

CHAPTER 4
ACTUARIAL SERVICES

Authority

N.J.S.A. 17:1C-6e.

Source and Effective Date

R.2001 d.7, effective November 30, 2000.
See: 32 N.J.R. 3546(a), 33 N.J.R. 101(a).

Executive Order No. 66(1978) Expiration Date

Chapter 4, Actuarial Services, expires on November 30, 2005.

Chapter Historical Note

Chapter 4, Actuarial Services, was adopted and became effective prior to September 1, 1969.

Subchapter 2, Replacement of Life Insurance Policy, was adopted as R.1972 d.21, effective April 1, 1972.

Subchapter 7, Procedure for the Regulation of Consent to Higher Rate Filings, was adopted as R.1973 d.82, effective April 15, 1973. See: 4 N.J.R. 220(a), 5 N.J.R. 113(b).

Subchapter 8, Charitable Annuities, was adopted as R.1974 d.258, effective September 20, 1974. See: 6 N.J.R. 315(a), 6 N.J.R. 399(c).

Subchapter 11, Life Insurance Solicitation, was adopted as R.1976 d.329, effective October 18, 1976. See: 8 N.J.R. 336(a), 8 N.J.R. 517(a).

Subchapter 13, Group Student Health Insurance, was adopted as R.1977 d.309, effective August 22, 1977. See: 9 N.J.R. 343(c), 9 N.J.R. 438(d).

Subchapter 14, Home Health Care Insurance Coverage, was adopted as R.1977 d.476, effective December 15, 1977. See: 9 N.J.R. 479(f), 10 N.J.R. 16(d).

Subchapter 15, Alcoholism Benefits, was adopted as R.1978 d.165, effective May 22, 1978. See: 10 N.J.R. 162(a), 10 N.J.R. 257(a).

Subchapter 20, Blindness; Partial Blindness or other Physical or Mental Impairments; Unfair Discrimination, was adopted as R.1979 d.434, effective December 6, 1979. See: 11 N.J.R. 384(a), 11 N.J.R. 627(f).

Subchapter 16, Minimum Standards for Individual Health Insurance, Subchapter 17, Health Insurance Solicitation, and Subchapter 18, Individual Health Insurance Rate Filings, were adopted as new rules by R.1980 d.176, effective April 21, 1980. See: 11 N.J.R. 348(a), 12 N.J.R. 342(c).

Pursuant to Executive Order No. 66(1978), Subchapter 16, Minimum Standards for Individual Health Insurance, Subchapter 17, Health Insurance Solicitation, and Subchapter 18, Individual Health Insurance Rate Filings, were readopted as R.1980 d.343, effective August 5, 1980. See: 12 N.J.R. 420(c), 12 N.J.R. 538(b).

Subchapter 21, Limited Death Benefits Forms, was adopted as R.1980 d.265, effective June 18, 1980. See: 12 N.J.R. 279(b), 12 N.J.R. 423(c).

Subchapter 2, Replacement of Life Insurance Policy, was repealed and Subchapter 2, Replacement of Life Insurance Policy, was adopted as new rules by R.1982 d.16, effective February 1, 1982, operative June 1, 1982. See: 13 N.J.R. 18(e), 14 N.J.R. 158(d).

Pursuant to Executive Order No. 66(1978), Subchapter 15, Alcoholism Benefits, expired on May 22, 1983.

Subchapter 22, Individual Life Insurance: Use of Gender Blended Mortality Tables, was adopted as R.1984 d.478, effective November 5, 1984. See: 16 N.J.R. 1452(a), 16 N.J.R. 3040(a).

Pursuant to Executive Order No. 66(1978), Subchapter 6, Reserve Standards for Individual Health Insurance Policies, was readopted as R.1984 d.512, effective November 5, 1984. See: 16 N.J.R. 2225(a), 16 N.J.R. 3039(a).

Subchapter 23, Medicare Supplement Policies and Contracts, was adopted as R.1985 d.70, effective February 19, 1985, operative June 19, 1985. See: 16 N.J.R. 2945(a), 17 N.J.R. 460(a).

Pursuant to Executive Order No. 66(1978), Subchapter 20, Blindness; Partial Blindness or Other Physical or Mental Impairments; Unfair Discrimination, was readopted as R.1985 d.161, effective April 1, 1985. See: 17 N.J.R. 168(a), 17 N.J.R. 820(a).

Pursuant to Executive Order No. 66(1978), Subchapter 16, Minimum Standards for Individual Health Insurance, Subchapter 17, Health Insurance Solicitation, and Subchapter 18, Individual Health Insurance Rate Filings were readopted as R.1985 d.221, effective April 15, 1985. See: 17 N.J.R. 554(a), 17 N.J.R. 1129(a).

Subchapter 21 was readopted as R.1985 d.325, effective June 3, 1985. See: 17 N.J.R. 891(a), 17 N.J.R. 1660(a).

Subchapter 24, Smoker and Nonsmoker Mortality Tables, was adopted as R.1985 d.617, effective December 2, 1985. See: 17 N.J.R. 2348(a), 17 N.J.R. 2907(a).

Subchapter 26, Annuity Mortality Tables, was adopted as R.1985 d.616, effective December 2, 1985. See: 17 N.J.R. 2349(a), 17 N.J.R. 290(a).

Subchapter 15, Alcoholism Benefits, was adopted as R.1986 d.228, effective June 16, 1986. See: 18 N.J.R. 607(a), 18 N.J.R. 1302(a).

Subchapter 19, Optional Coverage for Pregnancy and Childbirth Benefits, was adopted as R.1988 d.455, effective September 19, 1988. See: 20 N.J.R. 43(a), 20 N.J.R. 2377(c).

Subchapter 28, Group Coordination of Benefits, was adopted as new rules by R.1988 d.499, effective October 17, 1988. See: 20 N.J.R. 1773(b), 20 N.J.R. 2581(a).

Subchapter 29, Homeowners Comparison Survey, was adopted as R.1989 d.50, effective January 17, 1989. See: 20 N.J.R. 2181(a), 21 N.J.R. 164(a).

Subchapter 31, Term Life Insurance Comparison Survey, was adopted as R.1989 d.122, effective February 21, 1989. See: 20 N.J.R. 2990(a), 21 N.J.R. 566(a).

Subchapter 32, Health Service Corporation Notice of Increased Rates, was adopted as R.1989 d.522, effective October 2, 1989. See: 21 N.J.R. 973(b), 21 N.J.R. 3173(c).

Subchapter 33, Excess Interest Reserve Adjustment, was adopted as R.1989 d.523, effective October 2, 1989. See: 21 N.J.R. 1308(a), 21 N.J.R. 3175(c).

Subchapter 34, Long-Term Care Insurance, was adopted as R.1989 d.571, effective November 6, 1989. See: 21 N.J.R. 1964(a), 21 N.J.R. 3465(a).

Subchapter 25, Medicare Supplement Interim Standards, was adopted as R.1990 d.214, effective April 16, 1990. See: 22 N.J.R. 320(a), 22 N.J.R. 1266(b).

Pursuant to Executive Order No. 66(1978), Chapter 4 was readopted as R.1991 d.3, effective November 30, 1990, Subchapter 1, Contracts on a Variable Basis, was repealed by R.1991 d.3, effective January 7, 1991. See: 22 N.J.R. 1689(a), 23 N.J.R. 111(a).

Subchapter 35, Annual Medicare Supplement Policy Survey, was adopted as R.1991 d.122, effective March 4, 1991. See: 22 N.J.R. 1226(b), 23 N.J.R. 698(a).

Petition for Rulemaking. See: 23 N.J.R. 2546(c), 23 N.J.R. 3827(a).

Subchapter 25, Medicare Supplement Interim Standards, was repealed by R.1993 d.26, effective January 4, 1993. See: 24 N.J.R. 12(a), 25 N.J.R. 141(a).

Subchapter 37, Selective Contracting Arrangements of Insurers, was adopted as R.1994 d.45, effective January 18, 1994. See: 25 N.J.R. 4554(b), 26 N.J.R. 381(a).

Subchapter 9, Personal Lines Insurance: Prospective Loss Costs Filing Procedures, was adopted as R.1995 d.406, effective August 7, 1995. See: 27 N.J.R. 1356(b), 27 N.J.R. 2931(a).

Subchapter 30, Accelerated Death Benefits, was adopted as R.1995 d.521, effective September 18, 1995. See: 27 N.J.R. 2046(a), 27 N.J.R. 3613(c).

