

**CHAPTER 19
FINANCIAL EXAMINATIONS
MONITORING SYSTEM**

Authority

N.J.S.A. 17:1-8.1, 17:1C-6(e), 17:17-1 et seq., 17B:18-1 et seq., 17:23-1 et seq., 17B:21-1 et seq., 17:46A-1 et seq., and 17:46B-1 et seq.

Source and Effective Date

R.1993 d.69, effective February 1, 1993.
See: 24 N.J.R. 2999(a), 25 N.J.R. 591(a).

Executive Order No. 66(1978) Expiration Date

Chapter 19, Financial Examinations Monitoring System, expires on February 1, 1998.

Chapter Historical Note

Chapter 19, Financial Examinations Monitoring System, became effective on February 1, 1993. See: Source and Effective Date. Subchapter 3 added by R.1993 d.232. See: 24 N.J.R. 3003(a), 25 N.J.R. 1972(b).

See section annotations for specific rulemaking activity.

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

Authority

N.J.S.A. 17:1-8, 17:1C-6(c), 17:23-1 and 2, 17:23B-1 and 2.

Source and Effective Date

R.1995 d.665, effective December 18, 1995.
See: 27 N.J.R. 3759(a), 27 N.J.R. 5031(b).

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 this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

"Commissioner" means the Commissioner of the New Jersey Department of Insurance.

"Department" means the Department of 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.

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 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 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.

“FAS” means the Financial Analysis Subsystem, which performs analysis on the annual/quarterly statement data filed with the NAIC under mandate of the Department. A series of solvency related tests are performed and companies are stratified based upon test results.

“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.

“GLARS” means the General Ledger Analytical Review Subsystem, which is a general ledger package that assists the Department’s field examiners in their company examination activity by reconciling the company chart of accounts to the annual statement filing.

“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).

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 for the prior calendar year ending December 31 by March 1, of the next year, in accordance with the Appendices to this subchapter incorporated herein by reference.

(b) Upon request by the Commissioner, any domestic insurer shall provide the information required by this subchapter to the Department in accordance with formats set forth in this subchapter.

Amended by R.1994 d.104, effective February 22, 1994.
See: 25 N.J.R. 2820(b), 26 N.J.R. 1100(b).

11:19-2.4 IVS subsystem filing requirements

(a) All domestic insurers shall provide the Department with a report on their securities by either cartridge (3480 model) or computer tape (6250 BPI, IBM compatible) in accordance with (c) below.

(b) Domestic insurers owning securities which are held by custodians shall utilize custodians which shall:

1. Submit to the Department a certification of securities held; and
2. Provide the Department with an independent report of the insurer’s securities by either cartridge (3480 model) or computer tape (6250 BPI, IBM compatible) in accordance with (c) below.

(c) All reports of securities held by domestic insurers filed with the Department shall include the information and be submitted in the format set forth in the record layouts in Appendix A to this subchapter. The report shall include the following information:

1. An internal IBM standard tape label containing:
 - i. Data set name (“INF.XXXXX.ZZZZZ”). The five Xs shall be replaced with the custodian code

assigned by the Department and the five Zs shall be replaced with the company's NAIC number;

- ii. The data must be EBCDIC character set and alphas in upper case;
- iii. Volume serial number (six characters, shall be unique for each tape in a multi-volume data set);
- iv. Tape density;
- v. Record format;
- vi. Record length;
- vii. Block size; and
- viii. Create date.

2. Tapes and cartridges may be delivered or mailed but shall be received by the Department by the due date to:

New Jersey Department of Insurance
 FEMS-IVS Project
 20 W. State Street
 CN-325
 Trenton, NJ 08625

- i. If mailed, they shall be mailed in standard secure containers with a pre-addressed, prepaid return address label enclosed or attached.
3. Tapes and cartridges shall be clearly labeled with the custodian's name, company's name and the date. The box and the label shall be printed or typed in capital letters.
4. Domestic insurers and/or the custodian shall submit either IBM compatible 3480 cartridges, or 6250 BPI tapes (3480 cartridges are preferred, with 6250 BPI tapes as a secondary preference.)
5. An external label shall be affixed to the tapes or cartridges and include the following information:
 - i. The custodian's name and custodian's code;
 - ii. The company's name and NAIC number;
 - iii. The volume sequence number if file is multi-volume (for example 1 of 5);
 - iv. The date when the tape or cartridge was mailed;
 - v. The letters "SL" on the external label indicating that the internal IBM standard tape information is included as provided in (c)1 above;
6. A cover letter indicating the same information on the internal and external labels; and
7. A signed affidavit of the custodian which shall accompany all transmissions attesting to the accuracy of the cartridges/tapes.

8. Domestic insurers and/or custodians that are not technically capable of providing the Department with an IBM standard internal label pursuant to (c)1 above, shall indicate that no internal label is included by writing the letters "NL" on the external label and on the cover letter.

(d) Domestic insurers and/or the custodian shall adhere to the attached record layouts in the appendices. In addition to transaction records, header and trailer records shall be included in all electronic media (that is, tapes and cartridges), in the format set forth in Appendix A to this subchapter.

11:19-2.5 GLARS subsystem filing requirements

(a) All domestic property and casualty and life/health insurance companies shall provide the Department with a report on their pre-closing general ledger account balances and year-end closing adjustments for this State on a personal computer diskette in accordance with (b) and (c) below.

(b) A personal computer diskette shall be formatted so that it can be read by an IBM or compatible personal computer. The diskette must be a high density, double-sided, 1.44 megabyte (3.5 inch) or 1.2 megabyte (5.25 inch) diskette (3.5 inch diskettes are preferred).

1. The file shall be a non-delimited ASCII text file with a carriage return and line feed as the last character of each record. The data shall not be in compressed format.

2. The file shall be named using the company type (P for property and casualty, L for life/health), year (92, 93 etc.), the company NAIC number, and an ASC extension (for ASCII). For example, the 1992 file for a property and casualty company with an NAIC number of 12345 would be named P9212345.ASC.

(c) All reports on pre-closing general ledger account balances and year-end closing adjustments filed by domestic property and casualty and life/health insurance companies with the Department shall include the information and be submitted in the format set forth in the record layouts in Appendix B to this subchapter which is incorporated in this rule by reference. The report shall include the following information:

1. An external label shall be affixed to diskette(s) and include the following information:

- i. The company's name and NAIC number, type (P&C for property and casualty or L/H for life/health), and year of the data (for example, 1992);
- ii. The date when the diskette was mailed;
- iii. The volume sequence number of the diskette (for example, "1 of 1" or "2 of 4");
- iv. The volume serial number of the diskette (this can be determined by executing the DOS "VOL" command); and

v. The information shall be displayed as follows:

NAME: (for example, ABC Life Ins. Co.)
 NAIC NO: NNNNN
 TYPE: (for example, L/H)
 YEAR OF DATA: YY
 DATE MAILED: MM/DD/YY
 DISK: 1 of 1
 VSN: (for example, 2364-07E1);

2. A cover letter that provides the same information as on the external labels;

3. A signed affidavit by the insurer which shall accompany all transmissions attesting to the accuracy of the diskette(s); and

4. The diskette(s) may be delivered or mailed but shall be received by the Department by March 1 at the following address:

New Jersey Department of Insurance
 FEMS—General Ledger System Project
 20 West State Street
 CN 325
 Trenton, New Jersey 08625-0325

New Rule, R.1994 d.104, effective February 22, 1994.
 See: 25 N.J.R. 2820(b), 26 N.J.R. 1100(b).

