-33.6 List of disapproved or withdrawn forms or contracts; exportable list hearing
- 11:1-33.7 Refiling policy forms
- 11:1-33.8 Surplus lines insurance coverage procurement requirements
- 11:1-33.9 Penalties

APPENDIX

SUBCHAPTER 34. SURPLUS LINES: EXPORTABLE LIST

- 11:1-34.1 Purpose and scope
- 11:1-34.2 Definitions
- 11:1-34.3 Exportable list hearing
- 11:1-34.4 Exportable list hearing record
- 11:1-34.5 Promulgation and modification of exportable list
- 11:1-34.6 Exportable list

APPENDIX A (RESERVED)

SUBCHAPTER 35. INSURANCE HOLDING COMPANY SYSTEMS

- 11:1-35.1 Purpose and scope
- 11:1-35.2 Definitions
- 11:1-35.3 Forms; general requirements
- 11:1-35.4 Forms; incorporation by reference, summaries and omissions
- 11:1-35.5 Forms; additional information and exhibits
- 11:1-35.6 Acquisition of control; statement filing; procedures
- 11:1-35.7 Annual registration of insurers
- 11:1-35.8 Alternative and consolidated registrations
- 11:1-35.9 Disclaimers and termination of registration
- 11:1-35.10 Transactions subject to prior notice
- 11:1-35.11 Adequacy of surplus
- 11:1-35.12 Penalties

APPENDIX

SUBCHAPTER 36. EXAMINATION OF INSURERS

- 11:1-36.1 Purpose and scope
- 11:1-36.2 Definitions
- 11:1-36.3 Examination; when deemed complete

- 11:1-36.4 Foreign and alien insurers; filing of examination reports with this State
- 11:1-36.5 Payment of expenses
- 11:1-36.6 Confidentiality
- 11:1-36.7 Penalties

SUBCHAPTER 37. LICENSING OF PUBLIC ADJUSTERS

- 11:1-37.1 Purpose and scope
- 11:1-37.2 Definitions
- 11:1-37.3 General licensing requirements
- 11:1-37.4 Licensing applications and renewals
- 11:1-37.5 Denial of license
- 11:1-37.6 Sublicensees
- 11:1-37.7 Temporary sublicensee
- 11:1-37.8 Licensing examination
- 11:1-37.9 Bond; alternative security
- 11:1-37.10 Administrative reporting requirements
- 11:1-37.11 Escrow or trust accounts
- 11:1-37.12 Minimum recordkeeping requirements
- 11:1-37.13 Right to compensation
- 11:1-37.14 Violations and penalties
- 11:1-37.15 Effect of suspension or revocation of public adjuster license
- 11:1-37.16 Reinstatement after suspension or revocation of a public adjuster license
- 11:1-37.17 Public records
- 11:1-37.18 Fees
- 11:1-37.19 Requests for disclosure of social security numbers

APPENDIX

SUBCHAPTER 38. OVERSIGHT OF FIREMEN'S RELIEF ASSOCIATIONS

- 11:1-38.1 Purpose and scope
- 11:1-38.2 Definitions
- 11:1-38.3 Filing requirements
- 11:1-38.4 (Reserved)
- 11:1-38.5 Payments by insurers to local relief associations
- 11:1-38.6 Penalties

SUBCHAPTER 39. DISCLOSURE OF MATERIAL TRANSACTIONS

- 11:1-39.1 Purpose and scope
- 11:1-39.2 Definitions
- 11:1-39.3 Disclosure of transactions
- 11:1-39.4 Acquisitions and dispositions of assets; reporting requirements
- 11:1-39.5 Nonrenewals, cancellations or revisions of ceded reinsurance agreements; reporting requirements
- 11:1-39.6 Penalties

SUBCHAPTER 40. (RESERVED)

SUBCHAPTER 41. SURETY BONDS FOR CONTRACTS INVOLVING THE STATE, LOCAL CONTRACTING UNITS, BOARDS OF EDUCATION, STATE COLLEGES AND COUNTY COLLEGES