Subchapter 40, Life/Health/Annuity Forms, was adopted as R.1995 d.569, effective November 6, 1995. See: 27 N.J.R. 2857(a), 27 N.J.R. 2867(a), 27 N.J.R. 4317(a).

Administrative correction. See: 27 N.J.R. 4728(a).

Pursuant to Executive Order No. 66(1978), Chapter 4, Actuarial Services, was readopted as R.1996 d.4, effective November 30, 1995, and Subchapter 5, Amendment to Instructions to Life and Accident and Health Annual Statement Blank, Subchapter 10, Expense Experience, Subchapter 32, Health Service Corporation Notice of Increased Rates, Subchapter 35, Annual Medicare Supplement Policy Survey, and Exhibits A and B of the Appendix to Subchapters 16 and 23 were repealed by R.1996 d.4, effective January 2, 1996. See: 27 N.J.R. 3557(a), 28 N.J.R. 165(a).

Subchapter 47, Actuarial Requirements for Flexible-Factor Policy Forms, was adopted as new rules by R.1996 d.83, effective February 5, 1996. See: 27 N.J.R. 3750(a), 28 N.J.R. 1215(a).

Subchapter 44, Standards for Contracts on a Variable Basis, was adopted as new rules by R.1996 d.149, effective March 18, 1996. See: 27 N.J.R. 3743(a), 28 N.J.R. 1546(a).

Subchapter 45, Periodic Reports, was adopted as new rules by R.1996 d.150, effective March 18, 1996. See: 27 N.J.R. 3744(a), 28 N.J.R. 1548(a).

Subchapter 43, Individual Annuity Contract Form Standards, was adopted as new rules by R.1996 d.181, effective April 1, 1996. See: 27 N.J.R. 3740(a), 28 N.J.R. 1885(a).

Subchapter 48, Unfair Discrimination, was adopted as new rules by R.1996 d.182, effective April 1, 1996. See: 27 N.J.R. 3756(a), 28 N.J.R. 1887(a).

Subchapter 23A, Medicare Supplement—Under 50 Coverage, and Subchapter 23B, Medicare Supplement—Age 50 through 64 Coverage were adopted as new rules by R.1996 d.195, effective April 15, 1996. See: 27 N.J.R. 3719(a), 28 N.J.R. 1987(a).

Subchapter 42, Group Life, Group Health and Blanket Insurance: General Standards for Contract Provisions, was adopted as new rules by R.1996 d.196, effective April 15, 1996. See: 27 N.J.R. 3735(a), 28 N.J.R. 2003(a).

Subchapter 41, Standards for Individual Life Insurance Policy Forms, was adopted as new rules by R.1996 d.197, effective April 15, 1996. See: 27 N.J.R. 3727(a), 28 N.J.R. 1992(a).

Subchapter 25, Funeral Insurance Policies, was adopted as new rules by R.1996 d.328, effective July 15, 1996. See: 28 N.J.R. 1656(a), 28 N.J.R. 3671(a).

Subchapter 49, Mandated Diabetes Benefits, was adopted as new rules by R.1997 d.86, effective February 18, 1997. See: 28 N.J.R. 4340(a), 29 N.J.R. 562(a).

Subchapter 46, Synthetic Guaranteed Investment Contract Forms, was adopted as new rules by R.1997 d.332, effective August 4, 1997. See: 29 N.J.R. 1472(a), 29 N.J.R. 3452(b).

Subchapter 50, Reimbursement of Inmate Health Care Costs, was adopted as new rules by R.1997 d.513, effective December 1, 1997. See: 29 N.J.R. 2232(a), 29 N.J.R. 5066(a).

Subchapter 52, Life Insurance Illustrations, was adopted as new rules by R.1998 d.338, effective July 6, 1998. See: 30 N.J.R. 47(a), 30 N.J.R. 2495(a).

Subchapter 32, Valuation of Life Insurance Policies, was adopted as new rules by R.1999 d.442, effective December 20, 1999 (operative January 1, 2000, except as provided in N.J.A.C. 11:4–32.6). See: 31 N.J.R. 2845(a), 31 N.J.R. 4268(c).

Pursuant to Executive Order No. 66(1978), Chapter 4, Actuarial Services, was readopted as R.2001 d.7, effective November 30, 2000. See: Source and Effective Date.

CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. NEW JERSEY INSOLVENT HEALTH MAINTENANCE ORGANIZATION ASSISTANCE ASSOCIATION

- 11:4–1.1 Purpose and scope
- 11:4–1.2 Definitions
- 11:4–1.3 Establishment of Association and Fund
- 11:4–1.4 Relief
- 11:4–1.5 Application procedures and filing format
- 11:4–1.6 Informational filing requirements
- 11:4–1.7 Confidentiality of request for relief
- 11:4–1.8 Disposition of request for relief
- 11:4–1.9 Rates
- 11:4–1.10 Penalties

SUBCHAPTER 2. REPLACEMENT OF LIFE INSURANCE POLICY

- 11:4–2.1 Purpose
- 11:4–2.2 Definitions
- 11:4–2.3 Exemptions
- 11:4–2.4 Duties of agent
- 11:4–2.5 Duties of replacing insurers
- 11:4–2.6 Duties of insurers with respect to direct-response sales
- 11:4–2.7 Duties of the existing insurer
- 11:4–2.8 Penalties
- 11:4–2.9 Separability

SUBCHAPTER 3. COUPON POLICIES AND POLICIES CONTAINING GUARANTEED ANNUAL ENDOWMENT BENEFITS

- 11:4–3.1 Payments
- 11:4–3.2 Gross premium shown
- 11:4–3.3 Gross premium regarding additional insurance
- 11:4–3.4 Coupons
- 11:4–3.5 Guaranteed annual endowments
- 11:4–3.6 Severability
- 11:4–3.7 Effective date

SUBCHAPTER 4. PASSBOOKS USED IN CONNECTION WITH COUPON POLICIES OR POLICIES CONTAINING GUARANTEED ANNUAL ENDOWMENT BENEFITS

- 11:4–4.1 General provisions
- 11:4–4.2 Unfair practice
- 11:4–4.3 Scope
- 11:4–4.4 Severability
- 11:4–4.5 Effective date

ACTUARIAL SERVICES

SUBCHAPTER 5. (RESERVED)

SUBCHAPTER 6. MINIMUM RESERVE STANDARDS FOR INDIVIDUAL AND GROUP HEALTH INSURANCE CONTRACTS

- 11:4-6.1 Purpose and scope
- 11:4-6.2 Definitions
- 11:4-6.3 Claim reserves—general requirements
- 11:4-6.4 Claim reserves—minimum standards for claim reserves
- 11:4-6.5 Claim reserves—claim reserve methods
- 11:4-6.6 Premium reserves—general requirements
- 11:4-6.7 Premium reserves—minimum standards for unearned premium reserves
- 11:4-6.8 Premium reserves—premium reserve methods
- 11:4-6.9 Contract reserves—general requirements
- 11:4-6.10 Contract reserves—minimum standards for contract reserves
- 11:4-6.11 Contract reserves—alternative valuation methods and assumptions generally
- 11:4-6.12 Tests for adequacy and reasonableness of contract reserves
- 11:4-6.13 Reinsurance
- 11:4-6.14 Specific standards for morbidity for valuation of specified individual contract health insurance benefits
- 11:4-6.15 Specific standards for morbidity for valuation of specified group contract health insurance benefits
- 11:4-6.16 Specific standards for interest
- 11:4-6.17 Specific standards for mortality
- 11:4-6.18 Reserves for waiver of premium

SUBCHAPTER 7. PROCEDURE FOR THE REGULATION OF CONSENT TO HIGHER RATE FILINGS

- 11:4-7.1 Filing requirements
- 11:4-7.2 Premium charges
- 11:4-7.3 Approval of applications

SUBCHAPTER 8. CHARITABLE ANNUITIES

- 11:4-8.1 Purpose
- 11:4-8.2 Forms of agreement
- 11:4-8.3 Annuity rates
- 11:4-8.4 Surplus and reserves
- 11:4-8.5 Compliance with investment requirements
- 11:4-8.6 Annual report
- 11:4-8.7 Special permit
- 11:4-8.8 Separability of provisions
- 11:4-8.9 Penalties

SUBCHAPTER 9. PERSONAL LINES INSURANCE: PROSPECTIVE LOSS COSTS FILING PROCEDURES

- 11:4-9.1 Purpose and scope
- 11:4-9.2 Definitions
- 11:4-9.3 Prospective loss cost filing requirements for rating organizations
- 11:4-9.4 Prospective loss costs filing requirements for insurers
- 11:4-9.5 Penalties