11:19-2.6 through 11:19-2.8 (Reserved)

11:19-2.9 Penalties

Failure to comply with the provisions of this subchapter shall subject the insurer to penalties as provided in N.J.S.A. 17:23-2 and 17B:21-2.

APPENDIX A

Exhibit 1

Header Record Layout

Field No.	Field Name	Start Pos	Field Type & Length	Comments
1	Record Type	1	X(1)	Must fill w/"1"
2	Custodian Code	2	X(5)	DOI assigned custodian code
3	Insurance Company Code	7	X(5)	NAIC Code
4	Year Ended	12	X(4)	Format CCYY; CC = the century, YY = the year
5	Filler	16	<u>X(135)</u> 150	Space fill

Note:
 X denotes alphanumeric
 Alphanumeric fields containing numeric values should be right adjusted and zero filled to the left with the sign in the left most character (specific instructions for each field are documented in the comment section).

APPENDIX A

Exhibit 2

Header Record Layout Description

Field No.	Field Name	Comments
1	Record Type	This field must contain the number "1" for this record type.
2	Custodian Code	This field must contain the custodian's code assigned by the DOI.
3	Insurance Company Code	This field must contain the Insurance company's NAIC company code.
4	Year Ended	This field must contain the year of the period for which the data applies.
5	Filler	Spaces

APPENDIX A

Exhibit 3

Detail Record Layout

Field No.	Field Name	Start Pos	Field Type & Length	Comments
1	Record Type	1	X(1)	Must fill w/"2"
2	Custodian Code	2	X(5)	DOI Custodian Code
3	Insurance Company Code	7	X(5)	NAIC Code
4	CUSIP/PPN/CINS Number	12	X(9)	If no assigned number, fill w/nine zeroes. This number must be unique. There may not be two records with the same CUSIP. The first 8 digits must be unique (e.g. 123456789—1 through 8 must be unique).
5	Issuer	21	X(30)	
6	Description	51	X(30)	
7	Stock/Bond Indicator	81	X(1)	S or B
8	Quantity	82	X(15)	Total Par Value or Number of Shares—12 digits to left of implied decimal point, 3 digits to right—sign is NOT included since this value should always be positive.
9	Market Value	97	X(12)	Market Value Per Security 8 digits to left of implied decimal point, 3 digits to right, the sign (+, -) should be in the first character
10	Market Price Source	109	X(20)	Source of Price (e.g. Wall Street Journal)
11	Filler	139	<u>X(22)</u> 150	Space fill

Note:
 X denotes alphanumeric
 Alphanumeric fields containing numeric values should be right adjusted and zero filled to the left with the sign in the left most character (specific instructions for each field are documented in the comment section).

APPENDIX A

Exhibit 4

Detail Record Layout Description

Field No.	Field Name	Comments
1	Record Type	This field must contain the number "2" for this record type.
2	Custodian Code	This field must contain the custodian's code which was assigned by the DOI.
3	Insurance Company Code	This field must contain the Insurance company's NAIC company code.
4	CUSIP/PPN/CINS Number	Must contain approved CUSIP, PPN, or CINS Number or (foreign issues) Agency number as assigned by Standard & Poor's Corporation. This number must be unique. There may be no duplicate CUSIP. It is the first 8 digits of the CUSIP that must be unique. For example, 222222212 and 222222222 are unique CUSIPs. However, the following are duplicate CUSIPs: 222222222 and 222222221. Therefore,

Field No.	Field Name	Comments
		each record must be a unique CUSIP according to the first 8 digits. The "first 8" refers to the first eight digits, starting from the left.
5	Issuer	Must contain name of company issuing security.
6	Description	Must contain shortened CUSIP security description.
7	Stock/Bond Indicator	Must contain an S to indicate security quantity is reported as number of shares or a B to indicate security quantity is reported as par value.
8	Quantity	Must contain total number of shares of stocks held or total par value of bonds (where the value of bonds owned are adjusted for repayment of principal).
9	Market Value	Must contain market value per security. For stocks this field should contain market value per share. For bonds this field should contain market value per unit.
10	Market Price Source	Must contain the source of pricing for example, Wall Street Journal, Dow Jones, etc.
11	Filler	Spaces

Field No.	Field Name	Comments
2	Custodian Code	This field must contain the custodian's code assigned by the DOI.
3	Insurance Company Code	This field must contain the Insurance company's NAIC company code.
4	Total Records	Total number of detail records submitted.
5	Total Quantity	Cash total of total shares/par value (total of quantity field for all detail records).
6	Filler	Spaces

APPENDIX B

Exhibit 1

General Ledger Account Detail Record Layout

**APPENDIX A
Exhibit 5
Trailer Record Layout**

Field No.	Field Name	Start Pos	Field Type & Length	Comments
1	Record Type	1	X(1)	Must fill w/"3"
2	Custodian Code	2	X(5)	DOI Custodian Code
3	Insurance Company Code	7	X(5)	NAIC Code
4	Total Records	12	X(8)	Exclude header & trailer
5	Total Quantity	20	X(18)	15 digits to the left of the implied decimal point, 3 digits to the right, no sign should be included, this should be a total of the quantity field for every detail record.
6	Filler	38	X(113) 150	Space fill

Field Number	Field Name	Start Pos	Field Type and Length	Comments
1	General Ledger Account Number	1	X(12)	General Ledger account number including sub-accounts.
2	Adjustment Number	13	9(5)	Must be "0", right justified.
3	Account Description	18	X(45)	Description of the account.
4	Annual Statement Page Number	63	X(2)	The page number of the annual statement where the account is reported.
5	Annual Statement Line Number	65	X(6)	The line number on the page where the account is reported.
6	Annual Statement Page Number	71	X(1)	The column number on the page where the account is reported.
7	Amount	72	9(16)	The amount of the year-end, pre-closing account balance.
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Note:
X denotes alphanumeric
Alphanumeric fields containing numeric values should be right adjusted and zero filled to the left with the sign in the left most character (specific instructions for each field are documented in the comment section).

Note:
X = denotes alphanumeric
9 = denotes numeric

New Rule, R.1994 d.104, effective February 22, 1994.
See: 25 N.J.R. 2820(b), 26 N.J.R. 1100(b).

**APPENDIX A
Exhibit 6
Trailer Record Layout Description**

Field No.	Field Name	Comments
1	Record Type	This field must contain the number "3" for this record type.