- 11:1-41.1 Purpose and scope
- 11:1-41.2 Definitions
- 11:1-41.3 Rating company
- 11:1-41.4 Treasury listed surety companies and alternative requirements to Treasury listing
- 11:1-41.5 Penalties

APPENDIX A

APPENDIX B

SUBCHAPTER 42. (RESERVED)

SUBCHAPTER 43. UNUSUAL HARDSHIP FOR COVERED CLAIMS UNDER THE NEW JERSEY PROPERTY-LIABILITY INSURANCE GUARANTY ASSOCIATION AND NEW JERSEY SURPLUS LINES INSURANCE GUARANTY FUND

- 11:1-43.1 Purpose and scope
- 11:1-43.2 Definitions
- 11:1-43.3 Unusual hardship
- 11:1-43.4 Request for review by the Commissioner
- 11:1-43.5 Confidentiality

SUBCHAPTER 44. STANDARDS FOR SAFEGUARDING CUSTOMER INFORMATION

- 11:1-44.1 Purpose and scope
- 11:1-44.2 Definitions
- 11:1-44.3 Information security program
- 11:1-44.4 Objectives of information security program
- 11:1-44.5 Examples of methods of development and implementation
- 11:1-44.6 Assessment of risk
- 11:1-44.7 Management and control of risk
- 11:1-44.8 Service provider agreements
- 11:1-44.9 Adjustment of the program
- 11:1-44.10 Violations
- 11:1-44.11 Effective date

SUBCHAPTER 45. NOTICE TO POLICYHOLDERS OF CONSUMER INSURANCE RATE INCREASES

- 11:1-45.1 Purpose and scope
- 11:1-45.2 Definitions
- 11:1-45.3 Form of notice required
- 11:1-45.4 Penalties

APPENDIX

SUBCHAPTER 46. STOCK WORKERS' COMPENSATION SECURITY FUND

- 11:1-46.1 Purpose and scope
- 11:1-46.2 Definitions
- 11:1-46.3 Contributions to stock fund
- 11:1-46.4 Penalties

