

**CHAPTER 4**  
**ACTUARIAL SERVICES**

**Authority**

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

**Source and Effective Date**

R.2006 d.132, effective March 14, 2006.  
See: 37 N.J.R. 4859(a), 38 N.J.R. 1743(a).

**Chapter Expiration Date**

In accordance with N.J.S.A. 52:14B-5.1c, Chapter 4, Actuarial Services, expires on September 10, 2011. See: 43 N.J.R. 819(a).

**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Subchapter 2, Replacement of Life Insurance Policy, was repealed and Subchapter 2, Replacement of Life Insurance Policy, was adopted as new rules by R.1982 d.16, effective February 1, 1982, operative June 1, 1982.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: 288 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: 32 N.J.R. 3546(a), 33 N.J.R. 101(a).

Subchapter 1, New Jersey Insolvent Health Maintenance Organization Assistance Association, was adopted as new rules by R.2001 d.122, effective April 2, 2001. See: 32 N.J.R. 3907(a), 33 N.J.R. 1109(a).

Subchapter 35, Viatical Settlements, was adopted as new rules by R.2001 d.226, effective July 2, 2001. See: 33 N.J.R. 162(a), 33 N.J.R. 2300(a).

Subchapter 53, Minimum Standards for Specified Disease and Critical Illness Coverages, was adopted as new rules by R.2001 d.363, effective October 1, 2001. See: 33 N.J.R. 361(a), 33 N.J.R. 3454(c).

Subchapter 6, Reserve Standards for Individual Health Insurance Policies, was repealed and Subchapter 6, Minimum Reserve Standards for Individual and Group Health Insurance Contracts, was adopted as new rules by R.2003 d.38, effective January 21, 2003. See: 34 N.J.R. 3186(a), 35 N.J.R. 437(a).

Subchapter 40A, "40 States" File and Use Standards Procedures, was adopted as new rules by R.2003 d.140, effective April 7, 2003. See: 34 N.J.R. 3916(a), 35 N.J.R. 1555(a).

Subchapter 54, Benefit Standards for Infertility Coverage, was adopted as new rules by R.2003 d.160, effective April 21, 2003. See: 34 N.J.R. 2521(a), 35 N.J.R. 1692(b).

Subchapter 56, Self-Funded Multiple Employer Welfare Arrangements and Insured Multiple Employer Arrangements, was adopted as R.2004 d.212, effective June 7, 2004. See: 35 N.J.R. 3530(a), 36 N.J.R. 2907(a).

Subchapter 27, The 2001 Commissioner's Standard Ordinary (CSO) Mortality Table for Use in Determining Minimum Reserve Liabilities and Nonforfeiture Benefits, was adopted as new rules by R.2004 d.415, effective November 1, 2004. See: 36 N.J.R. 3477(a), 36 N.J.R. 4937(a).

Subchapter 55, Pharmacy Cards, was adopted as R.2004 d.433, effective November 15, 2004. See: 36 N.J.R. 1873(a), 36 N.J.R. 5131(a).

Subchapter 57, Mandated Benefits for Biologically-Based Mental Illness, was adopted as new rules by R.2005 d.141, effective May 2, 2005. See: 36 N.J.R. 5080(a), 37 N.J.R. 1523(a).

Subchapter 34, Long-Term Care Insurance, was repealed and Subchapter 34, Long-Term Care Insurance, was adopted as new rules by R.2005 d.422, effective December 19, 2005. See: 36 N.J.R. 5195(a), 37 N.J.R. 5014(b).

Chapter 4, Actuarial Services, was readopted by R.2006 d.132, effective March 14, 2006. See: Source and Effective Date. See, also, section annotations.

Subchapter 2, "Replacement of Life Insurance Policy", was renamed "Life Insurance and Annuities Replacement" by administrative correction, effective June 7, 2006. See: 38 N.J.R. 2834(a).

Subchapter 58, Discretionary Clauses, was adopted as new rules by R.2007 d.152, effective May 7, 2007. See: 38 N.J.R. 3227(a), 39 N.J.R. 1734(a).