APPENDIX B

Exhibit 2

**General Ledger Account Detail
Record Layout Description**

Field Number	Field Name	Comments
1	General Ledger Account Number	General ledger account number (alphanumeric, left justified, up to 12 positions). Sub-accounts are to be combined with account number, up to 12 positions.
2	Adjustment Number	A zero for the adjustment number (numeric, right justified) indicates this is an account and not an adjustment.
3	Account Description	Description of the account (the first 45 positions, left justified).
4	Annual Statement Page Number	The page number of the annual statement for P/C companies which corresponds to Liabilities Surplus and Other Funds, Underwriting and Investment Exhibit—Statement of Income and Exhibit 1—Analysis of Assets. The page number of the Annual Statement for L/H companies which corresponds to Liabilities Surplus and Other Funds, Summary of Operations and Exhibit 13—Assets. (for 1993 data this must be 03, 04, or 12 for P&C companies or 03, 04, or 20 for L/H companies).
5	Annual Statement Line Number	The line number on the page where the account is reported (left justified, with a leading zero for numbers less than 10, that is, 02.2).
6	Annual Statement Column Number	The column number on the page where the account is reported (1 for pages 03 and 04; 1, 2, or 3 for page 12 or page 20).
7	Amount	The amount field will be the year-end pre-closing account balance (positive for debit balance and negative for credit balance). The decimal point is to be contained in the field. A leading minus (“-”), placed directly before the first number, is used to indicate negative numbers. Leading zeros are not to be used, but trailing zeros are to be used for the decimal places. The total field width (16) includes all numbers, the minus sign and the decimal point. For example, a negative \$304,020 and 20 cents would appear as _____-304020.20, where the underscore represents spaces.

New Rule, R.1994 d.104, effective February 22, 1994.
See: 25 N.J.R. 2820(b), 26 N.J.R. 1100(b).

APPENDIX B

Exhibit 3

Adjusting Ledger Detail Record Layout

Field Number	Field Name	Start Pos	Field Type and Length	Comments
1	General Ledger Account Number	1	X(12)	General ledger account number to be adjusted.
2	Adjustment Number	13	9(5)	The adjustment number.
3	Adjustment Description	18	X(45)	Description of the adjustment.
4	Annual Statement Page Number	63	X(2)	The page number of the annual statement where the adjustment is reported.

Field Number	Field Name	Start Pos	Field Type and Length	Comments
5	Annual Statement Line Number	65	X(6)	The line number on the page where the adjustment is reported.
6	Annual Statement Column Number	71	X(1)	The column number on the page where the adjustment is reported.
7	Amount	72	9(16)	The year-end closing adjustment amount.

Note:
X = denotes alphanumeric
9 = denotes numeric

New Rule, R.1994 d.104, effective February 22, 1994.
See: 25 N.J.R. 2820(b), 26 N.J.R. 1100(b).

APPENDIX B

Exhibit 4

Adjusting Entry Detail Record Layout Description

Field Number	Field Name	Comments
1	General Ledger Account Number	General ledger account number to be adjusted (alphanumeric, left justified, up to 12 positions). If there is no account number for Surplus (page 03, line 25B for P&C companies and page 03, line 34 for L/H companies), account number 999 is to be used.
2	Adjustment Number	The same adjustment number should be used for all off-setting entries. All adjustment numbers shall be less than 90,000.
3	Adjustment Description	Description of the adjustment (The first 45 positions, left justified).
4	Annual Statement Page Number	The page number of the annual statement for P/C companies which corresponds to Liabilities Surplus and Other Funds, Underwriting and Investment Exhibit—Statement of Income and Exhibit 1—Analysis of Assets. The page number of the Annual Statement for L/H companies which corresponds to Liabilities Surplus and Other Funds, Summary of Operations and Exhibit 13—Assets. (for 1993 data this must be 03, 04, or 12 for P&C companies or 03, 04, or 20 for L/H companies).
5	Annual Statement Line Number	The line number on the page where the adjustment is reported (left justified, with a leading zero for numbers less than 10, that is, 02.2).
6	Annual Statement Column Number	The column number on the page where the adjustment is reported (1 for pages 03 and 04; 1, 2 or 3 for page 12 or page 20).
7	Amount	The amount field will be the year-end closing adjustment amount (positive for debit balance and negative for credit balance). The decimal point is to be contained in the field. A leading minus (“-”), placed directly before the first number, is used to indicate negative numbers. Leading zeros are not to be used, but trailing zeros are to be used for the decimal places. The total field width (16) includes all numbers, the minus sign and the decimal point. For example, a negative \$304,020 and 20 cents would appear as _____-304020.20, where the underscore represents spaces.

New Rule, R.1994 d.104, effective February 22, 1994.
See: 25 N.J.R. 2820(b), 26 N.J.R. 1100(b).

11:19-3.2 Definitions

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

“Alien insurer” means an insurer formed under the laws of any country other than the United States of America, its states, districts, territories, commonwealths or possessions.

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

“Department” means the Department of Insurance.

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

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

“Foreign insurer” means an insurer formed under the laws of a jurisdiction of the United States of America, other than the State of New Jersey.

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

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

Subchapter Historical Note

Subchapter 3, Data Submission Requirements for all Licensed Producers with Surplus Lines Authority and Eligible Surplus Lines Insurers, became effective May 17, 1993 as R.1993 d.232. See: 24 N.J.R. 3003(a), 25 N.J.R. 1972(b).

11:19-3.1 Purpose and scope

(a) The purpose of this subchapter is to set forth the filing and reporting requirements and procedures for the submission of:

1. All eligible surplus lines insurers' quarterly net written premiums for the State of New Jersey; and
2. Tax and surcharge filings for all licensed surplus lines producers.

(b) These rules apply to all licensed producers with surplus lines authority and all insurers eligible to transact surplus lines insurance business in New Jersey in accordance with N.J.S.A. 17:22-6.40 et seq. and 17:22-6.70 et seq.

“ISI Number” means the nine digit identifying number issued by the NAIC to uniquely identify an “alien insurer.”

“NAIC” means the National Association of Insurance Commissioners.

“NAIC number” means the five digit number assigned by the NAIC to uniquely identify a foreign or admitted insurer.

“Net written premiums” means direct gross premiums on insurance policies written by a surplus lines insurer less return premiums thereon. If a policy issued by a surplus lines insurer covers risks or exposures only partially located in this State, the “net written premiums” do not include premiums on the risks or exposures outside of the State.

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

“Surplus lines insurer” means an unauthorized insurer eligible to transact surplus lines insurance business in this State, in which an insurance coverage is placed or may be placed pursuant to N.J.S.A. 17:22-6.40 et seq.

“Transaction number” means the 14-character number made up of the producer’s surplus line agent number (assigned by the Department), the year of the placements, and a sequential number (maintained by the agent).

11:19-3.3 General data filing requirements

(a) All eligible surplus lines insurers qualified to transact business in New Jersey shall report to the Department the information required by this subchapter on a quarterly basis beginning July 1, 1993, in accordance with (a)1 or 2 below, and with the Appendices to this subchapter, incorporated herein by reference.

1. Foreign insurers and alien insurers shall report their net written premiums for the State of New Jersey no later than 45 days after the end of the calendar quarter. The due dates for the net written premiums reports are as follows: May 15 for the first quarter; August 15 for the second quarter; November 15 for the third quarter; and February 15 for the fourth quarter.

2. Alien insurers which are not technically capable to report pursuant to (a)1 above shall report their net written premiums for the State of New Jersey no later than nine months after the end of the calendar quarter. The due dates for the net written premiums reports are as follows: December 1 for the first quarter; March 1 for the second quarter; June 1 for the third quarter; and September 1 for the fourth quarter.

(b) All licensed surplus lines producers shall, on or before the end of the month following each calendar quarter, remit premium taxes and surcharges in accordance with the

Appendices to this subchapter. The due dates for these filings are as follows: April 30; July 31; October 31; and January 31.