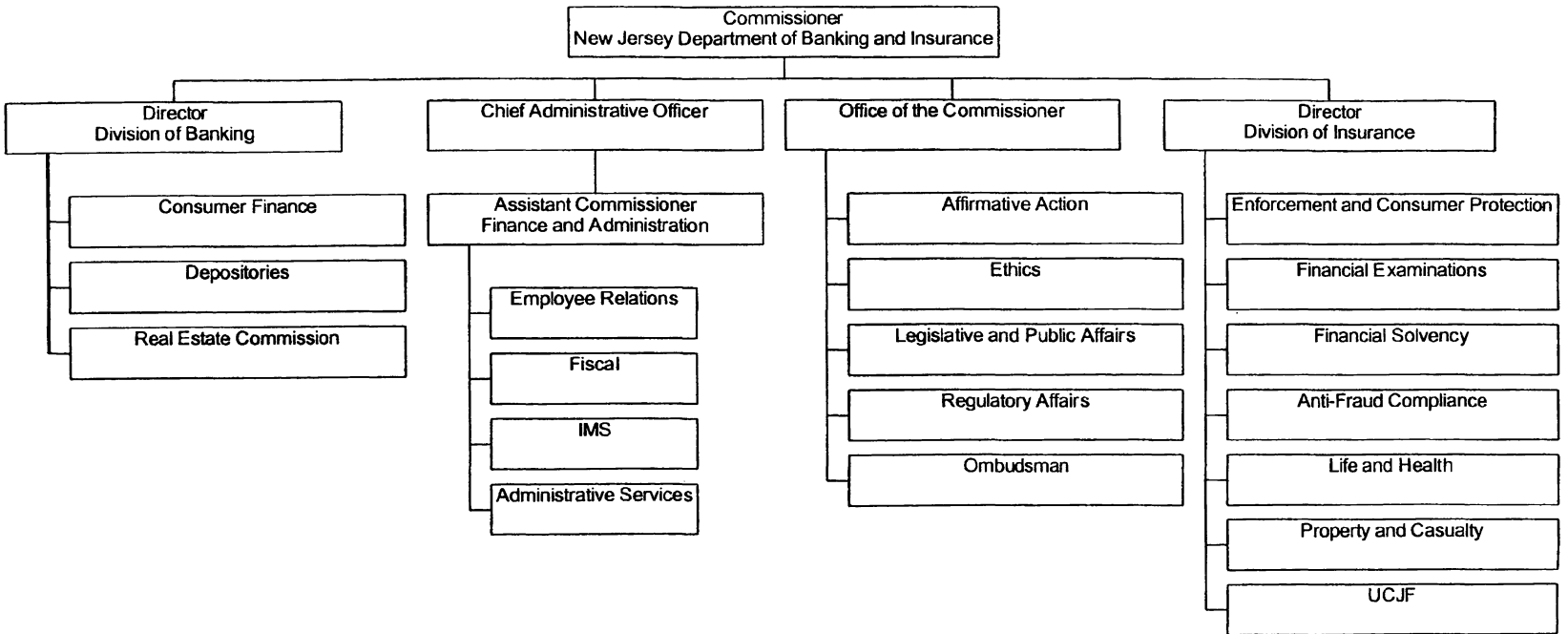
SUBCHAPTER 1. ORGANIZATION

11:1-1.1 Organization

(a) The organization of the Department of Banking and Insurance appears below.

(b) The mission of the Department of Banking and Insurance is to regulate the banking, insurance and real estate industries in a professional and timely manner that protects and educates consumers and promotes the growth, financial stability and efficiency of those industries.

NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE



September 7, 2000

Amended by R.1973 d.195, effective July 24, 1973.
See: 5 N.J.R. 282(c).
Amended by R.1974 d.89, effective April 9, 1974.

See: 6 N.J.R. 199(a).
Amended by R.1988 d.1, effective December 1, 1987.
See: 20 N.J.R. 99(a).

New organizational chart.
Amended by R.1988 d.454, effective August 26, 1988.
See: 20 N.J.R. 2377(a).

New organizational chart.
Amended by R.1991 d.476, effective August 23, 1991.
See: 23 N.J.R. 2862(c).

New organizational chart.
Amended by R.1994 d.557, effective October 17, 1994.
See: 26 N.J.R. 4405(a).

Amended by R.1996 d.124, effective February 8, 1996.
See: 28 N.J.R. 1382(b).
Amended by R.1996 d.385, effective July 15, 1996.
See: 28 N.J.R. 3797(a).

Amended by R.1997 d.395, effective August 25, 1997.
See: 29 N.J.R. 4137(b).

Replaced existing organizational chart with new chart.
Amended by R.2000 d.54, effective January 11, 2000.
See: 32 N.J.R. 475(a).

Amended by R.2001 d.75, effective March 5, 2001.
See: 32 N.J.R. 4184(a), 33 N.J.R. 794(a).

Replaced existing organizational chart with new chart.
Amended by R.2003 d.139, effective April 7, 2003.
See: 34 N.J.R. 4041(a), 35 N.J.R. 1546(a).

Added (b).

11:1-1.2 Sharing of information with other insurance departments

(a) The Commissioner may share any information regarding the financial condition of insurers, including information that is not subject to public inspection or copying pursuant to the "Right to Know" law, N.J.S.A. 47:1A-1 et seq., with the National Association of Insurance Commissioners or any insurance regulatory of another state or U.S. territory, provided that such agency is authorized and irrevocably agrees to hold such information confidential to the same extent as is provided under the laws of this State.

(b) The Commissioner may enter into an agreement with the National Association of Insurance Commissioners or any insurance regulator of any state or U.S. territory by which the Commissioner shall hold any information received from such agency as confidential and not subject to public inspection or copying pursuant to the "Right to Know" law, N.J.S.A. 47:1A-1 et seq., to the same extent such information is required to be held confidential pursuant to that agency's laws or other requirements.