APPENDIX A

APPENDIX B

SUBCHAPTER 10. (RESERVED)

SUBCHAPTER 11. LIFE INSURANCE SOLICITATION

- 11:4-11.1 Purpose
- 11:4-11.2 Scope
- 11:4-11.3 Definitions
- 11:4-11.4 Disclosure requirements
- 11:4-11.5 General provisions
- 11:4-11.6 Failure to comply
- 11:4-11.7 Effective date
- 11:4-11.8 (Reserved)

APPENDIX. LIFE INSURANCE BUYER'S GUIDE

SUBCHAPTER 12. STUDENT LIFE INSURANCE

- 11:4-12.1 Student life insurance solicitation

SUBCHAPTER 13. GROUP STUDENT HEALTH INSURANCE

- 11:4-13.1 Scope
- 11:4-13.2 Definitions
- 11:4-13.3 Prohibited provisions

SUBCHAPTER 14. HOME HEALTH CARE INSURANCE COVERAGE

- 11:4-14.1 Scope
- 11:4-14.2 Definitions
- 11:4-14.3 Home health care benefits required
- 11:4-14.4 Exclusions
- 11:4-14.5 Effective date

SUBCHAPTER 15. ALCOHOLISM BENEFITS

- 11:4-15.1 Scope
- 11:4-15.2 Benefits
- 11:4-15.3 Exclusions

SUBCHAPTER 16. MINIMUM STANDARDS FOR INDIVIDUAL HEALTH INSURANCE

- 11:4-16.1 Purpose
- 11:4-16.2 Applicability and scope
- 11:4-16.3 Effective date
- 11:4-16.4 Policy definitions
- 11:4-16.5 Prohibited policy provisions
- 11:4-16.6 Minimum standards for benefits
- 11:4-16.7 Application forms
- 11:4-16.8 Required disclosure provisions
- 11:4-16.9 Forms submission requirements
- 11:4-16.10 Separability
- 11:4-16.11 Penalties

APPENDIX A

SUBCHAPTER 17. HEALTH INSURANCE SOLICITATION

- 11:4-17.1 Purpose
- 11:4-17.2 Applicability and scope
- 11:4-17.3 Definitions
- 11:4-17.4 Unfair and deceptive acts
- 11:4-17.5 Replacement
- 11:4-17.6 Complaint record to be maintained
- 11:4-17.7 Penalties
- 11:4-17.8 Separability
- 11:4-17.9 Effective date

SUBCHAPTER 18. INDIVIDUAL HEALTH INSURANCE RATE FILINGS

- 11:4-18.1 Purpose
- 11:4-18.2 Applicability and scope
- 11:4-18.3 Definitions
- 11:4-18.4 Rate submission requirements
- 11:4-18.5 Loss ratio standards
- 11:4-18.6 Annual review of calendar year experience data on filed individual health insurance policy forms
- 11:4-18.7 Rate manual
- 11:4-18.8 Separability
- 11:4-18.9 Penalties
- 11:4-18.10 Compliance

SUBCHAPTER 19. OPTIONAL COVERAGE FOR PREGNANCY AND CHILDBIRTH BENEFITS

- 11:4-19.1 Purpose

- 11:4-19.2 Scope
- 11:4-19.3 Second surgical opinions
- 11:4-19.4 Maternity benefits option

SUBCHAPTER 20. BLINDNESS; PARTIAL BLINDNESS OR OTHER PHYSICAL OR MENTAL IMPAIRMENT; UNFAIR DISCRIMINATION

- 11:4-20.1 Purpose
- 11:4-20.2 Unfair discriminatory acts or practices

SUBCHAPTER 21. LIMITED DEATH BENEFITS FORMS

- 11:4-21.1 Purpose; scope
- 11:4-21.2 Definitions
- 11:4-21.3 General requirements
- 11:4-21.4 Severability

SUBCHAPTER 22. INDIVIDUAL LIFE INSURANCE: USE OF GENDER BLENDED MORTALITY TABLES

- 11:4-22.1 Purpose
- 11:4-22.2 Definitions
- 11:4-22.3 Construction of gender blended tables for use in the determination of minimum nonforfeiture benefits and minimum reserves
- 11:4-22.4 Construction of Gender Blended Smoker and Nonsmoker Mortality Tables for use in the determination of minimum nonforfeiture benefits and minimum reserves
- 11:4-22.5 Use of gender blended mortality tables in the non-Norris market
- 11:4-22.6 Effect on previously filed forms
- 11:4-22.7 Unfair discrimination
- 11:4-22.8 Separability

APPENDIX A. MORTALITY TABLES

APPENDIX B. 1980 CSO-SA SMOKER TABLES

SUBCHAPTER 23. MINIMUM STANDARDS FOR MEDICARE SUPPLEMENT COVERAGE

- 11:4-23.1 Purpose
- 11:4-23.2 Applicability and scope
- 11:4-23.3 Definitions
- 11:4-23.4 Policy definitions and terms
- 11:4-23.5 Policy provisions
- 11:4-23.6 General minimum benefit standards
- 11:4-23.7 Minimum benefits for policies and certificates delivered or issued for delivery prior to January 4, 1993
- 11:4-23.8 Minimum benefit standards for policies and certificates delivered or issued for delivery on or after January 4, 1993
- 11:4-23.9 Open enrollment
- 11:4-23.10 Standards for claims payment
- 11:4-23.11 Loss ratio standards, annual filing of premium rates and refund or credit calculation
- 11:4-23.12 Guaranteed issue for eligible persons
- 11:4-23.13 Filing requirements for policies, certificates and premium rates
- 11:4-23.14 Compensation arrangements
- 11:4-23.15 Required disclosure provisions
- 11:4-23.16 Requirements for application forms and replacement coverage
- 11:4-23.17 Filing requirements for advertising
- 11:4-23.18 Standards for marketing
- 11:4-23.19 Appropriateness of recommended purchase and excessive coverage
- 11:4-23.20 Reporting of multiple policies
- 11:4-23.21 Addresses for submission for filing
- 11:4-23.22 Penalties
- 11:4-23.23 Severability

APPENDIX TO SUBCHAPTERS 16 AND 23

- EXHIBITS A AND B (RESERVED)
- EXHIBIT C
- EXHIBIT D
- EXHIBIT E
- EXHIBIT F
- EXHIBIT G
- EXHIBIT H

SUBCHAPTER 23A. MEDICARE SUPPLEMENT—UNDER 50 COVERAGE

- 11:4-23A.1 Purpose and scope
- 11:4-23A.2 Definitions
- 11:4-23A.3 Creation of Medicare Supplement—Under 50 Coverage Plan
- 11:4-23A.4 Governing Board
- 11:4-23A.5 Plan of operation
- 11:4-23A.6 Open enrollment
- 11:4-23A.7 Rates
- 11:4-23A.8 Reports
- 11:4-23A.9 Equitable sharing of losses and audit
- 11:4-23A.10 Assessments
- 11:4-23A.11 Appeal to the Commissioner
- 11:4-23A.12 Assessment relief requests

SUBCHAPTER 23B. MEDICARE SUPPLEMENT—AGE 50 THROUGH 64 COVERAGE

- 11:4-23B.1 Purpose and scope
- 11:4-23B.2 Definitions
- 11:4-23B.3 Open enrollment
- 11:4-23B.4 Rates

SUBCHAPTER 24. SMOKER AND NONSMOKER MORTALITY TABLES

- 11:4-24.1 Purpose
- 11:4-24.2 Definitions
- 11:4-24.3 Smoker and nonsmoker mortality tables
- 11:4-24.4 Juvenile insureds
- 11:4-24.5 Separability

SUBCHAPTER 25. FUNERAL INSURANCE POLICIES

- 11:4-25.1 Purpose; scope
- 11:4-25.2 Definitions
- 11:4-25.3 Forms submission requirements
- 11:4-25.4 Disclosure requirements
- 11:4-25.5 Loss ratio standard
- 11:4-25.6 Severability
- 11:4-25.7 Penalties

SUBCHAPTER 26. ANNUITY MORTALITY TABLES

- 11:4-26.1 Purpose
- 11:4-26.2 Definitions
- 11:4-26.3 Individual annuity or pure endowment contracts
- 11:4-26.4 Group annuity or pure endowment contracts
- 11:4-26.5 Application of the 1994 GAR Table
- 11:4-26.6 Separability

