

**CHAPTER 2**  
**INSURANCE GROUP**

**Authority**

N.J.S.A. 17:1-8.1, 17:1-15e, 17:17-1 et seq., 17B:17-1 et seq., 34:15-77, and 54:18A-1 et seq.

**Source and Effective Date**

R.2005 d.350, effective September 21, 2005.  
37 N.J.R. 2285(a), 37 N.J.R. 4026(a).

**Chapter Expiration Date**

Chapter 2, Insurance Group, expires on September 21, 2010.

**Chapter Historical Note**

Chapter 2, Insurance Group, was adopted and became effective prior to September 1, 1969.

Subchapter 10, Casualty Insurers, Personal Lines Insurance, was adopted as new rules by R.1970 d.71, effective June 26, 1970.

Subchapter 11, Rules Governing Advertisement of Health Insurance, was adopted as new rules by R.1972 d.95, effective May 16, 1972. See: 4 N.J.R. 69(b), 4 N.J.R. 128(d).

Subchapter 12, Mass Marketing of Property and Liability Insurance, was adopted as new rules by R.1974 d.271, effective September 25, 1974. See: 6 N.J.R. 313(d), 6 N.J.R. 408(a).

Subchapter 13, Group Coverage Discontinuance and Replacement, was adopted as new rules by R.1974 d.272, effective February 1, 1975. See: 5 N.J.R. 342(c), 6 N.J.R. 409(a).

Subchapter 17, Unfair Claims Settlement Practices, was adopted as new rules by R.1981 d.407, effective November 2, 1981, operative January 15, 1982. See: 12 N.J.R. 600(f), 13 N.J.R. 774(c), 13 N.J.R. 894(a).

Subchapter 18, Readable Policies, was adopted as new rules by R.1982 d.410, effective November 15, 1982. See: 14 N.J.R. 967(a), 14 N.J.R. 1307(c).

Subchapter 10, Casualty Insurers, Personal Lines Insurance, was repealed by R.1985 d.71, effective February 19, 1985. See: 16 N.J.R. 2920(a), 17 N.J.R. 458(b).

Subchapter 23, Advertisement of Life Insurance and Annuities, was adopted as new rules by R.1985 d.600, effective November 18, 1985. See: 16 N.J.R. 2626(a), 17 N.J.R. 2776(a).

Subchapter 19, Approval of Insurance Schools and Company Training Programs, was adopted as new rules by R.1985 d.608, effective December 2, 1985. See: 16 N.J.R. 2920(b), 17 N.J.R. 2901(b).

Subchapter 1, Educational Requirements for Licensing, was repealed, and Subchapter 19, Approval of Insurance Schools and Company Training Programs, was repealed by R.1989 d.192, effective April 3, 1989. See: 20 N.J.R. 1152(a), 21 N.J.R. 899(b).

Subchapter 26, Annual Audited Financial Reports, was adopted as new rules by R.1989 d.612, effective December 18, 1989. See: 21 N.J.R. 3054(a), 21 N.J.R. 3919(b).

Pursuant to Executive Order No. 66(1978), Chapter 2, Insurance Group, was readopted as R.1991 d.4, effective November 30, 1990, and Subchapter 8, Mid-Term Substitution by Mortgagor of Insurance Policies, was repealed, effective January 7, 1991, by R.1991 d.4. See: 22 N.J.R. 1673(a), 23 N.J.R. 103(a).

Subchapter 32, Custodial Deposits, was adopted as new rules by R.1991 d.14, effective January 7, 1991. See: 22 N.J.R. 2640(a), 23 N.J.R. 105(a).

Subchapter 31, Manner of Determining Premium for Perpetual Homeowners Insurance, was adopted as new rules by R.1991 d.139, effective March 18, 1991. See: 22 N.J.R. 601(a), 23 N.J.R. 860(b).

Subchapter 29, Orderly Withdrawal of Insurance Business, was adopted as new rules by R.1991 d.262, effective May 20, 1991. See: 23 N.J.R. 15(b), 23 N.J.R. 1673(a).

Subchapter 35, Relief from Insurer Obligations Under the Fair Automobile Insurance Reform Act of 1990, was adopted as new rules by R.1991 d.519, effective October 21, 1991. See: 23 N.J.R. 660(a), 23 N.J.R. 3166(a).