New Rule, R.1995 d.367, effective July 3, 1995.
See: 27 N.J.R. 1736(a), 27 N.J.R. 2582(a).
Recodified from N.J.A.C. 11:1-1.3 by R.2003 d.139, effective April 7, 2003.
See: 34 N.J.R. 4041(a), 35 N.J.R. 1546(a).

SUBCHAPTER 2. FILINGS: PROPERTY AND CASUALTY

11:1-2.1 Purpose and scope

(a) This subchapter shall apply to every rating organization and property and casualty insurer that makes its own rate, rule and policy form filings and to every member or subscriber of a rating organization on whose behalf rate,

rule and policy form filings are made pursuant to the provisions of N.J.S.A. 17:29A-1 et seq. and 17:29AA-1 et seq.

(b) This subchapter establishes requirements as to the format of filings pertaining to rates, manual rules, rating plans, policy forms and endorsements, and sets forth guidelines as to required supporting information with respect to such filings.

New Rule, R.2002 d.101, effective April 1, 2002.

See: 33 N.J.R. 1875(a), 34 N.J.R. 1431(b).

Former N.J.A.C. 11:1-2.1, Filing of rates, manual rules, rating plans, policy forms and endorsements, recodified to N.J.A.C. 11:1-2.2.

11:1-2.2 Filing of rates, manual rules, rating plans, policy forms and endorsements

(a) Filings submitted to this Department for approval shall be explicit and self-contained, supported by statistics, where applicable, and shall set forth the information upon which the filer relied in making the filing.

(b) All commercial and personal lines filings submitted to the Department shall be accompanied by a Filing Source Document, MARS001 incorporated herein by reference as Exhibit A in the Appendix to this subchapter and shall be submitted in duplicate.

(c) All commercial lines filings submitted to the Department shall also be accompanied by final printed pages and Form MARS002, incorporated herein by reference as Exhibit B in the Appendix to this subchapter. For personal lines filings, final printed pages and Form MARS002 shall be provided no later than 10 days after notice of approval or no later than 10 days prior to the effective date.

Amended by R.1975 d.34, effective February 19, 1975.

See: 7 N.J.R. 9(b), 7 N.J.R. 115(a).

Recodified from N.J.A.C. 11:1-2.1 and amended by R.2002 d.101, effective April 1, 2002.

See: 33 N.J.R. 1875(a), 34 N.J.R. 1431(b).

Rewrote the section. Former N.J.A.C. 11:1-2.2, Filing of changes, recodified to N.J.A.C. 11:1-2.3.

11:1-2.3 Filing of changes

(a) Filings containing changes in rates, rules, plans and forms previously approved for the filer shall be presented in the following fashion:

1. A copy of the page or pages containing the passage for which a change is proposed shall be filed in such form that the text is self-contained without need to refer to material not included in the filing. Matter to be changed or omitted by the filing shall be identified, preferably by marking the passages to be changed with a marking pencil; where matter is to be added, a mark (Λ) shall so indicate.

2. A memorandum shall be filed reciting the rule or section of form to be changed, properly referenced as to the manual or form, with newly added matter underlined

and matter to be eliminated in brackets [] or a side by side comparison indicating the proposed changes.

(b) An explanatory note shall state the reason or purpose for the proposed change including any statistical support, and a calculation or estimate of the effect of the change on premiums and/or losses shall be submitted:

1. Filings of proposed rate changes must contain all information upon which the rate filer relies, including past and prospective loss and expense experience, and due consideration must be given to investment income from unearned premium and loss reserves in any proposed profit provision in the rates.

Amended by R.1975 d.34, effective February 19, 1975.

See: 7 N.J.R. 9(b), 7 N.J.R. 115(a).

Recodified from N.J.A.C. 11:1-2.2 and amended by R.2002 d.101, effective April 1, 2002.

See: 33 N.J.R. 1875(a), 34 N.J.R. 1431(b).