11:19-3.4 SLPS subsystem filing requirements for all eligible surplus lines insurers

(a) All eligible surplus lines insurers shall provide the Department with a report listing net written premiums for all insurance covering a subject of insurance resident, located, or to be performed in New Jersey by either cartridge (3480 model) or computer tape (6250 BPI, IBM compatible) in accordance with (b) and (c) below. Surplus lines insurers which write no business during a calendar quarter shall not file the report required by (c) below, but shall submit a signed affidavit to the Department attesting that no business was written for the quarter.

(b) An insurer’s quarterly report to the Department shall list each policy and transaction number only once. Insurers shall combine all activity on the policy during the quarter and report only the policy’s net written premiums for that quarter in conjunction with the transaction number assigned by the New Jersey surplus lines agent. If the placement is a multi-state policy, the net written premiums shall include only the New Jersey portion of the premium.

(c) Each eligible surplus lines insurer’s report of their net written premiums for the State of New Jersey shall be set forth in the record layouts in the Appendices to this subchapter.

1. The report shall include an internal IBM standard tape label containing:

- i. Data set name (INF.SLPS);
- ii. The data shall be EBCDIC character set and alphas in upper case;
- iii. Volume serial number (will be assigned by the company);
- iv. Tape density;
- v. Record format (must be fixed block);
- vi. Record length (must be 300);
- vii. Block size (must be 24,300); and
- viii. Create date.

2. Tapes and cartridges may be delivered or mailed but shall be received by the Department by the due date to:

Surplus Lines Examining Office
New Jersey Department of Insurance
FEMS—SLPS Project
20 W. State Street
CN-325
Trenton, NJ 08625

i. If mailed, they shall be mailed in standard secure containers with a pre-addressed, prepaid return address label enclosed or attached.

3. Tapes and cartridges shall be clearly labeled with the company's name and the date. The box and the label shall be printed or typed in capital letters.

4. Surplus lines insurers shall submit either IBM compatible 3480 cartridges, or 6250 BPI tapes. (3480 cartridges are preferred, with 6250 BPI tapes as a secondary preference.)

5. An external label shall be affixed to the tapes or cartridges and shall include the following information:

- i. The company's name and NAIC (or ISI) number;
- ii. The volume sequence number if the file is multi-volume (for example, 1 of 5);
- iii. The date when the tape or cartridge was mailed; and
- iv. The letters "SL" on the external label indicating that the internal IBM standard tape information is included as provided in (c)1 above.

6. The submission shall also include a cover letter indicating the same information on the internal and external labels, and a signed affidavit of the surplus lines insurer attesting to the accuracy of the cartridges or tapes.

7. Surplus lines insurers that are not technically capable of providing the Department with an IBM standard label pursuant to (c)1 above, shall indicate that no internal label is included by writing the letters "NL" on the external label and on the cover letter.

11:19-3.5 SLPS subsystem filing requirements for all licensed producers with surplus lines authority

(a) All licensed producers with surplus lines authority shall assign a transaction number to each new or renewal policy he or she places. All subsequent endorsements shall be identified by the same transaction number. All surplus lines producers shall provide surplus lines insurers with the appropriate transaction number for each new, renewal, additional or return premium policy or endorsement, including adjustments for policies prior to July 1, 1993.

(b) All licensed surplus lines producers shall file with the Department or other authority as required a quarterly tax return in the form set forth in Appendix B to this subchapter.

(c) A complete New Jersey surplus lines producer quarterly tax return shall consist of the following forms:

1. SLPS-1-TAX (Tax Return and Certified Account by Surplus Lines Producer);

2. SLPS-2-FRA, if applicable (Schedule showing Fire Premiums and Taxes Payable to New Jersey Firemen's Relief Association);

3. SLPS-3-TRS (Schedule to Support Tax Returns); and

4. SLPS-4-GFS (Quarterly Surcharge Statement).

11:19-3.6 (Reserved)

11:19-3.7 Penalties

(a) Failure to comply with the provisions of this subchapter shall subject an eligible surplus lines insurer to penalties as provided in N.J.S.A. 17:22-6.61.

(b) Failure to comply with the provisions of this subchapter shall subject a licensed producer with surplus lines authority to penalties as provided in N.J.S.A. 17:22-6.61 and 17:22A-17.

APPENDIX A

**Exhibit 1 (SLPS)
Header Record Layout**

Field No.	Field Name	Start Pos	Field Type & Length	Comments
1	Record Type	1	X(1)	Format as "1"
2	Company Number	2	X(9)	NAIC or ISI number
3	Company Name	11	X(30)	
4	Quarter	41	X(1)	Format as 1,2,3, or 4
5	Year	42	X(4)	Format as CCYY
6	Filler	46	X(255) 300	Spaces

Note:
X denotes alphanumeric
Alphanumeric fields containing numeric values should be right adjusted and zero filled to the left with the sign in the left most character (specific instructions for each field are documented in the comment section).

APPENDIX A

**Exhibit 2 (SLPS)
Header Record Layout Description**

Field No.	Field Name	Comments
1	Record Type	This field should contain the number "1" for this record type.
2	Company Number	This field should contain the company's NAIC or ISI number (If NAIC number, leave last four characters as spaces).
3	Company Name	This field should contain the first 30 bytes of the company's full business name.
4	Quarter	This field should contain the quarter of the year for which the data applies. Can only be a "1", "2", "3", or "4".
5	Year	This field should contain the year for which the data applies.
6	Filler	This field should contain spaces.

APPENDIX A

**Exhibit 3 (SLPS)
Detail Record Layout**

Field No.	Field Name	Start Pos	Field Type & Length	Comments
1	Record Type	1	X(1)	Format as "2"

Field No.	Field Name	Start Pos	Field Type & Length	Comments
2	Company Number	2	X(9)	NAIC or ISI number
3	Transaction Number	11	X(14)	Number assigned to the policy by the surplus lines agent
4	Name of Insured	25	X(30)	
5	Policy Number	55	X(20)	Number assigned to the policy by the company
6	Policy From Date	75	X(8)	Format as MMDDCCYY
7	Policy To Date	83	X(8)	Format as MMDDCCYY
8	Total Net Premium Amount	91	X(12)	Net premium amount (including cents). Should reflect the net amount of all business received on the policy for the quarter
9	Name of Producer	103	X(30)	Name of producing agent
10	Street1	133	X(30)	First 30 bytes of producer's street address
11	Street2	163	X(30)	Second 30 bytes of producer's street address
12	Street3	193	X(30)	Last 30 bytes of producer's street address
13	City	223	X(20)	Producer's city
14	State	243	X(2)	Two-letter abbreviation of producer's state
15	Zip5	245	X(5)	Producer's zip code
16	Zip4	250	X(4)	Last 4 bytes of producer's zip code
17	Filler	254	X(47) <u>300</u>	Spaces

Note:
All fields must be filled. If producer is not known, fill all related fields with spaces.
X denotes alphanumeric

APPENDIX A
Exhibit 4 (SLPS)