Subchapter 27, Determination of Insurers in a Hazardous Financial Condition, was adopted as new rules by R.1992 d.292, effective July 6, 1992. See: 23 N.J.R. 3197(a), 24 N.J.R. 2456(a).

Subchapter 33, Workers' Compensation Self-Insurance, was adopted as new rules by R.1993 d.157, effective April 5, 1993. See: 24 N.J.R. 1944(a), 24 N.J.R. 2708(b), 25 N.J.R. 1526(a).

Subchapter 28, Credit for Reinsurance, was adopted as emergency new rules by R.1993 d.448, effective August 16, 1993, expires October 15, 1993. See: 25 N.J.R. 4289(a). The provisions of R.1993 d.448 were readopted as R.1993 d.557, effective October 15, 1993. See: 25 N.J.R. 4289(a), 25 N.J.R. 5184(a).

Subchapter 36, Risk Retention Groups and Purchasing Groups, was adopted as emergency new rules by R.1993 d.449, effective August 16, 1993, expires October 15, 1993. See: 25 N.J.R. 4298(a). The provisions of R.1993 d.449 were readopted as R.1993 d.558, effective October 15, 1993. See: 25 N.J.R. 4298(a), 25 N.J.R. 5197(a).

Subchapter 37, Producer-Controlled Insurers, was adopted as emergency new rules by R.1993 d.450, effective August 16, 1993, expires October 15, 1993. See: 25 N.J.R. 4304(a). The provisions of R.1993 d.450 were readopted as R.1993 d.559, effective October 15, 1993. See: 25 N.J.R. 4304(a), 25 N.J.R. 5202(a).

Subchapter 38, Increase in Property and Casualty Capital and Surplus Requirements, was adopted as emergency new rules by R.1993 d.451, effective August 16, 1993, expires October 15, 1993. See: 25 N.J.R. 4306(a). The provisions of R.1993 d.451 were readopted as R.1993 d.560, effective October 15, 1993. See: 25 N.J.R. 4306(a), 25 N.J.R. 5204(a).

Subchapter 39, Increase in Capital and Surplus Requirements for Life and Health Insurers, was adopted as emergency new rules by R.1993 d.452, effective August 16, 1993, expires October 15, 1993. See: 25 N.J.R. 4309(a). The provisions of R.1993 d.452 were readopted as R.1993 d.561, effective October 15, 1993. See: 25 N.J.R. 4309(a), 25 N.J.R. 5208(a).

Subchapter 40, Life, Health and Annuity Reinsurance Agreements, was adopted as emergency new rules by R.1993 d.453, effective August 16, 1993, expires October 15, 1993. See: 25 N.J.R. 4314(a). The provisions of R.1993 d.453 were readopted as R.1993 d.562, effective October 15, 1993. See: 25 N.J.R. 4314(a), 25 N.J.R. 5212(a).

Subchapter 34, Surplus Lines Insurance: Allocation of Premium Tax and Surcharge, was adopted as new rules by R.1993 d.582, effective November 15, 1993. See: 25 N.J.R. 1826(a), 25 N.J.R. 5194(a).

Petition for Rulemaking. See: 26 N.J.R. 2487(b).

Subchapter 41, Windstorm Market Assistance Program, was adopted as new rules by R.1995 d.53, effective January 17, 1995. See: 26 N.J.R. 4304(a), 27 N.J.R. 364(a).

Subchapter 1, Admission Requirements for Foreign and Alien Life and Health Insurers, was adopted as new rules by R.1995 d.80, effective February 6, 1995. See: 26 N.J.R. 4586(a), 27 N.J.R. 559(a).

Pursuant to Executive Order No. 66(1978), Chapter 2, Insurance Group, was readopted as R.1996 d.3, effective November 30, 1995, with amendments effective January 2, 1996. See: 27 N.J.R. 3278(b), 28 N.J.R. 152(b).

Pursuant to Executive Order No. 66(1978), Chapter 2, Insurance Group, was readopted as R.2001 d.6, effective November 30, 2000. See: 32 N.J.R. 3530(a), 33 N.J.R. 85(a).