Subchapter 27A, Preferred Mortality Tables for Use in Determining Minimum Reserve Liabilities, was adopted as new rules by R.2008 d.68, effective March 17, 2008. See: 39 N.J.R. 4540(a), 40 N.J.R. 1666(a).

Subchapter 11, Life Insurance Solicitation, was repealed and Subchapter 11, Life Insurance Disclosure, was adopted as new rules by R.2008 d.71, effective April 7, 2008 (operative July 6, 2008). See: 39 N.J.R. 4065(a), 40 N.J.R. 1882(a).

Subchapter 31, Term Life Insurance Comparison Survey, was repealed by R.2011 d.007, effective January 3, 2011. See: 42 N.J.R. 1845(a), 43 N.J.R. 54(b).

Subchapter 60, Limitations on the Use of Specific Terms or Designations in the Sale of Life Insurance, was adopted as new rules by R.2011 d.088, effective March 7, 2011. See: 42 N.J.R. 2306(a), 43 N.J.R. 637(a).

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#### SUBCHAPTER 1. NEW JERSEY INSOLVENT HEALTH MAINTENANCE ORGANIZATION ASSISTANCE ASSOCIATION

**N.J.A.C. 11:4-28.7(a) All plans involved are Indemnity (including out-of-network portion of HMO POS or SCA plan without a network).**

Assumptions: Indemnity Plan: 80/20 % coinsurance; primary deductible \$250; secondary deductible \$100

P = Primary S = Secondary

Plan Type*		(W)	(X)	(Y)	(Z)	(AA)
Billed Charges		1,200	1,200	1,200	1,200	1,200
P						
R	UCR (1)	1,000	1,000	1,000	1,000	1,000
I	Deductible	250	Previously Satisfied	250	Previously Satisfied	Previously Satisfied
M	Coinsurance	150	200	150	200	Previously Satisfied
A	Primary Pays	600	800	600	800	1,000
R						
Y						
S						
E	UCR (1)	900	900	900	900	900
C	Deductible	100	100	Previously Satisfied	Previously Satisfied	Previously Satisfied
O	Coinsurance	160	160	180	180	Previously Satisfied
N	Secondary Liability, if Primary	640	640	720	720	900
D	Secondary Pays (2)	600	400	600	400	200
A	Secondary Saves	40	240	120	320	700
R	Member/Insured Out of Pocket	0	0	0	0	0
Y	Provider Collects	1,200	1,200	1,200	1,200	1,200

\* See Below for Column description:

- (W) Both P&S: Indemnity
- (X) Both P&S: Indemnity (Primary Deductible satisfied)
- (Y) Both P&S: Indemnity (Secondary Deductible satisfied)
- (Z) Both P&S: both deducts satisfied
- (AA) Both P&S: both deducts & Out of Pocket Satisfied

- (1) Indemnity (includes out-of-network portion of HMO POS or SCA plan), paying on UCR basis
- (2) Pays provider, or pays insured member if he/she has paid provider in form of copayment, coinsurance or deductible

inoregs/COBchart

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Supp. 11-15-04

New rule, R.2002 d.106, effective April 1, 2002 (operative January 1, 2003).  
See: 33 N.J.R. 2578(a), 34 N.J.R. 1440(a).

**SUBCHAPTER 29. HOMEOWNERS COMPARISON SURVEY**

**11:4-29.1 Purpose and scope**

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

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

**11:4-29.2 Definitions**

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

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

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

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

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

Administrative change.  
See: 30 N.J.R. 1317(a).

**11:4-29.3 Coverage option survey requirements**

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

1. The survey shall reflect the total number of homeowners, tenant and/or condominium policies issued by each insurer as of December 31 of the reporting year.
2. Survey forms reflecting premiums for homeowners, tenants and/or condominium policies as of December 31 of the reporting year shall be filed with the Commissioner on or before January 31 of the following year.

