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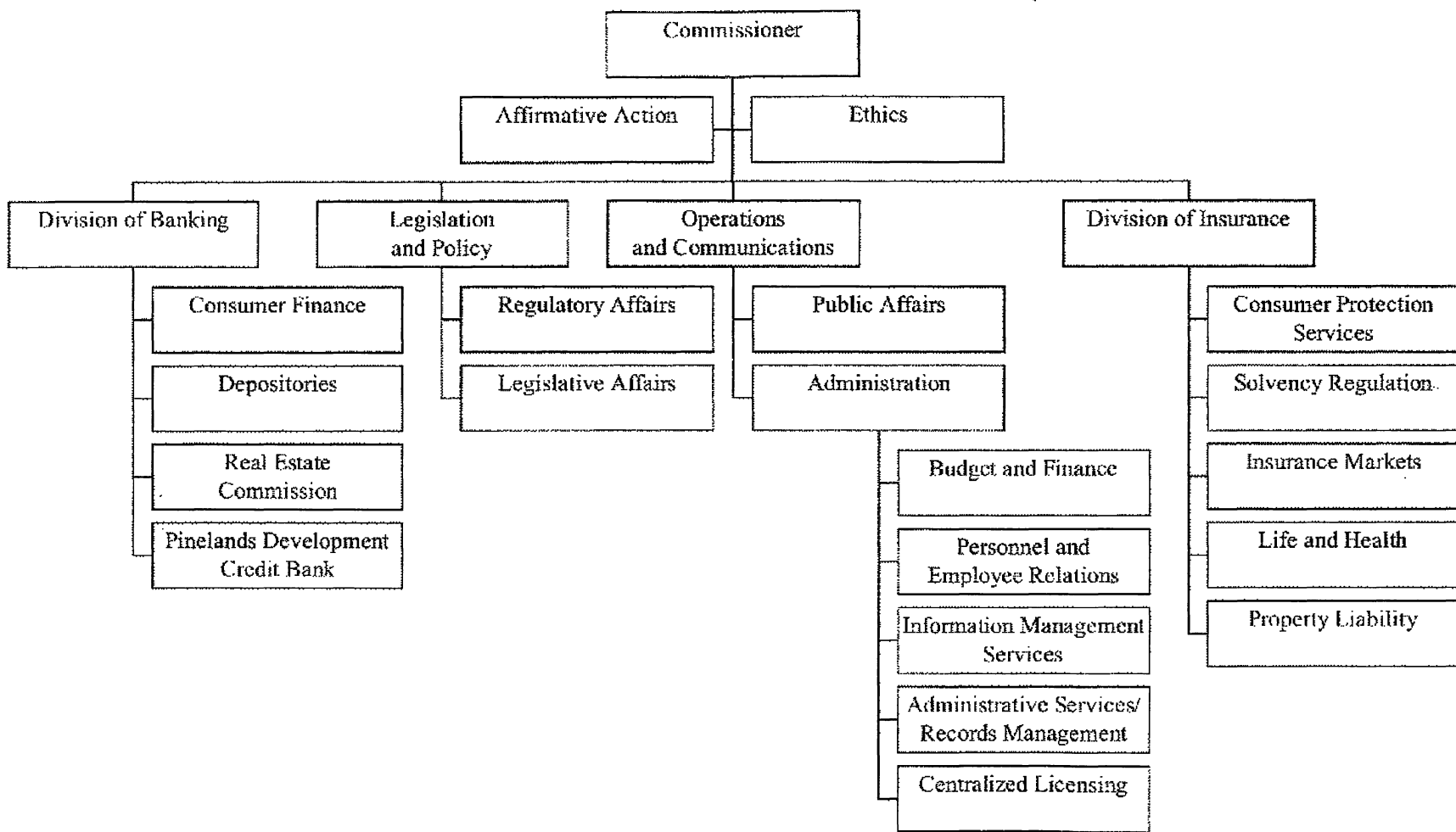
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SUBCHAPTER 1. ORGANIZATION**11:1-1.1 Organization**

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

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

Department of Banking and Insurance
July 26, 2006



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

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

Amended by R.2007 d.91, effective April 2, 2007.

See: 38 N.J.R. 4976(b), 39 N.J.R. 1313(a).

Deleted introductory language and reserved "Exhibit A".

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

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

SUBCHAPTER 3. DISABILITY DISCRIMINATION GRIEVANCE PROCEDURE

11:1-3.1 Definitions

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

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

"Agency" means the New Jersey Department of Banking and Insurance.

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

11:1-3.2 Purpose

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

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

11:1-3.3 Required ADA notice

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

“Medicare Supplement coverage” means coverage under a Medicare supplement policy, as defined in N.J.S.A. 17B:26A-1e.

“Personal lines prior approval rate increase” means an increase in rates for personal lines property/casualty coverages, which are those coverages listed in paragraphs 1 through 3 in the definition “consumer insurance rate increase” above in this section.