Subchapter 14, Procedures for the Conduct of Voting on a Plan of Reorganization of a Domestic Mutual Life Insurer, was adopted as new

rules by R.2001 d.84, effective March 5, 2001. See 32 N.J.R. 4330(a), 33 N.J.R. 802(a).

Subchapter 19, Designation of Third Party for Certain Notifications by Senior Citizen Insureds, was adopted as new rules by R.2002 d.210, effective July 1, 2002. See: 34 N.J.R. 366(a), 34 N.J.R. 2315(a).

Subchapter 42, Homeowners' Insurance: Standard Hurricane Deductibles And Expedited Process for Homeowners' Insurance Changes, was adopted as new rules by R.2003 d.450, effective November 17, 2003. See: 35 N.J.R. 1189(a), 35 N.J.R. 5280(b).

Subchapter 43, Treatment of Allocated Deposit-Type Deferred Contract Funds for Purposes of Calculating the Special Purpose Apportionment and the Fraud Assessment, was adopted as new rules by R. 2004, d.407, effective November 1, 2004. See: 36 N.J.R. 2976(a), 36 N.J.R. 4929(a).

Chapter 2, Insurance Group, was readopted by R.2005 d.350, effective September 21, 2005. As part of R.2005, d.350, Subchapter 38, Temporary Waiver from Increase in Property and Casualty Capital and Surplus Requirements, was repealed, effective October 17, 2005. See: Source and Effective Date. See, also, section annotations.

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(3) In the case of an individual who was totally disabled, and in the case of a type of coverage for which N.J.A.C. 11:2-13.5 requires an extension or accrued liability, the end of any period of extension or accrued liability which is required of the prior carrier by N.J.A.C. 11:2-13.5, or if the prior carrier's policy or contract is not subject to that section, would have been required of that carrier had its policy or contract been subject to N.J.A.C. 11:2-13.5 at the time the prior plan was discontinued and replaced by the succeeding carrier's plan.

3. Except with respect to policies and contracts providing group medical insurance, in the case of a preexisting conditions limitation included in the succeeding carrier's plan, the level of benefits or coverage applicable to preexisting conditions of persons becoming covered by the succeeding carrier's plan in accordance with this subsection during the period of time this limitation applies under the new plan shall be the lesser of:

i. The benefits or coverage of the new plan determined without application of the preexisting conditions limitation; and

ii. The benefits or coverage of the prior plan.

4. With respect to group medical insurance, any preexisting condition limitation or exclusion in the succeeding carrier's plan applicable to persons becoming covered by the succeeding carrier's plan shall be reduced or eliminated for each person separately on the basis of each person's creditable coverage pursuant to N.J.S.A. 17B:27A-54 et seq.

5. The succeeding carrier, in applying any deductibles or waiting periods in its plan, shall give credit for the satisfaction or partial satisfaction of the same or similar provisions under a prior plan providing similar benefits. Except as it relates to HMOs, the definition of waiting period includes, but is not limited to, the period of time required to be satisfied before maternity benefits or coverage becomes available. The aggregate period of time to be applied may be the greater of that required by either the prior plan or the succeeding plan. But in any event, the aggregate period of time will be satisfied by taking into consideration the full portion of the waiting period satisfied under the prior plan. In the case of deductible provisions, the credit shall apply for the same or overlapping benefit periods and shall be given for expenses actually incurred and applied against the deductible provisions of the prior carrier's plan during the 90 days preceding the effective date of the succeeding carrier's plan, but only to the extent these expenses are recognized under the terms of the succeeding carrier's plan and are subject to a similar deductible provision.

6. Notwithstanding (c) above, policies and contracts providing group medical insurance shall not contain a separate waiting period for maternity benefits, and pregnancy shall not be treated as a preexisting condition.

7. In any situation where a determination of the prior carrier's benefit or coverage is required by the succeeding carrier, at the succeeding carrier's request the prior carrier shall furnish a statement of the benefits or coverage available or pertinent information sufficient to permit verification of the benefit or coverage or the determination itself by the succeeding carrier. For the purpose of this section, benefits or coverage of the prior plan shall be determined in accordance with all the definitions, conditions, covered expenses and services and supplies provisions of the prior plan rather than those of the succeeding plan. The benefit or coverage determination shall be made as if coverage had not been replaced by the succeeding carrier.

As amended, R.1975 d.109, eff. April 24, 1975.

