

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., 17:22-6.45, 17:22-6.70, 17:22A-17, 17:23-1 and 2, 17:23B-1, 17:46B-1 et seq., 17B:17-1 et seq., and 17B:21-1 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 Producers 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 Insurers (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d.327, Subchapter 1, Data Submission Requirements for all Licensed Insurers (The Financial Analysis Subsystem) was repealed.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.

Subchapter 1, Annual and Quarterly Financial Statement Submission Requirements, was adopted as new rules by R.2009 d.332, effective November 2, 2009. See: 41 N.J.R. 2614(a), 41 N.J.R. 4117(a).

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SUBCHAPTER 1. ANNUAL AND QUARTERLY FINANCIAL STATEMENT SUBMISSION REQUIREMENTS

11:19-1.1 Purpose and scope

(a) The purpose of this subchapter is to set forth requirements for the filing of annual and quarterly financial statement data with the NAIC and the Department.

(b) This subchapter applies to licensed insurers in this State.

11:19-1.2 Definitions

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

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

“Licensed insurer” means an insurer authorized, admitted or eligible to transact insurance in this State.

“NAIC” means the National Association of Insurance Commissioners.

11:19-1.3 Annual and Quarterly Financial Statement Submission Requirements

(a) All New Jersey licensed insurers shall file their annual and quarterly financial information with the NAIC in accordance with the NAIC Annual Statement Diskette Filing Specifications and the NAIC Diskette Submission Directive in addition to filing this information with the Department in hard copy as set forth in (b) below.

(b) In addition to filing with the NAIC pursuant to (a) above, all domestic insurers regardless of premium volume, as well as any foreign or alien admitted insurer with more than 90 percent of its direct written premiums in New Jersey, shall file required statements in hard copy with the Department. Eligible surplus lines insurers may comply with applicable filing requirements by filing such statements electronically with the NAIC, provided that hard copies of the Juart page, Schedule T and page 3 (Liabilities and Surplus) are filed with the Department.

11:19-1.4 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 by N.J.S.A. 17:23-2 and 17B:21-2.

**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.

“DTC” means Depository Trust Corporation.

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