3. Insurers shall submit the completed survey forms by using the template of the forms posted on the Department’s website at <http://www.state.nj.us/dobi/ppareports.htm>. The template shall be completed in accordance with the instructions and submitted in Microsoft Excel format by either e-mail or on disk or CD-ROM to the address below:

New Jersey Department of Banking and Insurance  
Office of Property and Casualty  
Attn.: Homeowners Annual Comparison Survey  
20 W. State Street  
PO Box 325  
Trenton, NJ 08625-0325  
E-mail: [reports@dobi.state.nj.us](mailto:reports@dobi.state.nj.us)

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

Amended by R.1996 d.4, effective January 2, 1996.  
See: 27 N.J.R. 3557(a), 28 N.J.R. 165(a).  
Amended by R.1998 d.86, effective February 2, 1998.  
See: 29 N.J.R. 4069(a), 30 N.J.R. 552(c).  
In (a)3, changed address.  
Administrative change.  
See: 30 N.J.R. 1317(a).  
Amended by R.2004 d.427, effective November 15, 2004.  
See: 36 N.J.R. 1872(a), 36 N.J.R. 5130(a).  
In (a), rewrote 3.

**APPENDIX A**

Company Name: \_\_\_\_\_

Affiliated with Group (name): \_\_\_\_\_

Price Comparison Survey

Period Ending: \_\_\_\_\_

A. Homeowners Coverage: Policy Form HO-3, frame structure built five years ago as of December 31 of the reporting year with a smoke detector, dwelling amount \$150,000, personal liability \$300,000, medical payments \$1,000, \$500.00 deductible, five miles or less to a fire station and within 1,000 feet of a hydrant or usable suction point and both dwelling and contents amounts written on a replacement cost basis. Price as of December 31, of the reporting year. All surcharges should be included in premium price.

If Your Policy Differs From Above, Please Explain: \_\_\_\_\_

List Any Dividends Your Company Offers: \_\_\_\_\_

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

**Location** **Annual Premium**  
**NEW JERSEY DEPARTMENT OF BANKING**  
**AND INSURANCE**  
**OFFICE OF PROPERTY/CASUALTY**  
**20 WEST STATE STREET**  
**PO BOX 325**  
**TRENTON, NJ 08625-0325**

Amended by R.1996 d.4, effective January 2, 1996.  
 See: 27 N.J.R. 3557(a), 28 N.J.R. 165(a).  
 Amended by R.1998 d.86, effective February 2, 1998.  
 See: 29 N.J.R. 4069(a), 30 N.J.R. 552(c).  
 Changed deductible to \$500.00 and changed address.  
 Administrative change.  
 See: 30 N.J.R. 1317(a).

**APPENDIX B**

**Company Name:** \_\_\_\_\_

**Affiliated with Group (name):** \_\_\_\_\_

**Price Comparison Survey**

**Period Ending:** \_\_\_\_\_

**B. Tenant Coverage: Policy Form HO-4, contents amount \$20,000, personal liability \$300,000, medical payments \$1,000, smoke detector, \$500.00 and five miles or less to a fire station and within 1,000 feet of a hydrant or useable suction point with contents amount written on a replacement cost basis. Price as of December 31, of the reporting year. All surcharges should be included in premium price.**

**If Your Policy Differs From Above, Please Explain:** \_\_\_\_\_

**List Any Dividends Your Company Offers:** \_\_\_\_\_

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

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

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

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

\_\_\_\_\_  
 Signature of Officer or Senior  
 Manager

Phone Number: \_\_\_\_\_

Location	County of	Annual Premium
1. Cities		
City of		
Bayonne	Hudson	* _____ *
Camden	Camden	* _____ *
Clifton	Passaic	* _____ *
E. Orange	Essex	* _____ *
Elizabeth	Union	* _____ *
Jersey City	Hudson	* _____ *
Newark	Essex	* _____ *
Passaic	Passaic	* _____ *
Paterson	Passaic	* _____ *
Trenton	Mercer	* _____ *

