

**CHAPTER 19**

**FINANCIAL EXAMINATIONS  
MONITORING SYSTEM**

**Authority**

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

**Source and Effective Date**

R.2003 d.303, effective June 30, 2003.  
See: 35 N.J.R. 500(a), 35 N.J.R. 3360(b).

**Chapter Expiration Date**

Chapter 19, Financial Examinations Monitoring System, expires on  
June 30, 2008.

**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 Produc-  
ers with Surplus Lines Authority and Eligible Surplus Lines Insur-  
ers, 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 Insur-  
ers (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 readopt-  
ed as R.2003 d.303, effective June 30, 2003. See: Source and Effective  
Date. See, also, section annotations.

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**SUBCHAPTER 1. DATA SUBMISSION  
REQUIREMENTS FOR ALL LICENSED  
INSURERS (THE FINANCIAL ANALYSIS  
SUBSYSTEM)**

**11:19-1.1 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 the Financial Analysis Subsystem  
("FAS") of the Financial Examination Monitoring System  
("FEMS").

(b) These rules apply to all licensed insurers regulated  
under the laws of New Jersey.

**11:19-1.2 Definitions**

The following words and terms, as used in the 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 Department of Banking and Insurance.

“FAS” means the Financial Analysis Subsystem, which performs analysis on the annual/quarterly statement data filed with the NAIC under mandate of the Department.

“FEMS” means the Financial Examinations and Monitoring System.

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

“NAIC” means the National Association of Insurance Commissioners.

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”.

**11:19-1.3 FAS submission requirements**

All New Jersey licensed insurers shall file their FAS data submissions with the NAIC in accordance with the NAIC Annual Statement Diskette Filing Specifications and the NAIC Diskette Submission Directive instead of filing this information with the Department.

**11:19-1.4 Penalties**

Failure to comply with the provisions of this subchapter shall subject the insurer to penalties pursuant to N.J.S.A. 17:23-2, 17B:21-2 and any other penalties permitted by law.

## 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 System (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 otherwise.

**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.