In (a)2, added "or a side by side comparison indicating the proposed changes". Former N.J.A.C. 11:1-2.3, Adoption of rules and forms approved for other filers, recodified to N.J.A.C. 11:1-2.4.

11:1-2.4 Adoption of rules and forms approved for other filers

(a) If a filer proposes to adopt rules, rating plans, policy forms or endorsements previously approved for other filers in New Jersey, the filing shall clearly identify such reference including the name of the filer and the date such filings were approved in this State, including any amendments thereof. The Department staff will give reasonable assistance to a filer in obtaining such information to the extent that it is a public record:

1. Reference to filings of rating organizations or advisory organizations:

i. If the proponent wishes to adopt exactly and without any change filings approved for rating organizations or accepted for reference purposes on behalf of advisory organizations in New Jersey, the filing shall clearly identify such reference and shall not include a copy of the material referred to;

ii. If the proponent wishes to adopt filing material with some exceptions, he shall follow the procedure outlined under this subsection, submitting only pages containing such exceptions.

2. Reference to filings of individual filers:

i. If the proponent wishes to adopt filings approved in New Jersey for other filers acting independently of rating organizations, the material made reference to must be filed, with any modifications identified as outlined in Section 2 of this Subchapter.

Amended by R.1975 d.34, effective February 19, 1975.

See: 7 N.J.R. 9(b), 7 N.J.R. 115(a).

Recodified from N.J.A.C. 11:1-2.3 by R.2002 d.101, effective April 1, 2002.

See: 33 N.J.R. 1875(a), 34 N.J.R. 1431(b).

Former N.J.A.C. 11:1-2.4, New Filings, recodified to N.J.A.C. 11:1-2.5.

11:1-2.5 New filings

Action on new filings will be expedited if they are identified as to their foundation. Filings shall not be identified as new filings if they properly fall under the categories discussed under section 3 or 4 of this subchapter.

Amended by R.1975 d.34, effective February 19, 1975.

See: 7 N.J.R. 9(b), 7 N.J.R. 115(a).

Recodified from N.J.A.C. 11:1-2.4 and amended by R.2002 d.101, effective April 1, 2002.

See: 33 N.J.R. 1875(a), 34 N.J.R. 1431(b).

Deleted the first sentence, substituted "new" for "such" in the second sentence and substituted "3 or 4" for "2 or 3" in the third sentence. Former N.J.A.C. 11:1-2.5, Notification, recodified to N.J.A.C. 11:1-2.6.

11:1-2.6 Notification

The filing with a cover letter shall be submitted to the Department of Banking and Insurance. The filing shall be accompanied by a Filing Source Document as described in N.J.A.C. 11:1-2.2(b) and (c) and incorporated herein by reference as Exhibit A and B in the Appendix to this subchapter, properly completed and signed by the person authorized by the company to make filings.

New Rule R.1975 d.34, effective February 19, 1975.

See: 7 N.J.R. 9(b), 7 N.J.R. 115(a).

Public Notice: change of address.

See: 16 N.J.R. 1813(b).

Amended by R.1996 d.116, effective March 4, 1996.

See: 27 N.J.R. 4121(a), 28 N.J.R. 1382(a).

Amended by R.2001 d.75, effective March 5, 2001.

See: 32 N.J.R. 4184(a), 33 N.J.R. 794(a).

Recodified from N.J.A.C. 11:1-2.5 and amended by R.2002 d.101, effective April 1, 2002.

See: 33 N.J.R. 1875(a), 34 N.J.R. 1431(b).

Rewrote the section.

Case Notes

Filing of insurance rates was a "proceeding" in which Rate Counsel was authorized to intervene. *State Farm Mut. Auto. Ins. Co. v. State, Dept. of Public Advocate*, 227 N.J.Super. 99, 545 A.2d 823 (A.D.1988), certification granted 114 N.J. 479, 555 A.2d 605, affirmed 118 N.J. 336, 571 A.2d 957.