**PLEASE RETURN TO:**

Location	Middlesex	Annual Premium
2. Other than Cities		* _____ *
County of		
Atlantic	* _____ *	
Bergen	* _____ *	
Burlington	* _____ *	
Camden	* _____ *	
Cape May	* _____ *	
Cumberland	* _____ *	
Essex	* _____ *	
Gloucester	* _____ *	
Hudson	* _____ *	
Hunterdon	* _____ *	
Mercer	* _____ *	
Middlesex	* _____ *	
Monmouth	* _____ *	
Morris	* _____ *	
Ocean	* _____ *	
Passaic	* _____ *	
Salem	* _____ *	
Somerset	* _____ *	
Sussex	* _____ *	
Union	* _____ *	
Warren	* _____ *	

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

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

Signature of Officer or Senior Manager \_\_\_\_\_

Phone Number: \_\_\_\_\_

PLEASE RETURN TO:

NEW JERSEY DEPARTMENT OF BANKING  
AND INSURANCE  
OFFICE OF PROPERTY/CASUALTY  
20 WEST STATE STREET  
PO BOX 325  
TRENTON, NJ 08625-0325

Amended by R.1996 d.4, effective January 2, 1996.  
See: 27 N.J.R. 3557(a), 28 N.J.R. 165(a).  
Amended by R.1998 d.86, effective February 2, 1998.  
See: 29 N.J.R. 4069(a), 30 N.J.R. 552(c).  
Changed deductible to \$500.00 and changed address.  
Administrative change.  
See: 30 N.J.R. 1317(a).

APPENDIX C

Company Name: \_\_\_\_\_

Affiliated with Group (name): \_\_\_\_\_

Price Comparison Survey

Period Ending: \_\_\_\_\_

C. Condominium Coverage: Policy Form HO-6, owner occupied only, contents amount \$40,000, personal liability \$300,000, medical payments \$1,000, smoke detector, \$500.00 deductible and five miles or less to a fire station and within 1,000 feet of a hydrant or useable suction point with contents amount written on a replacement cost basis. Price as of December 31, of the reporting year.

If Your Policy Differs From Above, Please Explain: \_\_\_\_\_

List Any Dividends Your Company Offers: \_\_\_\_\_

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

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

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

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

\_\_\_\_\_  
Signature of Officer or Senior Manager

Phone Number: \_\_\_\_\_

**PLEASE RETURN TO:**

**NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE  
OFFICE OF PROPERTY/CASUALTY  
20 WEST STATE STREET  
PO BOX 325  
TRENTON, NJ 08625-0325**

Amended by R.1996 d.4, effective January 2, 1996.  
See: 27 N.J.R. 3557(a), 28 N.J.R. 165(a).  
Amended by R.1998 d.86, effective February 2, 1998.  
See: 29 N.J.R. 4069(a), 30 N.J.R. 552(c).  
Changed contents amount to \$40,000, changed deductible to \$500.00 and changed address.  
Administrative change.  
See: 30 N.J.R. 1317(a).

**SUBCHAPTER 30. ACCELERATED DEATH BENEFITS**

**Law Reviews and Journal Commentaries**

Innovation and Controversy: viatical Arrangements and Accelerated Death Benefits. Wesley S. Caldwell, III, William F. Magna, David P. Kalm, 172 N.J.L.J. 39 (1995).

**11:4-30.1 Purpose**

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

**11:4-30.2 Application and scope**

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

**11:4-30.3 Definitions**

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

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

1. To the policy owner or certificate holder, during the lifetime of the insured, when the insured is reasonably expected to have a drastically limited life span;
2. Which reduce the death benefit otherwise payable under the contract through a total or partial surrender of the contract or imposition of a lien upon the death benefits; and
3. Which are payable upon the occurrence of a single qualifying event resulting in the payment of a benefit amount fixed at the time of acceleration.

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

“Department” means the Department of Banking and Insurance.