See: 7 N.J.R. 114(b), 7 N.J.R. 276(a).

Amended by R.1999 d.134, effective April 19, 1999.

See: 30 N.J.R. 3356(a), 31 N.J.R. 1101(a).

Rewrote (a) and (c); and in (b), inserted ", contractholder" following "policyholder", and substituted "self-funds" for "self-insures" following "carrier."

#### 11:2-13.7 Noncompliance

Noncomplying policy forms shall be deemed withdrawn on October 19, 1999.

Recodified from N.J.A.C. 11:2-13.9 and amended by R.1999 d.134, effective April 19, 1999.

See: 30 N.J.R. 3356(a), 31 N.J.R. 1101(a).

Rewrote the section. Former N.J.A.C. 11:2-13.7, Provisions as favorable, repealed.

#### 11:2-13.8 (Reserved)

Repealed by R.1999 d.134, effective April 19, 1999.

See: 30 N.J.R. 3356(a), 31 N.J.R. 1101(a).

Section was "Separability of provisions".

#### 11:2-13.9 (Reserved)

Recodified to N.J.A.C. 11:2-13.7 by R.1999 d.134, effective April 19, 1999.

See: 30 N.J.R. 3356(a), 31 N.J.R. 1101(a).

## SUBCHAPTER 14. PROCEDURES FOR THE CONDUCT OF VOTING ON A PLAN OF REORGANIZATION OF A DOMESTIC MUTUAL LIFE INSURER

#### Authority

N.J.S.A. 17:1-15e, 17:17C-1 et seq.; and 17:33-2.

#### Source and Effective Date

R.2001 d.84, effective March 5, 2001.

See: 32 N.J.R. 4330(a), 33 N.J.R. 802(a).

#### 11:2-14.1 Purpose and scope

(a) This subchapter establishes procedures pursuant to N.J.S.A. 17:17C-5a for the conduct of the vote of the

policyholders of a domestic mutual life insurer on a proposal to approve a plan of reorganization to convert from a domestic mutual life insurance company to a domestic stock life insurance company.

(b) This subchapter shall apply to any domestic mutual life insurer that seeks to reorganize into a domestic stock life insurer pursuant to N.J.S.A. 17:17C-1 et seq.

#### 11:2-14.2 Definitions

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

“Ballot” means the instrument by which a policyholder indicates his approval or disapproval of the plan of reorganization, including, but not limited to, a paper ballot.

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

“Demutualization” means the conversion of a domestic mutual insurer into a stock insurer.

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

“IVR” means interactive voice response.

“Notice” means a notice of the policyholder meeting as required by N.J.S.A. 17:17C-5c.

“Policyholder meeting” means the meeting of the policyholders held to conduct the vote on the plan of demutualization pursuant to N.J.S.A. 17:17C-5.

“Voting policyholders” means those policyholders of the insurer who are eligible to vote on the plan of reorganization pursuant to N.J.S.A. 17B:18-13 or 17B:18-23, as applicable.

#### 11:2-14.3 Policyholders entitled to notice and vote and manner of giving notice

The insurer shall prepare, in electronic format, a list of policyholders eligible to vote on the plan of reorganization, which list shall be subject to review by the Department. The insurer, acting directly or through one or more agents (as specified in N.J.A.C. 11:2-14.10), shall mail to voting policyholders a notice, an appropriate form of ballot with a postage-paid (first class) return envelope. The notice shall set forth the time, place and date of the policyholder meeting, and the notice or other material shall include instructions on all forms of voting, including interactive voice response (IVR) and internet, if applicable, as well as the procedure for requesting substitute or duplicate ballot forms. Substitute or duplicate ballot forms shall be mailed by the insurer or its agent as promptly as possible after receipt of the request. Upon conclusion of the vote, the insurer shall provide a certificate of mailing to the Commissioner.

#### 11:2-14.4 Policyholder communication

The insurer shall operate a toll free telephone center (“Demutualization Call Center”) to answer questions from policyholders on the plan, including, but not limited to, questions on the method of voting. The insurer shall submit to the Department for its approval, in advance of the establishment of the Demutualization Call Center, a copy of responses that will be given to anticipated policyholder questions. The insurer shall establish appropriate procedures acceptable to the Department for providing oral and written responses to questions that do not have an approved response. Such procedures shall be developed, taking into consideration the insurer’s need to respond promptly to policyholder inquiries. The insurer shall not provide any oral or written response that was not specifically approved or prepared in accordance with such procedures.