Rate Counsel is entitled to compensation in a "proceeding initiated" by insurance company. *State Farm Mut. Auto. Ins. Co. v. State, Dept. of Public Advocate*, 227 N.J.Super. 99, 545 A.2d 823 (A.D.1988), certification granted 114 N.J. 479, 555 A.2d 605, affirmed 118 N.J. 336, 571 A.2d 957.

11:1-2.7 Penalties

Failure to comply with the provisions of this subchapter may result in the imposition of penalties as prescribed by law.

New Rule, R.2002 d.101, effective April 1, 2002.

See: 33 N.J.R. 1875(a), 34 N.J.R. 1431(b).

APPENDIX

APPENDIX
INSTRUCTIONS FOR FILING SOURCE DOCUMENT,
FORM MARS001

1. Market—The following are lists of commercial and personal lines the Department regulates:

<p><u>Commercial</u> Artisans Auto Liability Auto Physical Damage Businessowners Commercial Package Policy Crime Fire General Liability Glass Market Segments Professional Liability Special Multi Peril</p>	<p><u>Personal</u> Auto Liability Auto Physical Damage Boatowners Crime Economic Security Excess Liability Farmowners Fire General Liability Glass Homeowners Inland Marine Mobile-homeowners Pet insurance Title</p>
--	---
2. Type of Filing—Check all applicable items. “Other” includes the following: symbol pages, CAIP & PAIP changes in Plan of Operation. Plain Language Certification only applies to personal lines (except Title & Farmowners).
3. Proposed Effective Date—Enter the anticipated date you would like the filing effective, for example, June 10, 2000 as 06 10 2000. No rate, rule or form filings for personal lines insurance may be used in New Jersey until it is approved by the Commissioner. The effective date is an agreed date between the filer and the Department. Commercial lines rates and rules filings are submitted on a use and file basis in accordance with the Commercial Deregulation Act of 1982, N.J.S.A. 17:29AA-1 et seq. Commercial lines forms filings are submitted on a file and use basis with a minimum 30 day deemer from receipt of filing. “Renewals” if not applicable leave blank.

4. Company Name—Include only companies in your group to which this filing applies. Group number is 4 digits, NAIC number is 5 digits.
5. Line—Enter the line of insurance (see #1 above for lines of insurance).
6. Subline—The following are recognized sublines by the Department and may be amended.

<p>Line Professional Liability Commercial General Liability Personal Inland Marine Economic Security</p>	<p>Subline Dentists/Technical Employees Employees Professional Liability Hospitals Lawyers Nurses Nursing Homes Optometrists/Opticians Physicians/Surgeons Physiotherapists Podiatrists Premises/Operations Credit Property Credit Involuntary Unemployment Leave of Absence</p>
---	--
7. Program Name—Enter program name if applicable, for example, Businessowners Insurance Program.
8. Bureau Designation #—Not applicable to companies.
9. Include previously disapproved exclusions, rates or rules.
10. If this filing is a revision of your current program, provide the New Jersey Department File #and effective date of the rates, rules or forms that are being revised by this filing.
11. If this filing is identical or similar to that of another carrier, provide the Department File #and company name.
12. Enter the applicable Annual Statement Statutory Page 14 line(s) of business where the premium associated with this filing will be reported.
13. If this filing has an impact on rates, complete the requested information as it affects the current book of business. Affidavit of Compliance—complete all parts.

NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE
OFFICE OF PROPERTY/CASUALTY
FILING SOURCE DOCUMENT

9. Does this filing contain any provisions previously disapproved by the New Jersey Insurance Department? Yes [] No []

If yes, provide the New Jersey Department File # _____

10. Does this filing change Rates, Rules or Forms currently approved and on file with the New Jersey Insurance Department? Yes [] No []

If yes, provide the following: New Jersey Department File # _____
Effective Date _____

11. Is this filing identical to another submission filed for use in New Jersey by another carrier? Yes [] No []

If yes, provide the following: New Jersey Department File # _____
Company Name _____

12. Enter applicable Annual Statement Statutory Page 14 line of business number(s) for the line of insurance being filed. Line No. _____