“Personal lines property/casualty coverages” means insurance issued for personal, family or household purposes, as set forth at N.J.A.C. 11:13-1.2(a)2.

“Private passenger automobile insurance” means direct insurance on an “automobile,” as defined in N.J.S.A. 39:6A-2.

“Rating organization” means every person or persons, corporation, partnership, company, society, or association engaged in the business of ratemaking for two or more insurers, and licensed as such pursuant to N.J.S.A. 17:29A-2.

Amended by R.2006 d.307, effective September 5, 2006.

See: 37 N.J.R. 4156(a), 38 N.J.R. 3586(a).

In 4 of definition “Consumer insurance rate increase”, substituted “Supplement” for “Supplemental” and “L” for “J”; added definition “Division of Rate Counsel”; substituted definition “Medicare Supplement coverage” for definition “Medicare supplemental coverage”; and added definition “Personal lines prior approval rate increase”.

11:1-45.3 Form of notice required

(a) Subject to N.J.A.C. 11:1-45.1(b), insurers shall provide notice, in the form set forth in Exhibit A in the Appendix to this subchapter, incorporated herein by reference, of any filing for a personal lines prior approval rate increase, as set forth in N.J.S.A. 52:27EE-51, filed directly by the insurer or on its behalf by a rating organization. The notice shall be communicated through either regular or electronic mail to the named policyholders who use the products and services subject to the consumer insurance rate increase, and shall be provided within seven business days of the filing with the Department. In the case of regular mail, the notice shall be sent to the last known address of the named policyholder. The insurer may request policyholders to supply their electronic mail address, if they have one. If the policyholder does not have an electronic mailing address, then the insurer shall use regular mail. Insurers shall, as part of any filing for a consumer insurance rate increase, affirm that they are aware of and will comply with this notice requirement.

(b) Insurers shall not be responsible to assure receipt of the notice by all policyholders, provided the insurer has complied with N.J.A.C. 11:1-45.3. The failure of any policyholders to receive the notice shall not impact the effectiveness of any rate change that may subsequently be approved.

(c) Rating organizations shall publish notice, in the form set forth in Exhibit A in the Appendix to this subchapter, of any filing for a consumer insurance rate increase, in three newspapers of general circulation in this State, and on the

rating organization’s website, within seven business days of the filing with the Department.

(d) Nothing in this rule prevents the insurer from supplementing its notice with any other explanatory information that it may wish to supply to its policyholders with respect to the rate increase.

(e) Pursuant to N.J.S.A. 52:27EE-50, insurers and rating organizations shall file notice of a prior approval rate filing seeking a consumer insurance rate increase with the Department and shall concurrently provide a copy of the filing to the Division of Rate Counsel in the Department of the Public Advocate.

Amended by R.2006 d.307, effective September 5, 2006.

See: 37 N.J.R. 4156(a), 38 N.J.R. 3586(a).

In (a), substituted “personal lines prior approval” for “consumer insurance”, “set forth” for “defined”, “52:27EE-51” for “17:29A-53b” and “seven” for “10”; in (c), substituted “seven” for “10”; and added (e).

11:1-45.4 Penalties

Failure to comply with this subchapter shall result in the imposition of penalties as authorized by law, including, but not limited to, penalties authorized pursuant to N.J.S.A. 17:33-2.

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Dear Policyholder:

(Salutation may be omitted by rating organizations.)

This is to provide notice as required pursuant to N.J.S.A. 52:27EE-51 that (COMPANY NAME) filed on (DATE) with the New Jersey Department of Banking and Insurance a request for a rate increase in the amount ____% for (TYPE OF COVERAGE(S)).

[For PPA only] Under the proposed filing, the average liability-only policy would see a rate change of ____%. The average Full Coverage policy (includes comprehensive and collision coverage) will see a rate change of ____%. The impact of the filing on your rates may vary substantially, depending on the terms of your policy and your individual circumstances.

[For homeowners’ only] Under the proposed filing, the average Owners policy (or equivalent term used by the filer) will see a rate change of ____%. The average Tenants policy will see a rate change of ____%. The average Condominiums policy (or equivalent term used by the filer) will see a rate change of ____%. The impact of the filing on your rates may vary substantially, depending on the terms of your policy and your individual circumstances.

[For all other personal lines property/casualty coverages] Under the proposed filing, the average policy will see a rate change of ____%. The impact of the filing on your rates

may vary substantially, depending on the terms of your policy and your individual circumstances.

The request for a rate increase is subject to review and approval by the Department of Banking and Insurance pursuant to law, and the request ultimately may not be approved or may not be approved for the full amount requested. If approved in whole or in part, the rate change will not affect existing policies until they come up for renewal.