“Qualifying event” means a medical condition which is reasonably expected to result in a drastically limited life span for the insured, such limitation to be specified in the contract; for example, a remaining life span of 24 months. At the option of the insurer, the contract may also define qualifying events to include:

1. Those medical conditions which result in a limited life span and which are reasonably expected to require continuous confinement in an eligible institution, as defined in the contract, until the death of the insured;
2. A chronic illness as defined in 26 U.S.C. § 7702B(c)(2)(A); and
3. Any other qualifying events which the Commissioner may approve.

Amended by R.2000 d.170, effective April 17, 2000.  
See: 32 N.J.R. 167(a), 32 N.J.R. 1396(a).  
Inserted “Department”.  
Amended by R.2003 d.234, effective June 16, 2003.  
See: 34 N.J.R. 3193(a), 35 N.J.R. 2648(a).  
Rewrote “Qualifying event”.

**11:4-30.4 Permitted forms of accelerated death benefit provisions**

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

**11:4-30.5 Partial surrender**

(a) Under the partial surrender approach, the insured in the case of group insurance or the policy owner in the case of individual insurance is permitted to accelerate the payment of a portion of the death benefit, which portion is specified in the contract, through a partial surrender of the contract. The cash value is reduced by the same percentage as the death benefit. The premium in individual life policies

is reduced to the premium that would apply had the contract been issued at the reduced amount of death benefit. The premium in group life policies is reduced to reflect the remaining amount of insurance in effect.

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

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

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

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

- i. The current yield on 90-day treasury bills; or
- ii. The current maximum statutory adjustable policy loan interest rate.

#### 11:4-30.6 Lien

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

terest that occurs when the carrier responsible for providing benefits has sole discretionary authority to decide what benefits are due.

(b) This subchapter shall apply to all individual and group health insurance policies and contracts; all individual and group life insurance policies and contracts; all individual and group long-term care insurance policies; and all annuity contracts delivered or issued for delivery in this State.

### 11:4-58.2 Definitions

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

“Annuity” means a contract not included within the definition of life insurance or health insurance, as set forth in this section, under which an insurer obligates itself to make periodic payments for a specified period of time, such as for a number of years, or until the happening of an event, or for life, or for a period of time determined by any combination thereof. A contract which includes extra benefits, of the kinds set forth in the definitions of life insurance or health insurance, as set forth in this section, shall nevertheless be deemed to be an annuity if such extra benefits constitute a subsidiary or incidental part of the entire contract.

“Carrier” means an insurance company, health service corporation, hospital service corporation, medical service corporation or health maintenance organization authorized to issue health benefits plans in this State; any person or persons, corporation, partnership or company authorized or admitted to transact the business of life insurance or annuities in this State pursuant to Title 17B of the New Jersey statutes; and an insurance company, health service corporation, hospital service corporation, medical service corporation or fraternal benefit society authorized to issue long-term care insurance in this State.

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

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

“Discretionary clause” means a clause included in a life or health insurance policy or contract, a long-term care insurance policy or contract, or an annuity contract, that provides the carrier with sole discretionary authority to determine eligibility for benefits under the policy or contract and to interpret the terms and provisions of the policy or contract.

“Health insurance” means a contract or agreement whereby a carrier is obligated to pay or allow a benefit of pecuniary value with respect to the bodily injury, disablement, sickness, death by accident or accidental means of a human being, or because of any expense relating thereto, or because of any expense incurred in prevention of sickness, and includes every risk pertaining to any of the enumerated risks. Health insur-

ance includes disability income protection coverage. Health insurance does not include workers’ compensation coverage.

“Life insurance” means a policy or contract whereby an insurer is obligated to pay or allow a benefit of pecuniary value with respect to the cessation of human life. Life insurance also includes the granting of endowment benefits and optional modes of settlement of proceeds of life insurance, as well as provisions for additional benefits in the event of death by accident or accidental means or in the event of dismemberment or loss of sight; or safeguarding such insurance against lapse or giving a special surrender value, or special benefit or annuity in the event that the insured shall become totally and permanently disabled, whether such provisions are incorporated in a policy or contract of life insurance or in a policy or contract supplemental thereto. Life insurance does not include worker’s compensation coverage.