SUBCHAPTER 27. (RESERVED)

SUBCHAPTER 28. GROUP COORDINATION OF BENEFITS

- 11:4-28.1 Purpose and scope
- 11:4-28.2 Definitions
- 11:4-28.3 Coordination permissive
- 11:4-28.4 Model COB contract provision
- 11:4-28.5 Prohibited coordination; benefit design
- 11:4-28.6 Rules for coordination of benefits
- 11:4-28.7 Procedure to be followed by other than primary plans to calculate benefits
- 11:4-28.8 Notice to covered persons

- 11:4-28.9 Excess and other nonconforming provisions
- 11:4-28.10 Substitute terminology in contracts
- 11:4-28.11 Compliance
- 11:4-28.12 Severability

APPENDIX A. MODEL COB PROVISIONS**SUBCHAPTER 29. HOMEOWNERS COMPARISON SURVEY**

- 11:4-29.1 Purpose and scope
- 11:4-29.2 Definitions
- 11:4-29.3 Coverage option survey requirements

APPENDIX A**APPENDIX B****APPENDIX C****SUBCHAPTER 30. ACCELERATED DEATH BENEFITS**

- 11:4-30.1 Purpose
- 11:4-30.2 Application and scope
- 11:4-30.3 Definitions
- 11:4-30.4 Permitted forms of accelerated death benefit provisions
- 11:4-30.5 Partial surrender
- 11:4-30.6 Lien
- 11:4-30.7 Payment options
- 11:4-30.8 Terms of accelerated death benefit contract provisions
- 11:4-30.9 Exercise of the option to accelerate the payment of death benefits
- 11:4-30.10 Form submission requirements
- 11:4-30.11 Illustrations
- 11:4-30.12 Discrimination
- 11:4-30.13 Severability
- 11:4-30.14 (Reserved)

SUBCHAPTER 31. TERM LIFE INSURANCE COMPARISON SURVEY

- 11:4-31.1 Purpose and scope
- 11:4-31.2 Definitions
- 11:4-31.3 Coverage option survey
- 11:4-31.4 Survey forms

APPENDIX A**APPENDIX B****APPENDIX C****SUBCHAPTER 32. VALUATION OF LIFE INSURANCE POLICIES**

- 11:4-32.1 Purpose and scope
- 11:4-32.2 Definitions
- 11:4-32.3 General calculation requirements for basic reserves and premium deficiency reserves
- 11:4-32.4 Calculation of minimum valuation standard for policies with guaranteed non-level gross premiums or guaranteed non-level benefits (other than universal life policies)
- 11:4-32.5 Calculation of minimum valuation standard for flexible premium and fixed premium universal life insurance policies that contain provisions resulting in the ability of a policyowner to keep a policy in force over a secondary guarantee period
- 11:4-32.6 Operative date

APPENDIX. SELECT MORTALITY FACTORS**SUBCHAPTER 33. EXCESS INTEREST RESERVE ADJUSTMENT**

- 11:4-33.1 Purpose
- 11:4-33.2 Applicability and scope
- 11:4-33.3 Requirements
- 11:4-33.4 Separability

SUBCHAPTER 34. LONG-TERM CARE INSURANCE

- 11:4-34.1 Purpose
- 11:4-34.2 Applicability and scope
- 11:4-34.3 Definitions
- 11:4-34.4 Filing requirement
- 11:4-34.5 Policy definitions
- 11:4-34.6 Policy practices, provisions and prohibitions
- 11:4-34.7 Continuation or conversion of group coverage
- 11:4-34.8 Required disclosure provisions
- 11:4-34.9 Requirements for replacement
- 11:4-34.10 Discretionary powers of the Commissioner
- 11:4-34.11 Outline of coverage
- 11:4-34.12 Severability
- 11:4-34.13 Actuarial requirements for rate submissions
- 11:4-34.14 Loss ratio standards for individual long-term care insurance
- 11:4-34.15 Spousal discount

SUBCHAPTER 35. VIATICAL SETTLEMENTS

- 11:4-35.1 Purpose and scope
- 11:4-35.2 Definitions
- 11:4-35.3 General licensing requirements
- 11:4-35.4 Viatical settlement provider's license application
- 11:4-35.5 Viatical settlement broker's or representative's license application
- 11:4-35.6 License renewals
- 11:4-35.7 Denial of license
- 11:4-35.8 Appointment requirements for viatical settlement representatives
- 11:4-35.9 Approval of contracts and disclosure statements; right of rescission
- 11:4-35.10 Standards for evaluation of reasonable viatical settlement proceeds
- 11:4-35.11 Reporting requirement
- 11:4-35.12 Payment of the proceeds
- 11:4-35.13 Viatical settlement provider/broker/representative conduct
- 11:4-35.14 Viatical settlement provisions
- 11:4-35.15 Advertising standards
- 11:4-35.16 Disclosure
- 11:4-35.17 Prohibited practices
- 11:4-35.18 Imposition of administrative penalties/suspension/ revocation of license

APPENDIX**SUBCHAPTER 36. (RESERVED)****SUBCHAPTER 37. SELECTIVE CONTRACTING ARRANGEMENTS OF INSURERS**

- 11:4-37.1 Purpose and scope
- 11:4-37.2 Definitions
- 11:4-37.3 Standards for selective contracting arrangements
- 11:4-37.4 Selective contracting arrangement approval and amendment procedures
- 11:4-37.5 Confidentiality
- 11:4-37.6 Denial, suspension and revocation
- 11:4-37.7 Monitoring; auditing
- 11:4-37.8 Filing and review fees
- 11:4-37.9 Penalties

SUBCHAPTERS 38 THROUGH 39. (RESERVED)**SUBCHAPTER 40. LIFE/HEALTH/ANNUITY FORMS**

- 11:4-40.1 Purpose and scope
- 11:4-40.2 Definitions
- 11:4-40.3 Life/health/annuity form approval standards
- 11:4-40.4 General requirements
- 11:4-40.5 Life/health/annuity form approval procedures
- 11:4-40.6 Individual life and annuities variable form approval procedures
- 11:4-40.7 Valuation and non-forfeiture interest rates form approval procedures
- 11:4-40.8 Certificate of assumption form approval procedures

- 11:4-40.9 File and use eligibility
- 11:4-40.10 File and use procedures
- 11:4-40.11 Service fees

APPENDIX

SUBCHAPTER 41. STANDARDS FOR INDIVIDUAL LIFE INSURANCE POLICY FORMS

- 11:4-41.1 Purpose and scope
- 11:4-41.2 Definitions
- 11:4-41.3 General standards
- 11:4-41.4 Exclusions and prohibitions
- 11:4-41.5 Prohibition of bail-out features
- 11:4-41.6 Indexed benefits
- 11:4-41.7 Standards for pre-existing conditions exclusions
- 11:4-41.8 Standards for field issue contracts
- 11:4-41.9 Standards for other insured coverage
- 11:4-41.10 Standards for survivorship forms
- 11:4-41.11 Standards for re-entry or requalification features
- 11:4-41.12 Standards for custom design products
- 11:4-41.13 Effect on previously filed forms
- 11:4-41.14 Standards for smoker/nonsmoker and/or tobacco/nontobacco reclassification
- 11:4-41.15 through 11:4-41.16 (Reserved)

SUBCHAPTER 42. GROUP LIFE, GROUP HEALTH AND BLANKET INSURANCE: GENERAL STANDARDS FOR CONTRACT PROVISIONS

- 11:4-42.1 Purpose and scope
- 11:4-42.2 Definitions
- 11:4-42.3 Applicability of other standards
- 11:4-42.4 General standards
- 11:4-42.5 Prohibited provisions
- 11:4-42.6 Provisions for aggregate limits
- 11:4-42.7 Provisions for offsets in group policies and certificates providing disability income insurance
- 11:4-42.8 Provisions setting forth pre-authorization requirements
- 11:4-42.9 Provisions for pre-existing condition exclusions and limitations
- 11:4-42.10 Prohibition on subrogation/third party liability provisions
- 11:4-42.11 Provisions concerning exclusions and limitations for the use of alcohol and drugs or relating to illegal occupations
- 11:4-42.12 Provisions for payment of benefits payable for automobile related injuries
- 11:4-42.13 Conversion of group life insurance coverage to an individual life insurance policy

