

SUBCHAPTER 2. FILINGS: PROPERTY AND CASUALTY

11:1-2.1 Purpose and scope

(a) This subchapter shall apply to every rating organization and property and casualty insurer that makes its own rate, rule and policy form filings and to every member or subscriber of a rating organization on whose behalf rate, rule and policy form filings are made pursuant to the provisions of N.J.S.A. 17:29A-1 et seq. and 17:29AA-1 et seq.

(b) This subchapter establishes requirements as to the format of filings pertaining to rates, manual rules, rating plans, policy forms and endorsements, and sets forth guidelines as to required supporting information with respect to such filings.

New Rule, R.2002 d.101, effective April 1, 2002.
See: 33 N.J.R. 1875(a), 34 N.J.R. 1431(b).

Former N.J.A.C. 11:1-2.1, Filing of rates, manual rules, rating plans, policy forms and endorsements, recodified to N.J.A.C. 11:1-2.2.

11:1-2.2 Filing of rates, manual rules, rating plans, policy forms and endorsements

(a) Filings submitted to this Department for approval shall be explicit and self-contained, supported by statistics, where applicable, and shall set forth the information upon which the filer relied in making the filing.

(b) All commercial and personal lines filings submitted to the Department shall be accompanied by a Filing Source Document, MARS001 incorporated herein by reference as Exhibit A in the Appendix to this subchapter and shall be submitted in duplicate.

(c) All commercial lines filings submitted to the Department shall also be accompanied by final printed pages and Form MARS002, incorporated herein by reference as Exhibit B in the Appendix to this subchapter. For personal lines filings, final printed pages and Form MARS002 shall be provided no later than 10 days after notice of approval or no later than 10 days prior to the effective date.

Amended by R.1975 d.34, effective February 19, 1975.
See: 7 N.J.R. 9(b), 7 N.J.R. 115(a).
Recodified from N.J.A.C. 11:1-2.1 and amended by R.2002 d.101, effective April 1, 2002.

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

Rewrote the section. Former N.J.A.C. 11:1-2.2, Filing of changes, recodified to N.J.A.C. 11:1-2.3.

11:1-2.3 Filing of changes

(a) Filings containing changes in rates, rules, plans and forms previously approved for the filer shall be presented in the following fashion:

1. A copy of the page or pages containing the passage for which a change is proposed shall be filed in such form that the text is self-contained without need to refer to

material not included in the filing. Matter to be changed or omitted by the filing shall be identified, preferably by marking the passages to be changed with a marking pencil; where matter is to be added, a mark (Λ) shall so indicate.

2. A memorandum shall be filed reciting the rule or section of form to be changed, properly referenced as to the manual or form, with newly added matter underlined and matter to be eliminated in brackets [] or a side by side comparison indicating the proposed changes.

(b) An explanatory note shall state the reason or purpose for the proposed change including any statistical support, and a calculation or estimate of the effect of the change on premiums and/or losses shall be submitted:

1. Filings of proposed rate changes must contain all information upon which the rate filer relies, including past and prospective loss and expense experience, and due consideration must be given to investment income from unearned premium and loss reserves in any proposed profit provision in the rates.

Amended by R.1975 d.34, effective February 19, 1975.

See: 7 N.J.R. 9(b), 7 N.J.R. 115(a).

Recodified from N.J.A.C. 11:1-2.2 and amended by R.2002 d.101, effective April 1, 2002.

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

In (a)2, added "or a side by side comparison indicating the proposed changes". Former N.J.A.C. 11:1-2.3, Adoption of rules and forms approved for other filers, recodified to N.J.A.C. 11:1-2.4.

11:1-2.4 Adoption of rules and forms approved for other filers

(a) If a filer proposes to adopt rules, rating plans, policy forms or endorsements previously approved for other filers in New Jersey, the filing shall clearly identify such reference including the name of the filer and the date such filings were approved in this State, including any amendments thereof. The Department staff will give reasonable assistance to a filer in obtaining such information to the extent that it is a public record:

1. Reference to filings of rating organizations or advisory organizations:

- i. If the proponent wishes to adopt exactly and without any change filings approved for rating organizations or accepted for reference purposes on behalf of advisory organizations in New Jersey, the filing shall clearly identify such reference and shall not include a copy of the material referred to;

- ii. If the proponent wishes to adopt filing material with some exceptions, he shall follow the procedure outlined under this subsection, submitting only pages containing such exceptions.