“Long-term care insurance” means any insurance policy, certificate or rider advertised, marketed, offered or designed to provide coverage for not less than 12 consecutive months for each covered person on an expense incurred, indemnity, prepaid or other basis, for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance or personal care services, provided in a setting other than an acute care unit of a hospital. The term includes group and individual annuities and life insurance policies or riders which provide directly, or which supplement long-term care insurance. The term also includes a policy or rider which provides for payment of benefits based upon cognitive impairment or the loss of functional capacity. The term shall also apply to qualified long-term care insurance contracts. Long-term care insurance may be issued by insurers; fraternal benefit societies; health, hospital, or medical service corporations; prepaid health plans; or health maintenance organizations. Long-term care insurance shall not include any insurance policy that is offered primarily to provide basic Medicare supplement coverage, basic hospital expense coverage, basic medical-surgical expense coverage, hospital confinement indemnity coverage, major medical expense coverage, disability income or related asset-protection coverage, accident only coverage, or limited benefit health coverage. With regard to life insurance, this term does not include life insurance policies which accelerate the death benefit specifically for one or more qualifying events, and which provide the option of a lump-sum payment for those benefits and in which neither the benefits nor the eligibility for the benefits is conditioned upon the receipt of long-term care. Notwithstanding the foregoing, any product advertised, marketed or offered as long-term care insurance shall be subject to the provisions of this subchapter.

### 11:4-58.3 Discretionary clauses prohibited

No individual or group health insurance policy or contract, individual or group life insurance policy or contract, individual or group long-term care insurance policy or contract, or annuity contract, delivered or issued for delivery in this State may contain a provision purporting to reserve sole discretion

to the carrier to interpret the terms of the policy or contract, or to provide standards of interpretation or review that are inconsistent with the laws of this State. A carrier may include a provision stating that the carrier has the discretion to make an initial interpretation as to the terms of the policy or contract, but that such interpretation can be reversed by an internal utilization review organization, a court of law, arbitrator or administrative agency having jurisdiction.

#### 11:4-58.4 Noncomplying forms

As of January 1, 2008, forms previously filed, approved or acknowledged by the Commissioner that contain provisions not in compliance with this subchapter shall be deemed withdrawn and shall not be delivered, issued, executed or renewed.

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### SUBCHAPTER 59. (RESERVED)

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### SUBCHAPTER 60. LIMITATIONS ON THE USE OF SPECIFIC TERMS OR DESIGNATIONS IN THE SALE OF LIFE INSURANCE

#### 11:4-60.1 Purpose and scope

(a) The purpose of this subchapter is to establish limitations, consistent with N.J.S.A. 17B:25-36 and the Unfair Trade Practices Act, N.J.S.A. 17B:30-1 et seq., on the use of certifications, professional designations, or forms of advertising by insurance producers, representatives of fraternal benefit societies and insurers expressing that the person or entity has special education, training or experience in advising or servicing senior citizens or retirees in connection with the solicitation, negotiation of sale of life insurance.

(b) This subchapter shall apply to the sale, solicitation, or negotiation of life insurance by a person or entity set forth in (a) above.

#### 11:4-60.2 Definitions

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

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

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

“Insurance producer” means a person licensed to sell, solicit, or negotiate insurance pursuant to N.J.S.A. 17:22A-26 et seq.

“Insurer” means any corporation, association, partnership, reciprocal exchange, interinsurer, Lloyd’s insurer, fraternal benefit society or other person authorized to engage in the business of insurance in this State.

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

“Negotiate” means the act of conferring directly with or offering advice directly to a consumer as the purchaser or prospective purchaser of a particular life insurance policy concerning any of the substantive benefits, terms or conditions of the life insurance policy, provided that the person engaged in that act either: sells life insurance or obtains life insurance from insurers for purchasers.

“Sell” means to exchange a life insurance policy by any means, for money or its equivalent, on behalf of an insurer.

“Solicit” means attempting to sell a life insurance policy or asking or urging a consumer to apply for a particular life insurance policy from a particular insurer.