Detail Record Layout Description

Field No.	Field Name	Comments
1	Record Type	This field should contain the number "2" for this record type.
2	Company Number	This field should contain the company's NAIC or ISI number (if NAIC number, leave last four characters as spaces).
3	Transaction Number	This field should contain the number assigned to the policy by the surplus lines agent. Format using the producer number (five characters), a dash (" - "), the year of the placement (two characters), a dash (" - "), and the sequential number (five characters). The format of this field is XXXXX-XX-XXXXX. The dashes must be included. If the policy is a direct placement, use the default number, 99999-99-99999.
4	Name of Insured	This field should contain the name of the insured. Left justify the name. Leave spaces in the unused portions of the field. Format placing last name first. Example: Doe, John.
5	Policy Number	This field should contain the number assigned to the policy by the company. Left justify the policy number. Leave spaces in the unused portion of the field.
6	Policy From Date	This field should contain the effective date of the policy.
7	Policy To Date	This field should contain the end date of the policy.
8	Total Net Premium Amount	This field should contain the total net premium information received for the policy during the quarter. The decimal point is implied. Should be right justified with leading zeros. The sign (" + " or " - ") should be the first character.
9	Name of Producer	This field should contain the name of the producing agent (if known). Name must be provided if address is provided. Left justify the name. Leave spaces in the unused portion of the field. Format placing last name first. Example: Doe, John.
10	Street1	This field should contain the first 30 bytes of the producer's street address.
11	Street2	This field should contain the second 30 bytes of the producer's street address. This field may be spaces if street name fits in the Street1 field.

Field No.	Field Name	Comments
12	Street3	This field should contain the last 30 bytes of the producer's street address. This field may also be spaces if the street name does not require it.
13	City	This field should contain the producer's city.
14	State	This field should contain the two-position postal abbreviation of the producer's state.
15	Zip5	This field contains the producer's zip code (first 5 digits).
16	Zip4	This field contains the last four bytes of the producer's zip code. If not applicable, it should contain spaces.
17	Filler	This field should contain spaces.

APPENDIX A
Exhibit 5 (SLPS)
Trailer Record Layout

Field No.	Field Name	Start Pos	Field Type & Length	Comments
1	Record Type	1	X(1)	Format as "3"
2	Total Records	2	X(7)	Exclude header & trailer
3	Total Net Premiums	9	X(12)	Total net premiums written amount for the quarter (including cents).
4	Filler	21	X(280) <u>300</u>	Spaces

Note:
All fields must be filled
X denotes alphanumeric

APPENDIX A
Exhibit 6 (SLPS)

Trailer Record Layout Description

Field No.	Field Name	Comments
1	Record Type	This field should contain the number "3" for this record type.
2	Total Records	This field should contain the total number of records submitted on the tape. This excludes the header and trailer records.
3	Total Net Premiums	This field should contain the sum of the net premium amounts reported for each policy. The decimal point is implied. Should be right justified with leading zeroes. The sign (" + " or " - ") should be the first character.
4	Filler	This field should contain spaces.

APPENDIX B

Instructions for Completing Licensed New Jersey
Surplus Lines Producer Quarterly Tax Return
Introduction

Effective with the adoption of N.J.A.C. 11:19-3 et seq., the Surplus Lines Unit automated its operations through the implementation of the Surplus Lines Processing Subsystem (SLPS) of the Department of Insurance's Financial Examinations Monitoring System (FEMS). The system was designed to simplify activities for both the Surplus Lines Unit and you, the Surplus Lines Producer. However, the success of this system is dependent on full compliance and cooperation from you and your agency. Failure to cooperate will diminish the system's effectiveness and result in additional work for both parties. Before any forms can be completed, you must fully understand the five basic rules involved in filing a surplus lines producer quarterly tax return. They are listed as follows:

- Rule # 1— YOU MUST READ AND FOLLOW THE INSTRUCTIONS EXACTLY AS THEY ARE EXPLAINED!
- Rule # 2— YOU MUST COMPLETE EVERY LINE ON THE TAX RETURN AS INSTRUCTED!
- Rule # 3— YOU MUST COMPLETE AND INCLUDE EVERY FORM AS INSTRUCTED WITH EACH QUARTERLY FILING!
- Rule # 4— YOU MUST PUT THE TAX RETURN FORMS IN THE REQUIRED ORDER!
- Rule # 5— YOU MUST INCLUDE INDIVIDUAL PRODUCER ZERO TAX RETURNS WITH EACH QUARTERLY FILING!

Failure to comply with any of these rules will result in non-filer status for you and your agency. Your tax return will be sent back to you and the Surplus Lines Unit will have no record of receiving it. If it has to be returned, your resubmission will be subject to the penalties of a late filing. IF YOU HAVE ANY QUESTIONS, PLEASE CALL ONE OF THE EXAMINERS AT THE SURPLUS LINES EXAMINING OFFICE! If you need personal assistance, you may also schedule an appointment to meet with an examiner in the Trenton Office. We are here to help you so feel free to call us at (609) 777-0498.

Completing the Tax Return

A complete New Jersey Surplus Lines Producer Quarterly Tax Return consists of the following forms:

1. SLPS-1-TAX (Tax Return and Certified Account By Surplus Lines Producer)
2. SLPS-2-FRA (Schedule Showing Fire premiums and Taxes Payable to New Jersey Firemen's Relief Association)
3. SLPS-3-TRS (Schedule to Support Tax Returns)
4. SLPS-4-GFS (Quarterly Surcharge Statement)

THESE FORMS MUST BE STAPLED TOGETHER OR OTHERWISE ATTACHED AND FILED IN THE ORDER LISTED ABOVE! For example, the form SLPS-1-TAX will always be the top form in the tax return filing, SLPS-2-FRA will always be the second, and so on.

Forms must be completed as necessary to support the Tax Return and Certified Account by the Surplus Lines Producer. For example, if a surplus lines producer does not place any Fire business, then that producer does not need to complete SLPS-2-FRA. It is important to note that no line item should be left blank. If there is an item that is not applicable, you must enter either "0" for a numeric entry, or "N/A" for an alpha entry. Always make sure that you check each form carefully to determine that all lines are completed as required. Additionally, return (negative) premiums should always be shown using parentheses. Also, all monetary figures must be reported to the cent. Rounding is not permitted.

It is suggested that you use these instructions as a checklist until completely familiar with the requirements of each of the four (4) forms.

