

CHAPTER 19**FINANCIAL EXAMINATIONS MONITORING
SYSTEM****Authority**

N.J.S.A. 17:1-8.1, 17:1-15(e), 17:22-6.40 et seq., 17:22-6.70,
17:22A-17, 17:23-1 and 2, 17:23B-1, and 17B:17-1 et seq.

Source and Effective Date

R.2008 d.327, effective October 3, 2008.
See: 40 N.J.R. 2400(a), 40 N.J.R. 6466(a).

Chapter Expiration Date

Chapter 19, Financial Examinations Monitoring System, expires on
October 3, 2013.

Chapter Historical Note

Chapter 19, Financial Examinations Monitoring System, was adopted
as R.1993 d.69, effective February 1, 1993. See: 24 N.J.R. 2999(a), 25
N.J.R. 591(a).

Subchapter 3, Date Submission Requirements for all Licensed Pro-
ducers with Surplus Lines Authority and Eligible Surplus Lines Insurers,
was added as R.1993 d.232, effective May 20, 1993. See: 24 N.J.R.
3003(a), 25 N.J.R. 1972(b).

Subchapter 1, Data Submission Requirements for all Licensed In-
surers (The Financial Analysis Subsystem), was added as R.1995 d.665,
effective December 18, 1995. See: 27 N.J.R. 3759(a), 27 N.J.R.
5031(b).

Subchapter 4, Data Submission Requirements for all Domestic Life/
Health Insurers, was added as R.1995 d.112, effective February 21,
1995. See: 26 N.J.R. 1195(a), 27 N.J.R. 709(a).

Pursuant to Executive Order No. 66(1978), Chapter 19, Financial
Examinations Monitoring System, was readopted as R.1998 d.109,
effective January 23, 1998. See: 29 N.J.R. 5260(a), 30 N.J.R. 674(b).

Chapter 19, Financial Examinations Monitoring System, was re-
adopted as R.2003 d.303, effective June 30, 2003. See: 35 N.J.R.
500(a), 35 N.J.R. 3360(b).

Chapter 19, Financial Examinations Monitoring System, was re-
adopted as R.2008 d.327, effective October 3, 2008. As a part of R.2008
d.327, Subchapter 1, Data Submission Requirements for all Licensed
Insurers (The Financial Analysis Subsystem) was repealed. See: Source
and Effective Date. See, also, section annotations.

CHAPTER TABLE OF CONTENTS**SUBCHAPTER 1. (RESERVED)****SUBCHAPTER 2. DATA SUBMISSION REQUIREMENTS
FOR ALL DOMESTIC INSURERS**

- 11:19-2.1 Purpose and Scope
- 11:19-2.2 Definitions
- 11:19-2.3 General data filing requirements for all domestic insurers
- 11:19-2.4 IVS subsystem filing requirements
- 11:19-2.5 through 11:19-2.8 (Reserved)
- 11:19-2.9 Penalties

APPENDIX A

- Exhibit 1
- Exhibit 2
- Exhibit 3
- Exhibit 4

- Exhibit 5
- Exhibit 6

APPENDIX B

- Exhibit 1
- Exhibit 2
- Exhibit 3
- Exhibit 4

**SUBCHAPTER 3. DATA SUBMISSION REQUIREMENTS
FOR ALL LICENSED PRODUCERS WITH SURPLUS
LINES AUTHORITY AND ELIGIBLE SURPLUS
LINES INSURERS**

- 11:19-3.1 Purpose and scope
- 11:19-3.2 Definitions
- 11:19-3.3 General requirements
- 11:19-3.4 SLPS subsystem requirements for all surplus lines in-
surers
- 11:19-3.5 SLPS subchapter filing requirements for all licensed
producers with surplus lines authority
- 11:19-3.6 (Reserved)
- 11:19-3.7 Penalties

**APPENDIX. INSTRUCTIONS FOR COMPLETING
LICENSED NEW JERSEY SURPLUS LINES
PRODUCER QUARTERLY TAX RETURN****SUBCHAPTER 4. DATA SUBMISSION REQUIREMENTS
FOR ALL DOMESTIC LIFE/HEALTH INSURERS**

- 11:19-4.1 Purpose and scope
- 11:19-4.2 Definitions
- 11:19-4.3 ADAS filing requirements
- 11:19-4.4 Penalties

APPENDIX A**APPENDIX B****SUBCHAPTER 1. (RESERVED)****SUBCHAPTER 2. DATA SUBMISSION
REQUIREMENTS FOR ALL DOMESTIC
INSURERS****11:19-2.1 Purpose and Scope**

(a) The purpose of this subchapter is to set forth the filing
requirements and procedures for the submission of financial
data under various Financial Examinations Monitoring Sys-
tem (FEMS) subsystems, for all domestic insurers to the
Department.