Amended by R.2006 d.307, effective September 5, 2006.
See: 37 N.J.R. 4156(a), 38 N.J.R. 3586(a).
Rewrote section.

SUBCHAPTER 46. STOCK WORKERS' COMPENSATION SECURITY FUND

11:1-46.1 Purpose and scope

(a) This subchapter sets forth procedures for the assessment of stock carriers for purposes of making contributions to the Stock Workers' Compensation Security Fund pursuant to N.J.S.A. 34:15-108.

(b) This subchapter shall apply to all stock insurers authorized or admitted to transact workers' compensation insurance in this State pursuant to Title 17 of the Revised Statutes.

11:1-46.2 Definitions

The following words and 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.

"Insolvent stock carrier" means a stock carrier which has been determined to be insolvent, or for which, or for the assets of which, a receiver has been appointed by a court or public officer of competent jurisdiction and authority.

"Stock carrier" means any stock corporation authorized or admitted to transact workers' compensation insurance in this State, except an insolvent stock carrier.

"Stock fund" means the Stock Workers' Compensation Security Fund established pursuant to N.J.S.A. 34:15-103 et seq.

11:1-46.3 Contributions to stock fund

(a) The Department shall periodically evaluate the amount of funds in the stock fund. When the aggregate amount of all payments into the stock fund, together with accumulated

interest thereon, less all its expenditures and known liabilities of all stock carriers for the payment of benefits, shall be reduced below three percent of the loss reserves of all stock carriers for the payment of benefits under N.J.S.A. 34:15-1 et seq. or 33 U.S.C. §§ 901 et seq. by reason of payments from and known liabilities of the fund, then the Commissioner shall by Order require that contributions to the fund be made based on the net premiums of each stock carrier, as shown on the insurer's most recently filed annual statement and that such contributions continue until the stock fund, over and above its known liabilities, shall be equal to not less than three percent nor more than five percent of such reserves.

(b) All payments shall be made in the amount specified in and pursuant to the Order of the Commissioner.

11:1-46.4 Penalties

Failure to comply with the provisions of this subchapter may result in the imposition of penalties as authorized by law, including, but not limited to, penalties authorized pursuant to N.J.S.A. 34:15-109.

SUBCHAPTER 47. ELECTRONIC TRANSACTIONS

11:1-47.1 Purpose and scope

(a) This subchapter recognizes and permits electronic transactions between carriers or producers, and applicants, insureds, or other parties.

(b) This subchapter applies to all transactions between carriers or producers, and an applicant, insured or other party for all kinds of insurance pursuant to Titles 17 and 17B of the New Jersey Statutes. This subchapter shall also apply to transactions involving the PAIP and CAIP. This subchapter shall not apply to cancellation, nonrenewal or termination of any insurance coverage. This subchapter shall not apply to filings required to be made with the Department.

11:1-47.2 Definitions

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

"CAIP" means the Commercial Automobile Insurance Plan established pursuant to N.J.S.A. 17:29D-1 and N.J.A.C. 11:3-1.

"Carrier" means an insurance company, health service corporation, hospital service corporation, medical service corporation, dental service corporation, dental plan organization or health maintenance organization approved, authorized, admitted, or eligible to transact business in this State pursuant to Titles 17, 17B or 26 of the New Jersey Statutes, as applicable.

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

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

“Electronic record” is as defined in N.J.S.A. 12A:12-2.

“Electronic signature” is as defined in N.J.S.A. 12A:12-2.

“PAIP” means the Personal Automobile Insurance Plan established pursuant to N.J.S.A. 17:29D-1 and N.J.A.C. 11:3-2.

“Producer” means a person required to be licensed pursuant to N.J.S.A. 17:22A-26 et seq. to sell, solicit or negotiate insurance in this State.

“Record” is as defined in N.J.S.A. 12A:12-2.

11:1-47.3 Electronic transactions

(a) To the extent any statute or rule requires that a transaction or record related thereto between a carrier or a producer and an applicant, insured or other party be in writing, with or without a signature, such transaction or record may be made electronically, provided the requirements

of N.J.S.A. 12A:12-1 et seq. with respect to the use of electronic transactions, are satisfied.

(b) All parties shall agree to the use of electronic records in order for such transactions to be given effect.

(c) Carriers and producers shall develop appropriate procedures for the use of electronic transactions in their dealings with applicants, insureds or any other party. The procedures shall provide for the use of electronic records and transactions consistent with all requirements of law.

(d) All procedures shall be part of a carrier’s underwriting rules, to the extent underwriting rules are subject to review and approval by the Commissioner. If underwriting rules are not subject to review and approval, such procedures shall be included in the carrier’s or producer’s business plan.

11:1-47.4 Penalties

Failure to comply with the provisions of this subchapter may result in the imposition of penalties as authorized by law, including, but not limited to, penalties authorized pursuant to N.J.S.A. 17:33-2 and 17B:21-2.