2. Reference to filings of individual filers:

- i. If the proponent wishes to adopt filings approved in New Jersey for other filers acting independently of

rating organizations, the material made reference to must be filed, with any modifications identified as outlined in Section 2 of this Subchapter.

Amended by R.1975 d.34, effective February 19, 1975.
 See: 7 N.J.R. 9(b), 7 N.J.R. 115(a).
 Recodified from N.J.A.C. 11:1-2.3 by R.2002 d.101, effective April 1, 2002.
 See: 33 N.J.R. 1875(a), 34 N.J.R. 1431(b).
 Former N.J.A.C. 11:1-2.4, New Filings, recodified to N.J.A.C. 11:1-2.5.

11:1-2.5 New filings

Action on new filings will be expedited if they are identified as to their foundation. Filings shall not be identified as new filings if they properly fall under the categories discussed under section 3 or 4 of this subchapter.

Amended by R.1975 d.34, effective February 19, 1975.
 See: 7 N.J.R. 9(b), 7 N.J.R. 115(a).
 Recodified from N.J.A.C. 11:1-2.4 and amended by R.2002 d.101, effective April 1, 2002.
 See: 33 N.J.R. 1875(a), 34 N.J.R. 1431(b).
 Deleted the first sentence, substituted "new" for "such" in the second sentence and substituted "3 or 4" for "2 or 3" in the third sentence. Former N.J.A.C. 11:1-2.5, Notification, recodified to N.J.A.C. 11:1-2.6.

11:1-2.6 Notification

The filing with a cover letter shall be submitted to the Department of Banking and Insurance. The filing shall be accompanied by a Filing Source Document as described in N.J.A.C. 11:1-2.2(b) and (c) and incorporated herein by reference as Exhibit A and B in the Appendix to this subchapter, properly completed and signed by the person authorized by the company to make filings.

New Rule R.1975 d.34, effective February 19, 1975.
 See: 7 N.J.R. 9(b), 7 N.J.R. 115(a).
 Public Notice: change of address.
 See: 16 N.J.R. 1813(b).
 Amended by R.1996 d.116, effective March 4, 1996.
 See: 27 N.J.R. 4121(a), 28 N.J.R. 1382(a).
 Amended by R.2001 d.75, effective March 5, 2001.
 See: 32 N.J.R. 4184(a), 33 N.J.R. 794(a).
 Recodified from N.J.A.C. 11:1-2.5 and amended by R.2002 d.101, effective April 1, 2002.
 See: 33 N.J.R. 1875(a), 34 N.J.R. 1431(b).
 Rewrote the section.

Case Notes

Filing of insurance rates was a "proceeding" in which Rate Counsel was authorized to intervene. State Farm Mut. Auto. Ins. Co. v. State, Dept. of Public Advocate, 227 N.J.Super. 99, 545 A.2d 823 (A.D.1988), certification granted 114 N.J. 479, 555 A.2d 605, affirmed 118 N.J. 336, 571 A.2d 957.

Rate Counsel is entitled to compensation in a "proceeding initiated" by insurance company. State Farm Mut. Auto. Ins. Co. v. State, Dept. of Public Advocate, 227 N.J.Super. 99, 545 A.2d 823 (A.D.1988), certification granted 114 N.J. 479, 555 A.2d 605, affirmed 118 N.J. 336, 571 A.2d 957.

11:1-2.7 Penalties

Failure to comply with the provisions of this subchapter may result in the imposition of penalties as prescribed by law.

New Rule, R.2002 d.101, effective April 1, 2002.
 See: 33 N.J.R. 1875(a), 34 N.J.R. 1431(b).

APPENDIX

**APPENDIX
 INSTRUCTIONS FOR FILING SOURCE DOCUMENT,
 FORM MARS001**

- Market—The following are lists of commercial and personal lines the Department regulates:

<u>Commercial</u>	<u>Personal</u>
Artisans	Auto Liability
Auto Liability	Auto Physical Damage
Auto Physical Damage	Boatowners
Businessowners	Crime
Commercial Package Policy	Economic Security
Crime	Excess Liability
Fire	Farmowners
General Liability	Fire
Glass	General Liability
Market Segments	Glass
Professional Liability	Homeowners
Special Multi Peril	Inland Marine
	Mobile-homeowners
	Pet insurance
	Title
- Type of Filing—Check all applicable items. "Other" includes the following: symbol pages, CAIP & PAIP changes in Plan of Operation. Plain Language Certification only applies to personal lines (except Title & Farmowners).