- I. SLPS-1-TAX (Tax Return and Certified Account By Surplus Lines Producer)
- THIS FORM IS REQUIRED EVEN IF NO BUSINESS IS PRODUCED!
- Print your assigned SLA number in the five boxes provided in the upper left corner of the form. Lead zeros must be printed in the boxes not used, i.e. SLA # 003 would now be shown as 00003, SLA # 125A would now be shown as 0125A. EVERY BOX MUST CONTAIN A CHARACTER!
 - Indicate the quarter and year of the tax return by circling the appropriate number to designate the calendar quarter and inserting the last 2 digits of the year as shown at the top of the form.
 - Provide the name under which you do business on Line 1 of the form. This should be the agency name for an organization's tax return; your name (as it appears on your license) for an individual tax return.
 - Provide the location of your principal place of business on Line 2 of the form. This address must be a New Jersey location and the Surplus Lines Examining Office should be able to contact you by phone and by mail at this address.
 - Provide the phone number for the organization or a number where you may be contacted during the day on Line 3 of the form. For organizations, this phone number should be the number listed for the address given on Line 2.
 - Provide the total taxable Fire premiums written for the quarter on Line 5 of the form. This should include 999 Fire, if any. On property policies, only the portion of the premium allocable to Fire should be included on this line. If no Fire premiums are written, then enter a "0" on this line.
 - Multiply the total taxable Fire premiums entered on Line 5 by three percent (3%), and enter this amount on Line 6 of the form. Again, if no Fire premiums are written, enter a "0" on Line 6.
 - Provide the amount of credit applicable (if any) to the 3% FRA Tax on Line 7 of the form. If none, enter a "0" on Line 7 of the form.
 - Subtract the amount shown on Line 7 from the amount shown on Line 6 and enter the result on Line 8 of the form.
 - Provide the total taxable "All Other" premiums written for the quarter on Line 9 of the form. Simply stated, "All Other" premiums include any premiums that are not Fire premiums (e.g. Allied Lines and Casualty premiums are "All Other"). If no other "All Other" premiums are produced, then enter a "0" on Line 9.
 - Multiply the total taxable "All Other" premiums entered on Line 9 by three percent (3%), and enter this amount on Line 10 of the form. Again, if no "All Other" premiums are written, enter a "0" on Line 10.
 - Provide the amount of credit applicable (if any) to the 3% State Tax on Line 11 of the form.

- Subtract the amount shown on Line 11 from the amount shown on Line 10 and enter the result on Line 12 of the form.
- Provide the total non-taxable Fire premiums written on Line 13 of the form. Total non-taxable Fire premiums DOES NOT INCLUDE 999 FIRE! Non-coded Fire premiums are included in taxable Fire premiums. If no non-taxable Fire premiums are written, then enter a "0" on Line 13.
- Provide the total non-taxable "All Other" premiums written on Line 14 of the form. If no non-taxable "All Other" premiums are written, then enter a "0" on Line 14.
- Add the total non-taxable Fire premiums entered on Line 13 to the total non-taxable "All Other" premiums entered on Line 14 and insert this amount on Line 15 of the form.
- Type or print your name and title, and sign and date the form on the lines provided at the bottom.
- Draw a check, made payable to the "New Jersey Firemen's Association for the amount shown on Line 8 of the form. This check should be forwarded to the New Jersey Firemen's Association (see section II—SLPS-2-FRA). Attach a copy of this check to your completed tax return that will be sent to the Surplus Lines Examining Office as detailed under the "Introduction" section.
- Draw a second check, made payable to the "State of New Jersey", for the amount shown on Line 12 of the form. This check will be attached to your completed tax return and sent to the Surplus Lines Examining Office as detailed in the "Introduction" section.

II. SLPS-2-FRA (Schedule Showing Fire premiums and Taxes Payable to New Jersey Firemen's Association)

—THIS FORM IS NOT REQUIRED IF NO FIRE PREMIUMS ARE WRITTEN AND/OR NO BUSINESS IS PRODUCED!

- Print your assigned SLA number in the five boxes provided in the upper left corner of the form. Remember, lead zeros must be used, and all boxes must contain a digit or character.
- Indicate the quarter and year of the tax return by circling the appropriate number to designate the calendar year and inserting the last 2 digits of the year as shown under the SLA number.
- Provide the name under which you do business on the line provided. This should be the same as the name listed on Line 1 of SLA-1-TAX.
- Enter the page number and the total number of pages in the appropriate lines at the upper right corner of the form.
- Provide the three digit ISO code number for the municipality that corresponds with the location of the risk and enter it in the column marked "ISO Code". The ISO code can be found by using the list included with these instructions.
- Enter the municipality or appropriate fire district in the column marked "Location of Risk".
- Enter the zip code of the location in the column marked "Zip Code".
- Provide the Fire premium amount for the policy and enter it in the column marked "Premium". For property policies, include in this column only the portion of the premium allocable to Fire. YOU MUST USE PARENTHESES AROUND A NUMBER TO INDICATE A

RETURN PREMIUM! Do NOT use a minus (-) sign! e.g. use (\$123.00) instead of -\$123.00.

- Multiply the amount in the Premium column by three percent (3%) and enter this amount in the column marked "FRA Tax".
- Repeat the above steps each individual placement where Fire premiums are written. If you need additional space, use extra SLPS-2-FRA sheets and number them consecutively as necessary. Keep a cumulative total in the total boxes at the bottom right corner of the form.
- After verifying all entries, mail the completed form(s), along with a check made payable to the "New Jersey Firemen's Association" for the amount of three percent (3%) of the total Fire premiums (as shown on Line 6 of SLPS-1-TAX), to the New Jersey Firemen's Association, 50 Evergreen Place, East Orange, NJ 07018. Attach a copy of the form(s), together with a photocopy of your check, to the tax return that will be sent to the Surplus Lines Examining Office as detailed under the "Introduction" section.

III. SLPS-3-TRS (Schedule to Support Tax Returns)

—THIS FORM IS NOT REQUIRED IF NO BUSINESS IS PRODUCED!

- Print your assigned SLA number in the five boxes provided in the upper left corner of the form. Remember, lead zeros must be used, and all boxes must contain a digit or character.
- Indicate the quarter and year of the tax return by circling the appropriate number to designate the calendar quarter and inserting the last 2 digits of the year.
- Provide the name under which you do business on the line provided. This should be the same as the name listed on Line 1 of SLA-1-TAX.
- Enter the page number and the total number of pages in the appropriate lines at the upper right corner of the form.
- Enter the transaction number assigned to the individual placement in the seven (7) boxes provided in Column 1 of the form. The first two digits of the transaction number indicate the year in which the placement occurred, i.e. if the placement occurred in the year 1993, then the first two digits of the transaction number would be "93". The remaining five digits of the transactions number represent a sequential number, assigned by you, indicating the order in which the placement occurred during the calendar year. For example, the first placement of the year would be numbered 00001, the second placement would be numbered 00002, and so on up to 99,999. EVERY BOX MUST CONTAIN A DIGIT! Remember to always use lead zeros when the sequential number is less than 5 digits. The system will NOT accept alpha suffixes to transaction numbers.
- Indicate the premium type code in Column 2 of the form. The premium type codes are "N" for new and renewal premiums; "A" for additional premiums; and "R" for return premiums. "N", "A", and "R" premiums must be listed on separate page(s). Do NOT put "N", "A", and "R" premiums on the same page. YOU MUST USE A SEPARATE PAGE(S) FOR NEW AND RENEWAL, A SEPARATE PAGE(S) FOR ADDITIONAL, AND A SEPARATE PAGE(S) FOR RETURNS.