13. Does this filing have an impact on rates charged to insureds? Yes [] No []

If yes, provide the following: Overall Percentage Change _____
Dollar Impact _____
Number of exposures affected by change _____
How measured (# of drivers, policies, etc.) _____
Range of increase/decrease per insured _____ %
Current and Proposed Statewide Average Premium _____
(For Homeowners show separately for owner and tenant forms)

AFFIDAVIT OF COMPLIANCE

The attached filing, to the best of my knowledge and belief, fully conforms to all pertinent State of New Jersey laws, and New Jersey Department of Banking and Insurance rules and requirements. The attached filing, to the best of my knowledge and belief, contains no provisions previously disapproved by the New Jersey Department of Banking and Insurance or its predecessors, except as specifically noted above.

Name (Please Print) : _____

Signature : _____

Title : _____

Phone # : _____

Fax # : _____

E-Mail Address : _____

INSTRUCTIONS FOR FINAL PRINTED PAGES, FORM MARS002

The Final Printed Pages form must be completed accurately by filers so that the DOBI can maintain a current manual of rates,

rules and forms. This form is utilized by our staff to withdraw old forms and/or manual pages from your current manual, replace revised forms and/or manual pages, and to insert new forms and/or manual pages. It is therefore very important that

this form be completed and returned to our office expeditiously. If the company fails to submit a completed form and final printed pages within the allowable time frame, it may result in administrative action.

- NJ Dept File No: This is the number assigned to your submission from the Department. It is included in the acknowledgment copy that is returned to you. If this is not known, please contact the Department.
- Date of Filing: This is the letter date of your initial submission.
- Effective Date: This is the date you would like the filing to become effective. This date should be consistent with item 3. of the Filing Source Document.
- Line: The line of insurance is to be identified as the line applicable to your submission. Same as item 5. of the Filing Source Document.
- Program Name: If applicable, identify the specific name of the program.
- CLM Division No: This includes the commercial lines manual division number applicable to this submission. For example, Division One—Commercial Auto. This is not applicable to Personal Lines or bureaus other than ISO.

- Company Names:
- Manual Page and Form Numbers:

This includes the companies for which this filing is being made. If the filing is made for certain companies in a group, only list the names of the companies that apply.

This information is the most important information on this form and must therefore be completed accurately. Always identify pages/forms with a printing date and/or edition date.

New: Use this column when the pages/forms are new and do not replace any current pages/ forms.

Revised: Use this column to indicate the revised pages/forms. If this column is used an entry must be in the Superseded column.

Superseded: Use this column to identify the pages/forms being replaced or withdrawn.

New Rule, R.2002 d.101, effective April 1, 2002.
See: 33 N.J.R. 1875(a), 34 N.J.R. 1431(b).

See: 32 N.J.R. 4184(a), 33 N.J.R. 794(a).

SUBCHAPTER 3. DISABILITY DISCRIMINATION GRIEVANCE PROCEDURE

11:1-3.1 Definitions

The following words and terms, as used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

“ADA” means the Americans with Disabilities Act, 42 U.S.C.A. § 12101 et seq.

“Agency” means the New Jersey Department of Banking and Insurance.

“Designated decision maker” means the Commissioner of Banking and Insurance or his or her designee.

Amended by R.2001 d.75, effective March 5, 2001.

11:1-3.2 Purpose

(a) These rules are adopted by the agency in satisfaction of the requirements of the ADA and regulations promulgated pursuant thereto, 28 C.F.R. 35.107.

(b) The purpose of these rules is to establish a designated coordinator whose duties shall include assuring that the agency complies with and carries out its responsibilities under the ADA. Those duties shall also include the investigation of any complaint filed with the agency pursuant to N.J.A.C. 11:1-3.5 through 3.8.

11:1-3.3 Required ADA notice

In addition to any other advice, assistance or accommodation provided, a copy of the following notice shall be given to anyone who inquires regarding the agency's compliance with the ADA or the availability of accommodation which would allow a qualified individual with a disability to receive services or participate in a program or activity provided by the agency.