APPENDIX. BENEFITS PAYABLE FOR AUTOMOBILE RELATED INJURIES

SUBCHAPTER 43. INDIVIDUAL ANNUITY CONTRACT FORM STANDARDS

- 11:4-43.1 Purpose and scope
- 11:4-43.2 Definitions
- 11:4-43.3 General requirements and prohibitions
- 11:4-43.4 Individual immediate annuities
- 11:4-43.5 Individual deferred annuities
- 11:4-43.6 Waiver of surrender charges
- 11:4-43.7 Surrender charges for individual deferred annuities

SUBCHAPTER 44. STANDARDS FOR CONTRACTS ON A VARIABLE BASIS

- 11:4-44.1 Purpose and scope
- 11:4-44.2 Definitions
- 11:4-44.3 Standards for variable contracts
- 11:4-44.4 Prohibited provisions
- 11:4-44.5 (Reserved)

SUBCHAPTER 45. PERIODIC REPORTS

- 11:4-45.1 Purpose and scope
- 11:4-45.2 Definitions
- 11:4-45.3 General requirements
- 11:4-45.4 Flexible factor forms; reporting requirements
- 11:4-45.5 Individual variable annuity forms; reporting requirements
- 11:4-45.6 Variable life insurance; periodic report requirements

- 11:4-45.7 Illustrated forms
- 11:4-45.8 Penalties

SUBCHAPTER 46. SYNTHETIC GUARANTEED INVESTMENT CONTRACT FORMS

- 11:4-46.1 Purpose and Scope
- 11:4-46.2 Definitions
- 11:4-46.3 Form submission requirements
- 11:4-46.4 Plan of operation requirements
- 11:4-46.5 Contract requirements
- 11:4-46.6 General requirements
- 11:4-46.7 Reserves
- 11:4-46.8 Severability

SUBCHAPTER 47. ACTUARIAL REQUIREMENTS FOR FLEXIBLE-FACTOR POLICY FORMS

- 11:4-47.1 Purpose and Scope
- 11:4-47.2 Definitions
- 11:4-47.3 General requirements
- 11:4-47.4 Pricing assumptions—actuarial certification
- 11:4-47.5 Nonforfeiture benefits—actuarial memorandum
- 11:4-47.6 Recordkeeping
- 11:4-47.7 Penalties

APPENDIX. DETECTION AND AVOIDANCE OF DISCONTINUITIES IN LIFE INSURANCE POLICIES

SUBCHAPTER 48. UNFAIR DISCRIMINATION

- 11:4-48.1 Purpose and scope
- 11:4-48.2 Definitions
- 11:4-48.3 General requirements
- 11:4-48.4 Conversion credits
- 11:4-48.5 Non-smoker only coverage
- 11:4-48.6 Policy benefits determined by ownership
- 11:4-48.7 Forgiveness of surrender charge
- 11:4-48.8 Discounts and reductions in premium in individual health insurance
- 11:4-48.9 (Reserved)

SUBCHAPTER 49. MANDATED DIABETES BENEFITS

- 11:4-49.1 Purpose and scope
- 11:4-49.2 Definitions
- 11:4-49.3 Benefits
- 11:4-49.4 Payment of benefits under multiple coverage plans

SUBCHAPTER 50. REIMBURSEMENT OF INMATE HEALTH CARE COSTS

- 11:4-50.1 Purpose and scope
- 11:4-50.2 Definitions
- 11:4-50.3 Liability for medical care
- 11:4-50.4 Amount of inmate liability
- 11:4-50.5 Health coverage plans
- 11:4-50.6 Filing of claims for reimbursement
- 11:4-50.7 Coordination of benefits
- 11:4-50.8 Policy forms

SUBCHAPTER 51. (RESERVED)

SUBCHAPTER 52. LIFE INSURANCE ILLUSTRATIONS

- 11:4-52.1 Purpose and scope
- 11:4-52.2 Definitions
- 11:4-52.3 Policies to be illustrated
- 11:4-52.4 General rules and prohibitions
- 11:4-52.5 Standards for basic illustrations

ACTUARIAL SERVICES

- 11:4-52.6 Standards for supplemental illustrations
- 11:4-52.7 Delivery of illustration and record retention
- 11:4-52.8 Annual report; notice to policy owners
- 11:4-52.9 Annual certifications
- 11:4-52.10 Penalties
- 11:4-52.11 Transition

SUBCHAPTER 53. MINIMUM STANDARDS FOR SPECIFIED DISEASE AND CRITICAL ILLNESS COVERAGES

- 11:4-53.1 Purpose and scope
- 11:4-53.2 Definitions
- 11:4-53.3 General standards
- 11:4-53.4 Standards for specified disease coverage
- 11:4-53.5 Standards for critical illness coverage
- 11:4-53.6 Loss ratio standards
- 11:4-53.7 Advertising

APPENDIX

SUBCHAPTER 1. NEW JERSEY INSOLVENT HEALTH MAINTENANCE ORGANIZATION ASSISTANCE ASSOCIATION

Authority

N.J.S.A. 17:1-8.1; 17:1-15e; and 17B:32B-1 et seq.

Source and Effective Date

R.2001 d.122, effective April 2, 2001.
See: 32 N.J.R. 3907(a), 33 N.J.R. 1109(a).

vi. A statement that the responsible officer signing the certification memorandum has supervised and is responsible for the completion and submission to the Department of the checklist required for the particular type of form; and

vii. A statement that the insurer shall not use the form before receipt of the form is acknowledged by the Department.

(b) The Department shall provide the insurer with a written acknowledgement that the Department received the form and a proper certification.

(c) Upon receipt of the written acknowledgment described in (b) above, the insurer may use the form in this State.

(d) If the Commissioner determines that the form submitted to the Department by the insurer pursuant to (a) above fails to comply with any law, or regulation, bulletin or published guideline applicable to the particular type of form, the Department shall notify the insurer in writing of the specific reasons for objecting to the form, and may disapprove the form for further use in this State.

(e) If the Commissioner determines that the certification submitted to the Department by the insurer pursuant to (a) above is an improper certification, the insurer shall be subject to the following penalties specifically determined by the Commissioner in consideration of the severity of the

violation based on the potential adverse impact to the public and whether it is the insurer's first such violation:

1. A fine not to exceed \$50,000; and

2. A maximum penalty of \$1,000 per contract or certificate issued with a form determined to be improperly certified pursuant to this subsection.

i. For purposes of this subsection, an "improper certification" means a certification that provides any misrepresentation or false statement material to a certification form.

(f) If, following notice and a hearing pursuant to the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq. and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1, an insurer is found by the Commissioner to be in violation of any of the requirements of this section, the form may be disapproved and the insurer may be barred from participating in the certification process pursuant to this section for a period not to exceed one year. These penalties are in addition to any penalties that may be imposed pursuant to any other law or regulation applicable to the particular insurer for such violation(s).

11:4-40.11 Service fees

A form submitted by an insurer to the Commissioner for either prior approval or file and use pursuant to this subchapter shall be accompanied by the service fee(s) set forth at N.J.A.C. 11:1-32 unless the insurer is exempt from the payment of such fees pursuant to section 13 of P.L. 1995, c.156, enacted on June 30, 1995.

APPENDIX

EXHIBIT A

FOR DEPARTMENT OF INSURANCE
USE ONLY, DO NOT USE SHADED AREAS

PAGE: OF

NEW JERSEY
DEPARTMENT OF INSURANCE
POLICYFORM REVIEW

**** NEW SUBMISSION ****

SUBMISSION NO.: - -

NAIC CODE:

COMPANY NAME:

GROUP CODE (if any):

DATE SENT: / /

DATE RECEIVED: / /

SERVICE FEE submitted: . (if applicable)

CHECK NUMBER:

CHECK DATE: / /

CATEGORY OF FORMS:

NUMBER OF FORMS SUBMITTED:

POLICYFORM NUMBER	COVER. TYPE	FORM TYPE	REQ. TYPE	RATE CHANGE (%)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> . <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> . <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> . <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> . <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> . <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> . <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> . <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> . <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> . <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> . <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> . <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> . <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> . <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> . <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> . <input type="text"/>

ATTACHMENT 1
INSTRUCTIONS FOR INITIAL SUBMISSION
DATA FORMS

Leave Blank-For Department Use.

The Initial Submission Data Form requires that you provide codes for the Category, Coverage Type, and Request Type. These codes are attached.

NAIC Code:

5 Digit NAIC Code. All companies are identified in the system by NAIC code rather than name.

Submission No:

Company Name:

This may be abbreviated, but should not conflict with the 5 digit NAIC Code.

Group Code:

This is the NAIC 3 digit group code for related groups of companies.

Date Sent:

Date mailed or submitted to delivery service.