#### 11:2-14.5 Mailing, receipt, custody, and safeguarding of ballots

The insurer shall file with the Department its procedures for the printing, mailing, receipt, custody, safeguarding, verification and tabulation of ballots, and measures to prevent ballot tampering. The insurer shall also file with the Department its procedures for IVR and internet voting.

#### 11:2-14.6 Presumptions as to ballot validity

(a) In order to be counted as a vote cast, a paper ballot shall have, among other things, a valid signature. Absent challenge to any particular paper ballot, a ballot shall be presumed to have been executed by a person over the age of 18 at the time of execution and all signatures shall be presumed valid. In the event of a challenge, the following rules and presumptions shall govern in determining the validity of paper ballots:

1. A ballot shall not be rendered invalid solely because the signature is hand printed or written in pencil, or because the ballot bears a rubber stamp or facsimile signature;
2. Where the surnames of two or more joint owners are identical, they need not be repeated in the signature. For example, a ballot representing a policy in the name of “John Jones and Mary Jones” shall be valid if the ballot is signed as “John and Mary Jones” or as “John Jones and Mary”;
3. Initials may be used for first and middle names, names may be used for first and middle initials, and first and middle names or initials may be added or omitted. Further, a ballot shall not be rendered invalid because the manner in which a policyholder signed the ballot constitutes a slight change or a variation in spelling from, but is phonetically similar to, the manner in which his or her name is maintained on the policyholder records of the insurer;
4. Titles such as Mr., Mrs., Ms., Miss or Dr. may be added or omitted without affecting the validity of a ballot;

9. Such other provisions as are deemed necessary by the governing committee for the operation of the Windstorm MAP.

(b) The governing committee shall, within 30 days of the adoption of these rules, submit to the Commissioner, for his or her review and approval, a proposed plan of operation. After approval of the plan, the governing committee may thereafter propose an amendment to the plan of operation at any time for review and approval by the Commissioner. If approved, the Commissioner shall certify approval to the governing committee.

1. If the Commissioner disapproves all or any part of the plan of operation or any amendment, he or she shall return same to the governing committee with a statement that sets forth the reasons for his or her disapproval and may include other recommendations he or she may wish to make.

2. If the governing committee does not submit a plan of operation by February 16, 1995, or a new plan which is acceptable to the Commissioner within 30 days after the disapproval of a proposed plan, the Commissioner may promulgate a plan of operation and certify same to the governing committee, until such time as the governing committee submits its own plan of operation which is acceptable to the Commissioner.

3. The Commissioner may review the plan of operation at any time and may suggest amendments to the governing committee.

#### 11:2-41.6 Informal Referral Program ("IRP")

(a) The IRP shall provide for the distribution to the public of information about insurers offering coverage to qualified applicants that meet current underwriting guidelines.

(b) The governing committee shall provide in the plan of operation for administration of the IRP, which shall include provision for maintaining necessary records in order to confirm the applicant's qualification for the FAP pursuant to N.J.A.C. 11:2-41.7(a)2.

(c) The Windstorm MAP may revise the IRP as necessary to provide maximum assistance to property owners seeking homeowners' insurance in the coastal area; however, only the Department may gather underwriting information from homeowner insurers the Department determines is needed for use in the IRP.

#### 11:2-41.7 Formal Assistance Program ("FAP") application process

(a) Any person applying for homeowners' insurance through the FAP shall demonstrate that he or she is a qualified applicant.

(b) The FAP shall arrange for coverage to qualified applicants to the extent that the Windstorm MAP has capacity to provide such coverage based upon the participation of insurers.

(c) The governing committee shall establish procedures in the plan of operation with respect to documentation to be provided by the applicant or the producer showing (where applicable) the reasons for termination of previous insurance coverage, including, but not limited to:

1. Previous insurance company name and policy number;
2. Reasons for termination and effective date of termination; and
3. Claim history for the preceding three years.

(d) Those insurers that have agreed to consider risks through the FAP shall provide homeowners' insurance coverage to qualified applicants in accordance with each insurers' voluntary commitment to participate and to provide coverage.