- Provide the name of the insured as shown on the policy in Column 3 of the form.
- Enter the policy number of the placement in the twenty (20) boxes provided in Column 4 of the form. Start with the first box on the left and use as many boxes as necessary. The policy number may be alpha-numeric. It is important to enter the policy number exactly as it appears on the policy, including spaces. **YOU MUST LEAVE A BLANK BOX ON THE FORM TO INDICATE A SPACE BETWEEN CHARACTERS!** Always be sure to check for any errors.
- Enter the effective dates of the placement in Column 5 of the form, using slashes between month, day, and year, which are 2 digits each.
- Indicate the insurance company issuing the policy by entering the corresponding NAIC or ISI number in the nine (9) boxes provided in Column 6 of the form. The NAIC number is five digits in length, and is used only by foreign insurance companies (those licensed in a U.S. jurisdiction). The ISI number (which is distinguished by its prefix, "AA") is nine characters in length, and is used only by alien (overseas) insurance companies. A list of each surplus lines insurer currently eligible in New Jersey and their respective NAIC/ISI number is included with these instructions. **NOTE:** When entering the five digit NAIC number, use only the required amount of boxes. That is, enter the five digits in the first five boxes and leave the remaining boxes blank.
- Provide the Fire premium amount, if any, and enter it in the column marked "Fire" under Column 7 of the form.
- Enter the "All Other" premium amount, if any, in the column marked "All Other" under Column 7 of the form.
- If the premium is non-taxable, then enter a "Y" in the column marked "N/T". Otherwise, leave this column blank. As with new and renewal, additional, and return premiums, **YOU MUST GROUP ALL NON-TAXABLE PREMIUMS ON A SEPARATE PAGE(S)!**
- Repeat the above steps for each individual placement or transaction. If you need additional space, use extra SLPS-3-TRS sheets and number as necessary. Keep a cumulative total in the total boxes at the bottom right corner of the form.

IV. SLPS-4-GFS (Quarterly Surcharge Statement)

—THIS FORM IS REQUIRED EVEN IF NO BUSINESS IS PRODUCED!

- Print your assigned SLA number in the five boxes provided in the upper left corner of the form. Remember, lead zeros must be used, and all boxes must contain a digit or character.
- Indicate the quarter and year of the tax return by circling the appropriate number to designate the calendar quarter and inserting the last 2 digits of the year.
- Provide the name under which you do business on the line provided. This should be the same as the name listed on Line 1 of SLA-1-TAX.
- Provide the location of your principal place of business on Lines 2 and 3 of the form. This address must be a New Jersey location and the Surplus Lines Examining Office should be able to contact you by phone or by mail at this address. Do not forget the zip code.

- Provide the phone number for the organization or a number where you may be contacted during the day on Line 4 of the form. For organizations, this phone number should be the number listed for the address given on Line 2.
- Provide the amount of new premiums written during the quarter on Line 5 of the form.
- Provide the amount of additional premiums written during the quarter on Line 6 of the form.
- Provide the amount of return premiums during the quarter on Line 7 of the form.
- Take the total of Line 5 plus Line 6 minus Line 7 and enter the result on Line 8 of the form.
- Compute the amount of surcharge due by multiplying the amount on Line 8 by four percent (4%) and enter this amount on Line 9 of the form.
- Provide the amount of interest received from your premium trust account deposits and enter it on Line 10 of this form.
- Total the dollar amount of the surcharges shown on Line 9 and the interest earned thereon from Line 10 and enter the total on Line 11 of the form.
- Provide the trust account number and the name and address of the financial institution in which it is established.
- Type or print your name, and sign and date the form on the lines provided at the bottom.
- Mail the completed form, along with a check made payable to the "New Jersey Surplus Lines Insurance Guaranty Fund" for the amount shown on Line 11, to the New Jersey Surplus Lines Insurance Guaranty Fund, P.O. Box 1303, Cranford, NJ 07016-1303. Attach a copy of the form, together with a photocopy of your check, to the tax return that will be sent to the Surplus Lines Examining Office as detailed under the "Introduction" section.

Procedures for Filing the Tax Return

The four (4) forms with required copies, completed and attached together in the correct order, comprise a complete tax return filing. This package should be properly secured with a rubber band. A complete, separate duplicate copy of this filing must also be included. This separate duplicate copy should also be properly secured with a rubber band. The tax return filing is to be filed with the Surplus Lines Examining Office on or before the end of the month following the close of the calendar quarter. Therefore, they must be mailed on or before April 30, July 31, October 31, and January 31 for the first, second, third, or fourth calendar quarters, respectively.

Individual producer zero tax returns (i.e. no placements by that licensee) must accompany all quarterly surplus lines tax return filings and they must be filed separately for each surplus lines licensee of the organization. The zero tax return is made up of two (2) forms: SLPS-1-TAX, and SLPS-4-GFS. These forms must be filled out completely, and all lines requiring a monetary entry must contain a zero ("0"). A complete, separate duplicate copy of the zero tax return must also be included. **DO NOT FORGET TO FILE YOUR INDIVIDUAL PRODUCER ZERO TAX RETURNS ALONG WITH YOUR ORGANIZATIONAL PRODUCER SURPLUS LINES TAX RETURN!**

Also be advised that, while the individual producer zero tax returns may accompany the organizational producer tax return in the same envelope, they **MUST NOT** be stapled or otherwise attached to the organizational producer tax return.

Additionally, if your organization does not produce any business in a calendar quarter, you must also file an organizational producer zero tax return.

If you have any questions on the instructions, or any questions pertaining to surplus lines, then you are encouraged to call the Surplus Lines Examining Office and/or any of the examiners at (609) 777-0498.

Thank you for taking the time to read these instructions and completing the forms accurately.

STATE OF NEW JERSEY
 DEPARTMENT OF INSURANCE
 THE SURPLUS LINES EXAMINING OFFICE
 20 West State Street, CN 325, Trenton, NJ 08625-0325

For Official Use Only

TAX RETURN AND CERTIFIED ACCOUNT BY SURPLUS LINES PRODUCER

SLA # For the 1 2 3 4 Quarter, 19 ____
 (circle one)

To the Commissioner of Insurance of New Jersey:

1. Name of Surplus Lines Producer _____
2. I have a bona fide office in this State in which is kept a record of contracts of insurance countersigned or issued by me located at:

 (Street Address) (City or Town) (State) (Zip Code)
3. Telephone # (____) _____ - _____
 (area code)
4. Pursuant to N.J.S.A. 17:22-6.58, there is submitted on the accompanying pages a verified report, in duplicate, of the surplus lines insurance transacted during the quarter circled above, a summary of which follows:

TAXABLE NET PREMIUMS:	
5. Total Taxable Fire Premiums	\$ _____
6. Tax @ 3% (3% of Line 5)	\$ _____
7. Prior Period Credit Applied (If Any)	\$(_____)
8. Amount Payable to the "New Jersey Firemen's Association" (Line 6) - (Line 7)	\$ _____
9. Total Taxable All Other Premiums	\$ _____
10. Tax @ 3% (3% of Line 9)	\$ _____
11. Prior Period Credit Applied (If Any)	\$(_____)
12. Amount Payable to the "State of New Jersey" (Line 10) - (Line 11)	\$ _____

NON-TAXABLE NET PREMIUMS (Insurance of risks of state, county, or municipal government or agency thereof)	
13. Total Non-Taxable Fire Premiums	\$ _____
14. Total Non-Taxable All Other Premiums	\$ _____
15. Total Non-Taxable Net Premiums (Line 13) + (Line 14)	\$ _____

I declare under penalties of perjury that I have examined this statement including the schedules and statements attached thereto, if any and to the best of my knowledge and belief the matters and information set forth therein are true, correct, and complete. I further certify that I am authorized to sign for the producer identified on Line 1 above.