Date Received:

Leave Blank-For Department Use.

Service Fee Submitted:

Total Service Fee Required pursuant to N.J.A.C. 11:4-36.5.

Check Number; Check Date:

Self-Explanatory.

Category:

Refer to Attachment 2. Enter the code which represents the category of the submission. The category represents the section of the statute under which the form is filed. For example, Category A corresponds to N.J.S.A. 17B:25-18.

Number of Forms Submitted:

This is the number of lines you will fill in on the lower part of the sheet.

Policy Form Data:

This information must be filled in for each policy form (separately numbered item) contained in the submission.

Policy Form Number:

This is the unique identifying form number. The Department will observe any spaces and punctuation marks in the number.

Where the submission refers to a policy form number (i.e., rate or factor change, or advertising) use the policy form number even if that form itself is not being submitted for filing.

Coverage Type:

Refer to Attachment 2 for listing of coverage types. The listing is organized by general types of coverage. In particular:

Codes 01 through 0Z are for individual life policies.

Codes A1 through AZ are for variable life policies.

Codes 11 through 1Z are for riders/endorsements to individual life.

Codes B1 through BZ are for riders/endorsements to variable life.

Codes 21 through 2Z are for individual annuities.

Codes C1 through CZ are for individual variable annuities.

Form Type:

Choose the form type which best describes the form. In some cases, the "form type" refers to the type of action requested: for a rate change on a health insurance policy which was previously approved, indicate RC for rate change, not PP for policy. Note that RC refers to health insurance or credit insurance; FR or PM refers to changes in non-guaranteed elements for life insurance.

Request Type:

Enter the appropriate two digit code. For the initial filing of a (health or credit) policy which also requires rates, still use 01. For a (health or credit) rate revision, use 05. For a change in factors or premiums on life policies, use 12.

Rate Change (%):

For rate changes, enter the (overall) % increase requested.

ATTACHMENT 2

CATEGORY OF FORM CODES

CODE	
A	INDIVIDUAL LIFE AND ANNUITIES (Fraternals use FR)
B	INDIVIDUAL HEALTH (Sold By Ins. Co.) (Fraternals use FR) (Service Corporations use S)
CR	CREDIT LIFE AND HEALTH INSURANCE
FR	FRATERNAL BENEFIT SOCIETY CONTRACTS
G	GROUP HEALTH (Service Corporations use S)
J	PRE-PAID LEGAL CONTRACTS
L	GROUP LIFE AND ANNUITIES (Forms that are both Group Life and Group Health use L; Group annuities issued in the general account also use L.)
MG	MORTGAGE GUARANTEE INSURANCE
MI	ANY OTHER INSURANCE
S	SERVICE CORPORATIONS
V	VARIABLE AND SEPARATE ACCOUNT CONTRACTS (Individual or Group; Life and Annuities)

FORM TYPE CODES	
CODE	
AA	APPLICATION
AD	ADVERTISING MATERIAL
AS	ASSUMPTION AGREEMENT
CC	CERTIFICATE
CI	CERTIFICATE INSERT PAGES (MORE THAN 1)
CR	CERTIFICATE AND RATES
DG	DISCRETIONARY AUTHORITY REQUEST
EE	ENDORSEMENT OR AMENDMENT
EN	ENDORSEMENT OR AMENDMENT (NO CHARGE)
FE	FUNERAL EXPENSE PRE-NEED AGREEMENT
FR	FACTOR REVISIONS
FU	FOLLOW UP
IC	CERTIFICATE INSERT PAGE
ID	ID CARD (STUDENT POLICIES)
IL	INFORMATIONAL
IP	POLICY INSERT PAGE
NA	NO AUTHORITY
NC	RATE CHANGE (NO CHARGE)
NF	NONFORFEITURE OR RESERVE RATE CHANGE
NI	NOTICE OF PROPOSED INSURANCE
PI	POLICY INSERT PAGES (4 OR MORE PAGES)
PM	PREMIUM REVISIONS
PN	POSTING NOTICE
PP	POLICY
PR	POLICY AND RATES
RC	RATE CHANGE
RM	RATE MANUAL
RN	RATE CHANGE—NEW ISSUES ONLY
RR	RIDER
SC	SERVICE CORP. FORM
SF	SPECIAL FORMS
SR	SUPPLEMENTAL RATES
VW	VARIABLE WORDING

Notes: Form Type AS refers to assumption agreement between insurers, not a certificate of assumption.
 RC is for individual health or credit insurance.
 FR is for factor revision of a non-guaranteed element.
 PM is for a premium revision to an indeterminate premium policy.

REQUEST TYPE CODES

CODE	
01	FILE A FORM
02	WITHDRAW A FORM
03	ACKNOWLEDGE A FORM
05	FILE A RATE CHANGE
06	WITHDRAW A RATE CHANGE
07	FILE SUPPLEMENT RATES
08	WITHDRAW SUPPLEMENTAL RATES
09	ACKNOWLEDGE A RATE CHANGE
10	ACKNOWLEDGE SUPPLEMENTAL RATES
11	INFORMATIONAL SUBMISSION
12	APPROVE FACTOR OR PREMIUM REV.
13	WITHDRAW FACTOR OR PREMIUM REV.
99	OTHER

COVERAGE TYPE CODES
 INDIVIDUAL LIFE

CODE	COVERAGE TYPE
01	Level Premium Whole Life—Non-Par

CODE	COVERAGE TYPE
02	Level Premium Whole Life—Par
03	Whole Life—Indeterminate Premiums
04	Interest Sensitive Whole Life—Level Death Benefit
05	Interest Sensitive Whole Life—Recalculated DB
06	Universal Life—Flexible Premium
07	Single Premium Life
08	Funeral Expense (Single or Limited Pay)
09	Universal Life—Minimum Guaranteed Premium Period
0A	Level Premium Term
0K	Level Premium Term—Indeterminate Premium
0B	Increasing Premium Term
0M	Increasing Premium Term—Indeterminate Premium
0C	Modified Premium Whole Life (Jumping Juvenile)
0D	Graded Premium Whole Life
0N	Graded Premium Whole Life—Indeterminate Premium
0E	Deposit Term
0F	Limited Death Benefit
0H	Field Issue (Any Policy Design)
0O	Joint (First to Die)—Universal Life
0G	Joint (First to Die)—Whole Life
0P	Joint (First to Die)—Whole Life—Indeterminate Premium
0Q	Joint (First to Die)—Term
0R	Joint (First to Die)—Term—Indeterminate Premium
0J	Joint (First to Die) (other)
0S	Last Survivor—Universal Life
0T	Last Survivor—Whole Life
0U	Last Survivor—Whole Life—Indeterminate Premium
0L	Last Survivor (other)
0V	Decreasing Term
0W	Decreasing Term—Indeterminate Premium
0Y	Combination of Coverage—Individual Life
0Z	Other Individual Life

Notes: Combination of Coverage code is used when a rider, endorsement or application are intended for use with more than one Coverage Type.
 Code Endowment or Limited Pay policies as if they are whole life.
 Code 0B and 0M includes term policies that are level premium for a period and then increases.
 Some Funeral Expense Policies are limited death benefit. Code them as 08 rather than 0F.
 In Coding a factor or premium change list each form in which there is a change. For Form Type use FR or PM. For Request Type use 12. If the change requires an endorsement, there should be a separate form record for the endorsement.