- Proposed Effective Date—Enter the anticipated date you would like the filing effective, for example, June 10, 2000 as 06 10 2000. No rate, rule or form filings for personal lines insurance may be used in New Jersey until it is approved by the Commissioner. The effective date is an agreed date between the filer and the Department. Commercial lines rates and rules filings are submitted on a use and file basis in accordance with the Commercial Deregulation Act of 1982, N.J.S.A. 17:29AA-1 et seq. Commercial lines forms filings are submitted on a file and use basis with a minimum 30 day deemer from receipt of filing. "Renewals" if not applicable leave blank.
- Company Name—Include only companies in your group to which this filing applies. Group number is 4 digits. NAIC number is 5 digits.
- Line—Enter the line of insurance (see #1 above for lines of insurance).
- Subline—The following are recognized sublines by the Department and may be amended.

<u>Line</u>	<u>Subline</u>
Professional Liability	Dentists/Technical Employees
	Employees Professional Liability
	Hospitals
	Lawyers
	Nurses
	Nursing Homes
	Optometrists/Opticians

- | | | |
|------------------------------|---------------------------------|--|
| | Physicians/Surgeons | |
| | Physiotherapists | |
| | Podiatrists | |
| Commercial General Liability | Premises/Operations | |
| Personal Inland Marine | Credit Property | |
| Economic Security | Credit Involuntary Unemployment | |
| | Leave of Absence | |
7. Program Name—Enter program name if applicable, for example, Businessowners Insurance Program.
 8. Bureau Designation #—Not applicable to companies.
 9. Include previously disapproved exclusions, rates or rules.
 10. If this filing is a revision of your current program, provide the New Jersey Department File #and effective date of the rates, rules or forms that are being revised by this filing.
 11. If this filing is identical or similar to that of another carrier, provide the Department File #and company name.
 12. Enter the applicable Annual Statement Statutory Page 14 line(s) of business where the premium associated with this filing will be reported.
 13. If this filing has an impact on rates, complete the requested information as it affects the current book of business. Affidavit of Compliance—complete all parts.

NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE
OFFICE OF PROPERTY/CASUALTY
FILING SOURCE DOCUMENT

9. Does this filing contain any provisions previously disapproved by the New Jersey Insurance Department? Yes [] No []

If yes, provide the New Jersey Department File # _____

10. Does this filing change Rates, Rules or Forms currently approved and on file with the New Jersey Insurance Department? Yes [] No []

If yes, provide the following: New Jersey Department File # _____
Effective Date _____

11. Is this filing identical to another submission filed for use in New Jersey by another carrier? Yes [] No []

If yes, provide the following: New Jersey Department File # _____
Company Name _____

12. Enter applicable Annual Statement Statutory Page 14 line of business number(s) for the line of insurance being filed. Line No. _____

13. Does this filing have an impact on rates charged to insureds? Yes [] No []

If yes, provide the following: Overall Percentage Change _____
Dollar Impact _____
Number of exposures affected by change _____
How measured (# of drivers, policies, etc.) _____
Range of increase/decrease per insured _____ %
Current and Proposed Statewide Average Premium _____
(For Homeowners show separately for owner and tenant forms)

AFFIDAVIT OF COMPLIANCE

The attached filing, to the best of my knowledge and belief, fully conforms to all pertinent State of New Jersey laws, and New Jersey Department of Banking and Insurance rules and requirements. The attached filing, to the best of my knowledge and belief, contains no provisions previously disapproved by the New Jersey Department of Banking and Insurance or its predecessors, except as specifically noted above.

Name (Please Print) : _____

Signature : _____

Title : _____

Phone # : _____

Fax # : _____

E-Mail Address : _____

INSTRUCTIONS FOR FINAL PRINTED PAGES, FORM MARS002

The Final Printed Pages form must be completed accurately by filers so that the DOBI can maintain a current manual of rates,

rules and forms. This form is utilized by our staff to withdraw old forms and/or manual pages from your current manual, replace revised forms and/or manual pages, and to insert new forms and/or manual pages. It is therefore very important that

this form be completed and returned to our office expeditiously. If the company fails to submit a completed form and final printed pages within the allowable time frame, it may result in administrative action.