#### 11:2-41.8 Right to petition for appeal to the Commissioner

(a) A member or participant may petition for appeal to the Commissioner from an adverse decision of the governing committee by filing a request in writing within 20 days of the date of receipt of the written decision of the governing committee.

1. The written request to appeal shall set forth the facts upon which it is based and include a copy of the written decision of the governing committee.
2. The Commissioner shall notify the petitioner and the governing committee within 30 days whether the request to appeal shall be granted.
3. Notice from the Commissioner that an appeal has been granted shall also provide a statement about whether the action of the governing committee has been stayed pending the disposition of the appeal.

(b) An appeal to the Commissioner granted pursuant to this rule shall be conducted on the record before the governing committee in accordance with applicable provisions of 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.

#### 11:2-41.9 Reports

Member insurers shall, no less frequently than quarterly, submit reports relative to the amount of homeowners' insurance in force and new business written in a format which shall be prescribed by Order of the Commissioner.

**11:2-41.10 Windstorm deductibles**

Member insurers that demonstrate pursuant to the provisions of this subchapter proportionate Statewide and coastal area market shares, may file for approval, pursuant to N.J.S.A. 17:29A-1 et seq., amendments to their filed rating systems in order to offer optional and/or mandatory windstorm deductibles. In determining whether to approve such filings, the Commissioner shall consider the insurer's demonstrated participation in the homeowners' insurance market and whether approval of the filing will contribute to improve availability and affordability of homeowners' insurance in the coastal areas.

**APPENDIX A****COASTAL REGION ZIP CODES**

07002	07715	07753	08202	08405	08750
07008	07716	07755	08203	08406	08751
07036	07717	07756	08204	08411	08752
07064	07718	07757	08212	08721	08753
07077	07719	07758	08223	08723	08754
07201	07720	07760	08226	08724	08755
07202	07721	07762	08230	08730	08756
07206	07723	07764	08243	08731	08757
07302	07730	08005	08247	08732	08758
07304	07732	08006	08248	08734	08832
07305	07734	08008	08260	08735	08861
07306	07735	08050	08400	08736	08862
07709	07737	08087	08401	08738	08878
07711	07740	08092	08402	08739	08879
07712	07748		08403	08740	
07713	07750		08404	08742	

**SUBCHAPTER 42. HOMEOWNERS' INSURANCE:  
STANDARD HURRICANE DEDUCTIBLES  
AND EXPEDITED PROCESS FOR  
HOMEOWNERS' INSURANCE RATE  
CHANGES**

**Authority**

N.J.S.A. 17:1-8.1, 17:1-15e and 17:36-5.33 through 5.37.

**Source and Effective Date**

R.2003 d.450, effective November 17, 2003.  
See: 35 N.J.R. 1189(a), 35 N.J.R. 5280(b).

**11:2-42.1 Purpose and scope**

(a) This subchapter sets forth the expedited process for a homeowner's insurer or rating organization to file changes to its rating system; sets forth the uniform policy language that may be used with respect to hurricane deductibles; and sets forth information that shall be included in notices provided to insureds by insurers regarding hurricane deductibles, pursuant to N.J.S.A. 17:36-5.33 to 5.36.

(b) This subchapter shall apply to all insurers writing or transacting homeowner's insurance in this State, rating organizations, and the FAIR Plan.

(c) These rules shall apply to base rate changes by form, territorial relativities, deductibles, protection/construction class factors, "coverage A" and "coverage C" amount of insurance factors, homeowner's liability rates and associated liability increased limit factors, minimum premiums, and other factors and credits.

**11:2-42.2 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.

"Earned premium" or "EP" means direct, earned premium net of dividends paid or incurred.

"FAIR Plan" means the New Jersey Insurance Underwriting Association established pursuant to N.J.S.A. 17:37A-1 et seq.

**EXHIBIT B**

Size of Rate Change Distribution

Indicate the number of in-force exposures for each category.