COVERAGES PROVIDED BY RIDER
 OR ENDORSEMENT

(Type of form must be RR or EE)

CODE	COVERAGE TYPE
11	Waiver of Premium (Form RR or EE)
12	Disability Income (Form RR or EE)
13	Accidental Death (Form RR or EE)
14	Payor Benefit (Form RR or EE)
15	Term Insurance (Form RR or EE)
16	Paid up Insurance (Form RR or EE)
17	Insurance on Family Members (Form RR or EE)
18	Insurability Option (Form RR or EE)
19	CPI Option (Form RR or EE)

CODE	COVERAGE TYPE
1A	Premium Deposit (Form RR or EE)
1B	Designated Lives (Form RR or EE)
1C	Accelerated Death Benefit (Form RR or EE)
1D	Non-life Options (e.g. LTC) (Form RR or EE)
1E	Exclusions (Form RR or EE)
1F	Policy Split (for JL) (Form RR or EE)
1G	Change of Insured (Form RR or EE)
1H	Pension Plan Qualification (Form RR or EE)
1I	Dividend Option (Form RR or EE)
1J	Persistency Bonus (Form RR or EE)
1K	Change in Non-Forfeiture Interest Rate (Form RR or EE)
1L	Other Non-Forfeiture Change (Form RR or EE)
1M	Assumption Certificate (Form RR or EE) †
1N	Name Change/Merger/Redomicile (Form RR or EE)
1O	Modified Maturity Date
1P	Estate Protector (4 year term)
1Z	Other (Form RR or EE)

VARIABLE LIFE INSURANCE (INDIVIDUAL OR GROUP)

CODE	COVERAGE TYPE
A1	Level Premium Variable Life—Non-Par
A2	Level Premium Variable Life—Par
A3	Indeterminate Premium Variable Life—Par
A4	Interest Sensitive Variable Life—Level Death Benefit
A5	Interest Sensitive Variable Life—Recalculated DB
A6	Variable Universal Life
A7	Single Premium Variable Life (Any policy design)
A9	Variable Universal Life—Minimum Guaranteed Premium Period
AC	Group Variable Life (COLI)
AG	Group Variable Life—All other
AH	Field Issue (Any Variable Policy Design)
AJ	Joint (First to Die) (Any Policy Design)
AL	Last Survivor (Any Policy Design)
AY	Combination of Coverage (Variable Life)
AZ	Other Individual Variable Life

Notes: Joint variable policies would be coded AJ or AL regardless of policy design.

A1 and A2 correspond to traditional design Variable Contracts; A4, A6 and A7 should categorize most modern variable contracts.

Combination of Coverage code is used when a rider, endorsement or application are intended for use with more than one Coverage Type.

COVERAGES PROVIDED BY RIDER OR ENDORSEMENT (VARIABLE)

(Type of form must be RR or EE)

CODE	COVERAGE TYPE
B1	Waiver of Premium (Form RR or EE) (Var.)
B2	Disability Income (Form RR or EE) (Var.)
B3	Accidental Death (Form RR or EE) (Var.)
B4	Payor Benefit (Form RR or EE) (Var.)
B5	Term Insurance (Form RR or EE) (Var.)
B6	Paid up Insurance (Form RR or EE) (Var.)
B7	Insurance on Family Members (Form RR or EE) (Var.)
B8	Insurability Option (Form RR or EE) (Var.)
B9	CPI Option (Form RR or EE) (Var.)
BA	Premium Deposit (Form RR or EE) (Var.)

CODE	COVERAGE TYPE
BB	Designated Lives (Form RR or EE) (Var.)
BC	Accelerated Death Benefit (Form RR or EE) (Var.)
BD	Non-life Options (e.g. LTC) (Form RR or EE) (Var.)
BE	Exclusions (Form RR or EE) (Var.)
BF	Policy Split (for JLs) (Form RR or EE) (Var.)
BG	Change of Insured (Form RR or EE) (Var.)
BH	Pension Plan Qualification (Form RR or EE) (Var.)
BI	Dividend Option (Form RR or EE) (Var.)
BJ	Persistency Bonus (Form RR or EE) (Var.)
BK	Change in Non-forfeiture Interest Rate (Form RR or EE) (Var.)
BL	Other Non-forfeiture change (Form RR or EE) (Var.)
BM	Assumption Certificate (Form RR or EE) (Var.)
BN	Name Change/Merger/Redomicile (Form RR or EE) (Var.)
BO	Modified Maturity Date (Var.)
BP	Estate Protector (4 year term) (Var.)
BQ	General Account Option (Var.)
BZ	Other (Form RR or EE) (Var.)

INDIVIDUAL ANNUITIES

CODE	COVERAGE TYPE
21	Single Premium Deferred
22	Flexible Premium Deferred
23	Fixed Premium Deferred
24	Immediate
25	Structured Settlement
26	Market Value Adjusted Annuity
2A	Pension Plan Endorsement
2B	Waiver of Premium
2C	Waiver of Surrender Charge
2H	Field Issue (Individual Annuities)
2J	Persistency Bonus (Form RR or EE)
2K	Change in Non-forfeiture Interest Rate
2L	Other Non-forfeiture change
2M	Assumption Certificate
2N	Name Change/Merger/Redomicile
2Y	Combination of Coverage (Individual Annuities)
2Z	Other (Individual Annuities)

INDIVIDUAL VARIABLE ANNUITIES

CODE	COVERAGE TYPE
C1	Single Premium Deferred (Var.)
C2	Flexible Premium Deferred (Var.)
C3	Fixed Premium Deferred (Var.)
C4	Immediate (Var.)
C5	Structured Settlement (Var.)
C6	Market Value Adjusted Annuity (Var.)
CA	Pension Plan Endorsement (Var.)
CB	Waiver of Premium (Var.)
CC	Waiver of Surrender Charge (Var.)
CH	Field Issue (Individual Variable Annuities)
CJ	Persistency Bonus (Var.) (Form RR or EE)
CK	Change in Non-forfeiture Interest Rate (Var.)
CL	Other Non-forfeiture change (Var.)
CM	Assumption Certificate (Var.)
CN	Name Change/Merger/Redomicile (Var.)
CQ	General Account Option
CY	Combination of Coverage (Individual Variable Annuities)
CZ	Other (Individual Variable Annuities)

Notes: Combination of Coverage code is used when a rider, endorsement or application are intended for use with more than one Coverage Type.

GROUP ANNUITIES (NON-VARIABLE)

CODE	COVERAGE TYPE
31	Single Premium Deferred (Group)
32	Flexible Premium Deferred (Group)
33	Fixed Premium Deferred (Group)
34	Immediate (Group)
35	Structured Settlement (Group)
36	Market Value Adjusted Annuity (Group)
3A	Pension Plan Endorsement (Group)
3B	Waiver of Premium (Group)
3C	Waiver of Surrender Charge (Group)
3K	Change in Non-forfeiture Interest Rate (Group)
3L	Other Non-forfeiture change (Group)
3M	Assumption Certificate (Group)
3N	Name Change/Merger/Redomicile (Group)
3Y	Combination of Coverage (Group Annuities)
3Z	Other (Group)

GROUP VARIABLE ANNUITIES

CODE	COVERAGE TYPE
D1	Group Variable Qualified, Single Case
D2	Group Variable Qualified, Multiple Case
D3	Group Variable Non-Qualified, Single Case
D4	Group Variable Non-Qualified, Multiple Case
D5	Group Separate Account, Renewable Int. Guarantee, Single Case
D6	Group Separate Account, Renewable Int. Guarantee, Mult. Case
D9	Group Variable Contract, all others
DA	New or Modified Separate Account for GVA (RR or EE)
DB	Group IRA (RR or EE)
DC	Group Variable, Federal Requirement (RR or EE)
DD	New Jersey approved, Separate Account Plan of Operation
DE	Synthetic GIC
DY	Combination of Coverage (Group Variable Annuities)
DZ	Group Variable, all others (RR or EE)

Notes: Combination of Coverage code is used when a rider, endorsement or application are intended for use with more than one Coverage Type.

GROUP LIFE

CODE	COVERAGE TYPE
40	Group Life (Term)
41	Group Life (Permanent/Paid-Up)
42	Single Premium Group Life
43	Group Life (Universal)
44	Group Life (Limited Death Benefits)
45	Group Life (Interest Sensitive)
46	Group Life and Medical Expense
47	Group Life and Other Health (AD&D)
4C	Group Accelerated Death Benefit
4F	Funeral Expense
4M	Assumption Certificate (Group Life)
4N	Name Change/Merger/Redomicile (Group Life)
4Z	Other (Group Life)

INDIVIDUAL HEALTH

CODE	COVERAGE TYPE
50	Individual Major Medical
51	All other Medical Expense (Individual)
52	Individual Medicare Supplement
53	Individual Disability Income
54	Individual Long Term Care
55	Individual Accident Only
56	Individual Limited Benefit
57	Individual Business Buyout
58	Individual Overhead Expense
59	Individual Key Person
60	Individual Hospital Confinement
64	Individual Conversion
65	Individual Legal Insurance
6C	Individual Health (Combination type of form)
6M	Assumption Certificate (Ind. Health)
6N	Name Change/Merger/Redomicile (Ind. Health)
6Z	Other (Individual Health)

INDIVIDUAL HEALTH (SERVICE CORP.)