- NJ Dept File No:** This is the number assigned to your submission from the Department. It is included in the acknowledgment copy that is returned to you. If this is not known, please contact the Department.
- Date of Filing:** This is the letter date of your initial submission.
- Effective Date:** This is the date you would like the filing to become effective. This date should be consistent with item 3. of the Filing Source Document.
- Line:** The line of insurance is to be identified as the line applicable to your submission. Same as item 5. of the Filing Source Document.
- Program Name:** If applicable, identify the specific name of the program.
- CLM Division No:** This includes the commercial lines manual division number applicable to this submission. For example, Division One—Commercial Auto. This is not applicable to Personal Lines or bureaus other than ISO.

Company Names:

This includes the companies for which this filing is being made. If the filing is made for certain companies in a group, only list the names of the companies that apply.

Manual Page and Form Numbers:

This information is the most important information on this form and must therefore be completed accurately. Always identify pages/forms with a printing date and/or edition date.

New: Use this column when the pages/forms are new and do not replace any current pages/ forms.

Revised: Use this column to indicate the revised pages/forms. If this column is used an entry must be in the Superseded column.

Superseded: Use this column to identify the pages/forms being replaced or withdrawn.

New Rule, R.2002 d.101, effective April 1, 2002.
See: 33 N.J.R. 1875(a), 34 N.J.R. 1431(b).

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.

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

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.

(b) The Commissioner may, by rule amending this subchapter, specifically declare ineligible for export any class or classes of insurance coverage or risk which he or she determines to be generally procurable through diligent effort among authorized insurers pursuant to N.J.S.A. 17:22-6.43(a).

(c) When, during the term of a duly promulgated exportable list, the Commissioner determines that changed conditions require a modification of the exportable list, he or she may, after a hearing, by rule, amend the list.

1. Notice of the Commissioner's action shall be provided to all surplus lines agents, eligible surplus lines insurers, authorized insurers and others who have previously requested receipt of such information.

11:1-34.6 Exportable list

(a) The exportable list is as follows:

1. Amusement Devices, Parks and Carnivals;
2. Animal Mortality;
3. Armored Cars;
4. Auto Racing and Race Tracks;
5. Day Care Center Liability;
6. Difference In Condition;
7. Environmental Impairment Liability Insurance;
8. Excess and Buffer Liability;
9. Excess Loss and Excess Aggregate for Self-Insurers; Public Liability and Workers' Compensation;
10. Golf Driving Range;
11. Fine Arts Dealers;
12. First Loss and Excess of First Loss Insurance;
13. House Movers and Building Demolition;
14. Kidnapping, Ransom and Extortion Insurance;
15. Manufacturers and Contractors Liability for Floor Waxers, Building Maintenance People, Window Washers and Exterminators;
16. "Large Risks" which means any insured:
 - i. Which procures insurance for any property casualty risk by use of the services of either an employee who is a full-time insurance manager or buyer, or a regularly and continuously retained qualified insurance consultant; and
 - ii. Whose aggregate commercial premiums for insurance (excluding, Life, Health and Accident, Annuities and Workers' Compensation insurance) total at least \$500,000;

17. Motor vehicle coverage as follows:

- i. Physical Damage Coverage for Limousines; and
- ii. Physical Damage Coverage for Trucks, including trailers and trailer interchange (over 10,000 pounds) for Non-Fleet (one to five) risks, and commercial fleet (over five) risks irrespective of gross vehicle weight;

18. Mortgage Impairment;

19. Pony Rides/Riding Academies;

20. Physical Damage Coverage for Private Passenger and Commercial Vehicles with an original cost new of \$60,000 or above;

21. Product Liability Products or Products Recall Coverage;

22. Professional Liability insurance as follows:

- i. Errors and Omissions; and
- ii. Professional Liability except:
 - (1) Legal malpractice liability;
 - (2) Medical malpractice liability
 - (A) Hospitals Professional Liability
 - (B) Physicians and Surgeons Professional Liability
 - (C) Dentist Professional Liability
 - (D) Employees Professional Liability
 - (E) Nurses Professional Liability
 - (F) Optometrists Professional Liability
 - (G) Physiotherapists Professional Liability
 - (H) Chiroprodists Professional Liability

23. Short Term Events;

24. Skating Rinks (Roller and Ice) and Skate Board Parks;

25. Swim Clubs/Swim Pools;

26. Vacant and Unoccupied Building;

27. Warehouseman's Legal Liability;

28. Automobile Personal Injury Protection (PIP) coverage in excess of \$250,000;

29. Commercial auto liability for taxicabs and limousines; (Eligible Surplus Lines insurer's certificate of eligibility must state that they are permitted to write this risk.)