#### 11:4-60.3 Limitation on use of terms or designations

(a) Consistent with the unfair trade practices set forth in N.J.S.A. 17B:30-1 et seq., an insurance producer, or an agent, representative or member of a fraternal benefit society not required to be licensed as an insurance producer in accordance with N.J.S.A. 17:44B-32, or an insurer, if no producer or non-licensed society agent, representative or member is involved, shall not use a certification, professional designation, or form of advertising expressing or implying in an untrue, deceptive, misleading, or false manner that the producer, non-licensed society agent, representative or member, or insurer has special education, training, or experience in advising or servicing senior citizens or retirees in connection with the solicitation, negotiation, or sale of life insurance, or its value or suitability, either directly or indirectly, including through a publication or writing, or by issuing or promulgating an analysis or report relating to a life insurance policy.

(b) The provisions of (a) above shall not apply to:

1. A title or designation conferred through an academic degree, certifying the completion of a course of study from an accredited institution of higher education, so long as the title or designation is not used in an untrue, deceptive, misleading, or false manner in connection with the solicitation, negotiation, or sale of a life insurance policy; or

2. A professional job title presented by an employer or other organization that is licensed or registered by a state or Federal financial services regulatory agency, including any agency that regulates financial institutions, insurers, investment companies as defined under the Investment Company Act of 1940, Title I of Pub. L.76-768 (15 U.S.C. §§ 80a-1 et seq.), investment advisers as defined under the Investment Advisers Act of 1940, Title II of Pub. L.76-768 (15 U.S.C. §§ 80b-1 et seq.), and broker-dealers, and that indicates seniority or standing within the employer or other

organization's operation or specifies an area of specialization recognized by that employer or other organization, so long as the professional job title is not used in an untrue, deceptive, misleading, or false manner in connection with the solicitation, negotiation, or sale of a life insurance policy.

(c) For purposes of this subchapter, an untrue, deceptive, misleading, or false use of a certification, designation, or form of advertising shall include, but shall not be not limited to:

1. The use of a certification or professional designation not actually earned or otherwise available for use;
2. The use of a nonexistent or self-conferred certification or professional designation;
3. The use of a certification or professional designation that expresses or implies a level of occupational qualification obtained through education, training, or experience, but which is not actually obtained; and
4. The use of a certification or professional designation obtained from a certifying or designating organization that:
  - i. Is primarily engaged in the business of instruction in sales or marketing;
  - ii. Does not have reasonable standards or procedures for assuring the competency of a holder of its certificate or professional designation;
  - iii. Does not have reasonable standards or procedures for monitoring and disciplining a holder of its certificate or professional designation for improper or unethical conduct; or
  - iv. Does not have reasonable continuing education requirements for a holder of its certificate or professional

designation in order to maintain the certification or designation.

(d) Notwithstanding (c) above, there shall be a rebuttable presumption that the use of a certification or professional designation obtained from a certifying or designating organization is not in violation of this section if the certificate or professional designation issued to the holder does not apply primarily to sales or marketing and is accredited by:

1. The American National Standards Institute, or its successor;
2. The National Commission for Certifying Agencies, or its successor;
3. Any organization recognized as an accrediting agency by the United States Department of Education pursuant to section 496 of the Higher Education Act of 1965, Pub. L. 89-329 (20 U.S.C. § 1099b); or
4. Any other organization approved by the Commissioner by regulation.

(e) In order to determine a violation of this subchapter, the Commissioner may consider the use of one or more words, combination of words, or acronyms representing these words, and the manner or context of their use with respect to a certification, professional designation, or form of advertising, including, but not limited to, "senior," "retirement," "elder" or words of similar import, "certified," "registered," "chartered" or words of similar import, and "adviser," "specialist," "consultant," "planner" or words of similar import.

#### **11:4-60.4 Penalties**

Failure to comply with this subchapter may result in the imposition of penalties as authorized by law, including penalties authorized pursuant to N.J.S.A. 17:22A-45 and 17B:30-17.