Evaluation Date: \_\_\_\_\_

Overall	Rate Change	In-Force Exposures	Distribution
	Above +40%		
	+35% to +40%		
	+30% to +35%		
	+25% to +30%		
	+20% to +25%		
	+15% to +20%		
	+10% to +15%		
	+5% to +10%		
	0% to +5%		
	No Change		
	-5% to 0%		
	-10% to -5%		
	-15% to -10%		
	-20% to -15%		
	Below -20%		
	TOTAL		

**EXHIBIT C**

Data is as of: \_\_\_\_\_

Form	In-Force Exposures	Latest Year On-Level Premium	Proposed Percentage Change	Proposed Dollar Effect	Current Average Premium	Proposed Average Premium
HO-1						
HO-2						
HO-3, 3 w/15						
HO-5						
HO-8						
Total Owners						
HO-4						
HO-6						
Total TN/CO						
Overall HO						

Form	In-Force Exposures	Latest Year On-Level Premium	Proposed Percentage Change	Proposed Dollar Effect	Current Average Premium	Proposed Average Premium
DW						
EC						
Total DW Fire						

Form	In-Force Exposures	Latest Year On-Level Premium	Proposed Percentage Change	Proposed Dollar Effect	Current Average Premium	Proposed Average Premium
MHO						

## EXHIBIT D

### HURRICANE DEDUCTIBLE

For the premium charged, we will pay only that part of the total of the loss for all Section I Property Coverages that exceeds the Hurricane Deductible noted below:

This deductible applies, as described below, in the event of direct physical loss to property covered under this policy, caused directly or indirectly in the event of a hurricane named by the National Weather Service or its successor from which sustained hurricane force winds of 74 miles per hour or greater have been measured in New Jersey by the National Weather Service (regardless of whether the sustained hurricane force winds reach the risk insured under the policy) and shall replace any other applicable deductible in that event. In no case will this deductible be less than the Section I deductible amount shown in the Declarations.

The duration of the hurricane includes the time period:

1. Beginning 12 hours prior to the first time that sustained hurricane force winds of 74 miles per hour or greater have been measured in New Jersey by the National Weather Service (regardless of whether the sustained hurricane force winds reach the risk insured under the policy).
2. Continuing for the time period during which the hurricane conditions exist anywhere in New Jersey.
3. Ending 12 hours after the last time the hurricane force winds of 74 miles per hour or greater have been measured in New Jersey by the National Weather Service (regardless of whether the sustained hurricane force winds reach the risk insured under the policy).

This deductible applies regardless of any other cause or event contributing concurrently or in any sequence.

The Hurricane Deductible (% or Stated Amount Deductible) shown in the Declarations applies only for loss or damage to covered property caused by wind, wind gusts, hail, rain, tornadoes, or cyclones caused by or resulting from a hurricane. The Hurricane Deductible also applies to any loss or damage to covered property caused by objects driven by wind, if your covered loss occurs during the time period.

The deductible for loss caused by each hurricane occurrence is the amount determined by applying the deductible percentage or Stated Amount Deductible shown in the Declarations to the applicable Coverage A—Dwelling limit shown in the Declarations.

This deductible amount does not apply to loss under Coverage D, Loss of Use. Instead the deductible amount that applies to loss under Coverage D will be the same as the deductible amount that would have been applied to the peril of fire.

### SUBCHAPTER 43. TREATMENT OF ALLOCATED DEPOSIT-TYPE DEFERRED ANNUITY CONTRACT FUNDS FOR PURPOSES OF CALCULATING THE SPECIAL PURPOSE APPORTIONMENT AND THE FRAUD ASSESSMENT

#### Authority

N.J.S.A. 17:1-8.1, 17:1-15e, 17:1C-19 et seq., 17:33A-1 et seq. and 17B:21-1 et seq.

#### Source and Effective Date

R.2004 d.407, effective November 1, 2004.  
See: 36 N.J.R. 2976(a), 36 N.J.R. 4929(a).

#### 11:2-43.1 Purpose and scope

(a) This subchapter sets forth procedures for the treatment of allocated deposit-type funds for purposes of determining an insurer's annuity premium subject to the special purpose apportionment and the fraud assessment.

(b) This subchapter shall apply to any insurer seeking to exclude allocated deposit-type funds from application of the special purpose apportionment or fraud assessment.

#### 11:2-43.2 Definitions

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

“Allocated deposit-type funds” means funds received by a life insurance company under deferred annuity contracts that have an identifiable life to which the funds are applied and that contain a mortality or morbidity risk.

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