30. Commercial auto liability for intermediate and long-haul trucking; (Eligible Surplus Lines insurer's certificate of eligibility must state that they are permitted to write this risk.)

31. Liquor Liability;

32. Employment Practices Liability; and

33. Gap Coverage for Private Passenger and Commercial Automobile.

(b) With the exception of disability insurance as set forth in (b)1 below, the following kinds of insurance, if sold by eligible surplus lines insurers, are specifically not eligible for export, since the Department has determined that they are procurable from authorized or admitted insurers after a diligent effort:

1. Health insurance, including specific excess or aggregate excess purchased by self-funded health benefit plans, as defined by N.J.S.A. 17B:17-4. Insurance producers may, however, request an exemption for the export of individual disability insurance. Such requests, and any exemptions granted on the basis of such requests, shall be subject to the following provisions:

i. If a licensed New Jersey insurance producer, after making a diligent effort to procure an individual disability policy with an authorized insurer, finds that the coverage is unavailable in the admitted market, he may request an exemption to export disability insurance;

ii. The request shall include copies of at least three applications to and declinations from authorized insurers, a description of the specific coverage sought and an explanation as to why the Department should permit the coverage to be exported;

iii. If granted, such an exemption shall enable the producer to place an individual disability policy with an eligible surplus lines insurer which has a New Jersey certificate of eligibility which includes accident and health;

iv. Requests that are not granted within 30 days of receipt by the Department shall be deemed disapproved; and

v. All such requests shall be submitted to:

Department of Banking and Insurance
Life and Health Office
ATTN: Gale Simon, Assistant Commissioner
20 West State Street
PO Box 325
Trenton, NJ 08625; and

2. Annuities including Funding Agreements or Guaranteed Investment Contracts (GIC's) as defined by N.J.S.A. 17B:17-5.

(c) Life insurance is specifically not eligible for export pursuant to N.J.S.A. 17:22-6.40 et seq.

(d) The Department shall annually publish a notice in the New Jersey Register, which lists Unauthorized Insurers that qualify as Eligible Surplus Lines Insurers in New Jersey.

Amended by R.1997 d.488, effective November 17, 1997.

See: 29 N.J.R. 1009(b), 29 N.J.R. 5023(a).

Added (a)31 and (a)32.

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

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

Rewrote (a) and added (d).

Public Notice: Unauthorized insurers qualified as eligible surplus lines insurers.

See: 33 N.J.R. 2349(c).

Public Notice: Unauthorized insurers qualified as eligible surplus lines insurers.

See: 34 N.J.R. 1055(a).

Public Notice: List of Unauthorized Insurers Which Qualify as Eligible New Jersey Surplus Lines Insurers.

See: 36 N.J.R. 2562(a).

Amended by R.2005 d.135, effective May 2, 2005.

See: 36 N.J.R. 4622(a), 37 N.J.R. 1522(b).

In (a), inserted "and limousines" following "auto liability for taxicabs" in 29.

Amended by R.2005 d.442, effective December 19, 2005.

See: 37 N.J.R. 3214(a), 37 N.J.R. 5014(a).

In (a)20, increased the original cost new of \$40,000 to \$60,000; rewrote the introductory paragraph of (b) and (b)1.

Public Notice: Department of Banking and Insurance; Surplus Lines Examining Office: list of unauthorized insurers which qualify as eligible New Jersey Surplus Lines insurers.

See: 38 N.J.R. 1603(a).

APPENDIX A

(RESERVED)

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

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

SUBCHAPTER 35. INSURANCE HOLDING COMPANY SYSTEMS

11:1-35.1 Purpose and scope

(a) The purpose of this subchapter is to set forth filing and procedural requirements governing the filing of required information with respect to the acquisition of control of, or merger with, a domestic insurer, and registration and notification requirements for insurers which are members of an insurance holding company system, pursuant to N.J.S.A. 17:27A-1 et seq.

(b) This subchapter shall apply to any person, insurer, subsidiary or insurance holding company system subject to the requirements set forth in N.J.S.A. 17:27A-1 et seq.

11:1-35.2 Definitions

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

"Acquisition" means any agreement, arrangement or activity, the consummation of which results in a person acquiring directly or indirectly the control of another person,