(b) These rules apply to all domestic insurers regulated
under the laws of New Jersey unless specifically stated other-
wise.

11:19-2.2 Definitions

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

“ADAS” means the Actuarial Data and Analysis Subsystem, which provides tools to help the Department’s actuaries to value the reserves of domestic life insurance companies.

“ASCII” means the American Standard Code for Information Interchange. It is a byte-oriented coding system based on an eight bit code and used primarily to format information for transfer in a data communications environment.

“BASS” means the Billing and Scheduling Subsystem, which facilitates the examination activities of the Department. This system provides for automated time and expense entry, produces examination schedules and generates company bills.

“Certificate of Verification or statement of assets held” means a certified listing from the custodian of the securities held as of a specified date (for example, year end) for a specified insurance company.

“CINS” means CUSIP International Numbering Standard.

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

“CUSIP” means the American Banking Association’s (ABA) Committee on Uniform Security Identification Procedures, a uniform security identification system for securities which are obtained, selected, arranged and published by Standard and Poors.

“Custodian” means an entity that is in custody of securities on behalf of an insurer or the insurer itself.

“DDS” means the Descriptive Data Subsystem, which provides online access to demographic information and a financial snapshot of all insurance and other risk assuming entities regulated by the Department. A tracking system for admissions and extensions of authority is also provided.

“Department” means the Department of Banking and Insurance.

“Domestic insurer” means an insurer formed under the laws of this State pursuant to N.J.S.A. 17:17-1 et seq., 17:46A-1 et seq., 17:46B-1 et seq., and 17B:18-1 et seq.

“DTC” means Depository Trust Corporation.

“Due date” means a date prior to or on which a submission must be received by the Department.

“EBCDIC” means the Extended Binary Coded Decimal Interchange Code which is a computer code for representing data. This is used in all IBM mainframe systems.

“EXSSS” means the Examination Statistical Sampling Subsystem, which is a statistical sampling package that runs on a personal computer to provide the field examiners with random number and statistical sample support tools.

“FED” means Federal Reserve Book Entry.

“GASSS” means the General Application Spreadsheet Software Subsystem, which provides insurance analysts with a series of spreadsheet and query tools to analyze a specific company’s data.

“Insurer” or “insurance company” means an entity authorized or eligible to transact the business of insurance in New Jersey.

“IRS” means the Information Retrieval Subsystem, which is an information retrieval tool that will aid the field examiner in reviewing insurance company files.

“IVS” means the Investment Valuation Subsystem, which analyzes the investment data submitted with the Annual Statement (Schedule D) and reconciles custodian information to the statement data.

“NAIC” means the National Association of Insurance Commissioners.

“PPN” means Privately Placed Securities.

“Risk assuming entity” means any entity regulated by the Department pursuant to New Jersey statutes.

“SLPS” means the Surplus Lines Processing Subsystem, which assists the Department in monitoring the activities of persons which sell surplus lines insurance to New Jersey residents and matches quarterly agent tax data to quarterly company policy data.

“SVO” means the Securities Valuation Office. This entity was created by the NAIC to provide insurers with a source for uniform prices and quality ratings for their securities holdings.

“TASS” means the Taxes and Assessments Subsystem, which calculates and verifies premium tax information filed by companies, and calculates various assessments which are levied by the DOI.

“VOS Manual” means the Valuation of Securities manual; this document is published annually by the NAIC SVO and contains market prices and NAIC Designations for all bonds and stocks owned by United States domiciled insurers when such securities have been filed with the SVO for this purpose.

Amended by R.1994 d.104, effective February 22, 1994.

See: 25 N.J.R. 2820(b), 26 N.J.R. 1100(b).

Amended by R.1998 d.109, effective February 17, 1998.

See: 29 N.J.R. 5260(a), 30 N.J.R. 674(b).

In “Commissioner” and “Department” definitions, changed the “Department of Insurance” to the “Department of Banking and Insurance”.

Amended by R.2008 d.327, effective November 3, 2008.

See: 40 N.J.R. 2400(a), 40 N.J.R. 6466(a).

Deleted definitions “FAS” and “GLARS”.

11:19-2.3 General data filing requirements for all domestic insurers

(a) All domestic insurers shall file with the Department on an annual basis the information required by this subchapter