CODE	COVERAGE TYPE
S0	Individual Major Medical (Service Corp.)
S1	All other Medical Expense (Individual) (Service Corp.)
S2	Individual Medicare Supplement (Service Corp.)
S3	Individual Hospital Confinement (Service Corp.)
S4	Individual Long Term Care (Service Corp.)
S5	Individual Accident Only (Service Corp.)
S6	Individual Limited Benefit (Service Corp.)
SZ	Service Corp. Individual Health (Other)

GROUP HEALTH

CODE	COVERAGE TYPE
70	Group Medical Expense
71	Group Medicare Supplement (Includes Out-Of-State)
72	Group Long Term Disability Income
73	Group Short Term Disability Income
74	Group Long Term Care
75	Group Dental
76	Group Accident Only
77	Group Blanket Insurance
78	Group Student Coverage
79	Group Stop Loss Coverage (Excess Coverage)
7D	Group SEH Benefit Decrease
7H	Group HIV Coverage
7S	Group SEH Renewals
80	Group Hospital Confinement
81	Group Prescription Drug Coverage
82	Out-Of-State (Group Health)
83	Group Overhead Expense
84	Group Temporary Disability Benefits
85	Group Preferred Provider
86	Group Legal Insurance
87	Group Vision Care
88	Assumption Certificate (Group Health)
89	Name Change/Merger/Redomicile (Group Health)
8Z	Other (Group Health)

GROUP HEALTH (SERVICE CORP.)

CODE	COVERAGE TYPE
U0	Group Medical Expense (Service Corp.)
U1	Group Medicare Supplement (Service Corp.)
U4	Group Long Term Care (Service Corp.)
U5	Group Dental (Service Corp.)
U6	Group Accident Only (Service Corp.)
U7	Group Blanket Insurance (Service Corp.)
U8	Group Student Coverage (Service Corp.)
U9	Group Stop Loss Coverage (Excess Coverage) (Service Corp.)
UZ	Other (Group Health Service Corp.)

Notes: Use the form number on the face page of a policy or certificate when type of form is PP or CC (A complete policy or certificate). (Complete Applications, Endorsements, and Riders with multiple pages can be coded the same way.)

When the submission contains multiple insert pages (not a complete policy or certificate) only the first form number should be coded followed by the suffix et al. Use the Form Type CI or PI.

INDIVIDUAL CREDIT

CODE	COVERAGE TYPE
90	Credit Life—Single Premium
91	Credit Health—Single Premium
92	Credit Life—MOB
93	Credit Health—MOB
94	Credit L & H—Truncated Coverage
95	Credit L & H—Leases
96	Mortgage Life
97	Mortgage Health
98	Other Credit (Riders & Endorsements)
99	Critical Period Coverage (Individual Credit)
9Y	Combination of Coverage (Individual Credit)

GROUP CREDIT

CODE	COVERAGE TYPE
9A	Credit Life—Single Premium (Group)
9B	Credit Health—Single Premium (Group)
9C	Credit Life—MOB (Group)
9D	Credit Health—MOB (Group)
9E	Credit L & H—Truncated Coverage (Group)
9F	Credit L & H—Leases (Group)
9G	Mortgage Life (Group)
9H	Mortgage Health (Group)
9I	Other Credit (Riders & Endorsements) (Group)
9J	Critical Period Coverage (Group Credit)
9K	Combination of Coverage (Group Credit)

MORTGAGE GUARANTEE

CODE	COVERAGE TYPE
MG	Mortgage Guarantee

Notes: Use codes other than 98 or 9I to classify policies, certificates, and notices which apply to a particular sort of insurance.
Use codes 98 and 9I for forms that apply to all sorts of coverage (i.e., certificates of assumption).

Combination of Coverage code is used when a rider, endorsement or application are intended for use with more than one Coverage Type.

SUBCHAPTER 41. STANDARDS FOR INDIVIDUAL LIFE INSURANCE POLICY FORMS

11:4-41.1 Purpose and scope

(a) The purpose of these rules is to implement P.L. 1995, c.73 (the Life and Health Insurance and Health Maintenance Organization Form Approval Reform Act) by setting forth the Department's standards for approval of all individual life insurance forms delivered or issued for delivery in this State.

(b) These rules shall apply to all individual life insurance forms issued pursuant to N.J.S.A. 17B:25-1 et seq.

11:4-41.2 Definitions

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

“Account value policy” means any policy, including, but not limited to, true universal life (flexible premium universal life) and interest sensitive whole life (fixed premium universal life), where benefits (including non-forfeiture or surrender benefits) may be calculated by reference to a policy accumulation account. Policy accumulation accounts reflect the actual premiums paid, actual interest credited, and any mortality or expense charges assessed.

“Act of war” means any act peculiar to military, naval or air operations in time of war.

“Bail-out feature” means a feature whereby the owner may elect to surrender the policy for the cash value without incurring a surrender charge under specified conditions, such as the interest rate(s) credited to the policy falling below a pre-determined rate.

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

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

“Designated life option” means an option whereby the beneficiary of a policy may purchase a policy on a designated life.

“Field issue” means a contract where, upon acceptance of a premium, the agent issues the contract for delivery in the field rather than from the home office.

“Flexible premium” means a policy where the policyholder is permitted to vary the amount or timing of premium payments subject to any specified limits.

“Home area” means the 50 states of the United States, District of Columbia and Canada.

“Indeterminate premium policy” means a policy where the insurer retains the right to recalculate the premium required to maintain the policy in force on the basis of future or emerging experience. Indeterminate premium policies may or may not be account value policies.

“Insurer” means any person or persons, corporation, partnership or company authorized by the laws of this State to transact the business of life insurance in this State.

“Life insurance” is as defined at N.J.A.C. 11:4-40.2.

“Minimum guarantee provision” means a provision which provides that a policy with a policy value not exceeding zero will not lapse so long as premiums paid to date exceed a target sum of stipulated minimum premiums.

“Minimum premium test provision” means a provision which provides that a policy which uses the account value less surrender charge to determine lapse will not lapse so long as the account value remains positive, and the premiums paid to date exceed a target sum of stipulated minimum premiums.

“Option to suspend premiums” means a premium payment option whereby premiums can be paid from the excess of actual cash value over guaranteed cash value to keep the policy in full force on a premium-paying basis.

“Participating policy” means a policy under which the policyholder is entitled to share in the divisible surplus earnings of the company through dividends.

“Policy split option” means an option where a policy covering multiple lives may be split into policies on the individual lives.

“Policy value” means with reference to grace period, policy loan, and reinstatement provisions, the value calculated from the account value in a manner defined in the policy, which is used in determining whether or not the policy remains in force. As examples, the policy may define this value as the account value less debt, or it may define the policy value as the account value less debt less applicable surrender charges.

“Re-entry or requalification feature” means a feature which provides for lower renewal premiums on satisfactory reunderwriting, for issue of a new policy at lower rates if underwriting requirements are met, or one which by its design invites an insurable policyholder to lapse and purchase the same policy at a new issue age.

“Scheduled premium policy” means a policy whereby the owner is required to pay a premium in a scheduled amount at specific intervals. Such policy provides a traditional grace period and nonforfeiture benefits, and a statutory minimum cash value determined on a prospective basis.

“Substitute insured option” means an option primarily used in keyman insurance whereby an individual is substituted for an insured covered by an in-force policy.

“Surrender charge” means the charge imposed by the insurer upon surrender of a policy before it becomes payable by maturity or occurrence of the circumstance insured against.

“Vanish premium option” or “VPO” means a non-forfeiture option whereby extended term insurance is provided for a non-guaranteed period with an option to extend the term through payment of additional premiums.

“War” includes, but is not limited to, declared war, and armed aggression by one or more countries resisted on orders of any other country, combination of countries or international organization.

Amended by R.2000 d.130, effective March 20, 2000.
See: 31 N.J.R. 3910(a), 32 N.J.R. 1024(a).

11:4-41.3 General standards

(a) No individual life insurance policy, rider, application or endorsement shall contain provisions which are unjust, unfair, inequitable, misleading, contrary to law or to the public policy of this State.

(b) The following approval standards shall apply to all individual life insurance forms:

1. All forms shall include a provision for a period of time during which the policy may be reviewed and subsequently cancelled by the policyholder free of charge or penalty.

i. This period of free review shall be no less than 10 days, and shall not exceed one year from the date the policy was received by the policyholder.

ii. Policies which provide for a cash value which is equal to the return of all gross premiums paid shall be considered to contain an extended free review period or additional review period. The provision which allows for such a defined cash value is subject to the time limits of (b)1i above.

2. All forms shall include a provision for a grace period within which overdue premiums may be paid and the policy shall continue in force.

i. Payment of the overdue premium shall be effected on the date of mailing of the payment by the policyholder and may be made at any time during the grace period.