 Date Signature of Surplus Lines Producer

 Name and Title
 (Print or Type)

SLPS-1-TAX 4/93 (REV 12/17/92)

STATE OF NEW JERSEY
 DEPARTMENT OF INSURANCE
 THE SURPLUS LINES EXAMINING OFFICE
 SCHEDULE SHOWING FIRE PREMIUMS AND TAXES PAYABLE

MAIL TO:
 NEW JERSEY FIREMEN'S ASSOCIATION
 50 Evergreen Place, East Orange, NJ 07018

SLA #

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1 2 3 4 Quarter, 19 ____
 (circle one)

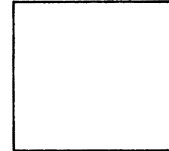
Producer Name _____ Page ____ of ____

ISO Code	Location of Risk (Municipality or Fire District)	Zip Code	Premium	FRA Tax
			\$	\$
Totals			\$	\$

SLPS-2-FRA 1/93

STATE OF NEW JERSEY
DEPARTMENT OF INSURANCE
THE SURPLUS LINES EXAMINING OFFICE
20 West State Street, CN 325, Trenton, NJ 08625-0325

For Official Use Only



SLA #

QUARTERLY SURCHARGE STATEMENT

MAIL TO:
NEW JERSEY SURPLUS LINES INSURANCE GUARANTY FUND
P.O. Box 1303, Cranford, New Jersey 07016-1303

For the 1 2 3 4 Quarter, 19 ____
(circle one)

- 1. Name of Surplus Lines Producer: _____
- 2. Street Address: _____
- 3. City, State: _____ Zip Code _____
- 4. Telephone #: (____) _____
(area code)
- 5. New Jersey new premiums written during quarter \$ _____
- 6. New Jersey additional premiums written during quarter (+) \$ _____
- 7. New Jersey return premiums written during quarter (-) \$(_____)
- 8. Total New Jersey Net Premiums (Line 5) + (Line 6) - (Line 7) \$ _____
- 9. Surcharge amount due (4% of Line 8) \$ _____
- 10. Interest received on deposits* \$ _____
- 11. Total surcharges and interest due (Line 9) + (Line 10) \$ _____

- Remit amount on Line 11 payable to "NJ Surplus lines Insurance Guaranty Fund".
- Send check with copy of this statement to the Association at P.O. Box 1303, Cranford, New Jersey 07016-1303.
- An additional copy of this statement, together with a photocopy of your check, should be attached to your Quarterly Premium Tax Return that is mailed to the Surplus Lines Examining Office.

*Trust Account # _____ is established at the following financial institution:

Name: _____

Address: _____

CERTIFICATION

I declare under penalties of perjury that I have examined this statement including the schedules and statements attached thereto, if any, and to the best of my knowledge and belief the matters and information set forth therein are true, correct, and complete. I further certify that I am authorized to sign for the producer identified on Line 1 above.

Signature of Surplus Lines Producer

Date

Name and Title
(Print or Type)

SLPS-4-GFS 4/93 (REV 12/17/92)

**SUBCHAPTER 4. DATA SUBMISSION
REQUIREMENTS FOR ALL DOMESTIC
LIFE/HEALTH INSURERS**

Authority

N.J.S.A. 17:1-8.1, 17:1C-6(e) and 17B:17-1 et seq.

Source and Effective Date

R.1995 d.112, effective February 21, 1995.
See: 26 N.J.R. 1195(a), 27 N.J.R. 709(a).

11:19-4.1 Purpose and scope

(a) The purpose of this subchapter is to set forth the filing and reporting requirements and procedures for the submission of data related to an insurer's valuation of its reserves as part of the Financial Examination Monitoring System (FEMS) for all domestic life/health insurers. The due date for the initial submission (1994 ADAS data) shall be April 1, 1995 and the submission shall be limited to ordinary traditional plans, excluding supplemental benefits. For the purpose of ADAS 1994 data, insurers are only required to file year-end data submissions in accordance with this subchapter with the exception of the following provisions: N.J.A.C. 11:19-4.3(d)1, 2ii through 2v, (e)2 through 4 and Appendix B Exhibit 2 through 4 which do not have to be filed for any 1994 ADAS data. For 1995 and subsequent years data, insurers will be required to submit all the information required by this subchapter.

(b) These rules apply to all domestic life/health insurers regulated under the laws of New Jersey unless specifically stated otherwise.

11:19-4.2 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 analysts to value the reserves of domestic life/health insurance companies.

"Age" means the insured's age at issue of the policy or benefit or some other age significant to the development of the "Reserve Amount"; for example, the attained age in the year of valuation for extended term insurance.

"Amount 1" means the inforce amount or the benefit amount which is directly used in determining the "Reserve Amount." If the "Traditional Indicator" is "T," the amount times the "Factor" is equal to the "Reserve Amount." Otherwise, this relationship need not exist.

"Amount 2" and "Amount 3" mean other information significant for the development of the "Reserve Amount," such as fund balances or dates. Dates shall be in numeric format. They may also be used to identify a specific portion of the value shown in "Amount 1."

"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.

"Basis level" means the code or detailed description of the unique actuarial assumptions used in developing valuation premiums and reserves, including, but not limited to, the mortality or morbidity table(s), interest rate(s), reserve method, gender, type of function, age nearest birthday ("ANB") or age last birthday ("ALB"), grading and age setbacks. Any coding system shall be fully documented.

"Certificate Line" means the unique description of the mortality, interest and reserve method used for the total reserve shown on a specific line of the Certificate of Valuation. The text of the description shall not change or vary from year to year.

"Certificate Line Number" means the location of the specific reserve amounts on the Certificate of Valuation. If the "Reinsurance Indicator" is "Y," the "Certificate Line Number" shall be 9999, the last line number in the "Certificate Section" and its description shall be "Reinsurance." If "N" then the relationship need not exist.

"Certificate of Valuation" means certification by the Commissioner with respect to the valuation of an insurer's total reserve liability, pursuant to N.J.S.A. 17B:19-2 and 5.

"Certificate Section" means the appropriate Code described in Appendix A, incorporated herein by reference.

"Certificate Section Description" means the appropriate Category of Insurance as related to the "Certificate Section" of the Certificate of Valuation as described in Appendix A.

"Commissioner" means the Commissioner of the New Jersey Department of Insurance.

"Department" means the Department of Insurance.

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

"Duration" means, if the Traditional Indicator is "T," the number of years the policy has been in force. If the indicator is "N," this field may contain a number significant to a time period relevant to determining the reserves, such as years to run for extended term or years of disablement for disabled lives. If no time period is relevant to determine the reserve, "999" shall be used to fill the field.

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

“Factor” means a number with two decimal places equal to the reserve per unit of “Amount 1.” This field assumes two decimal places; therefore, the company shall not include the decimal point. This number shall be determined using actuarial principles and methodology and be referred to as the reserve factor. This reserve factor is used in calculating the reserve liability for an insurance contract or policy. If the Traditional Indicator is “T,” the result of “Factor” times “Amount 1” is equal to the “Reserve Amount.”

“Factor deck” means the diskette or report containing reserve factors listed by age and duration for one or more plans of insurance in the Company’s portfolio.

“File type” means Age Level detail submission, Duration Level detail submission, Policy Level detail submission, or Factor Deck submission. The layout for each is specified in Appendix B.

“NAIC” means the National Association of Insurance Commissioners.

“New indicator” means that if the plan appears for the first time during the current valuation year, the indicator shall be “Y”; otherwise, this field shall contain “N.”

“Number of policies” means the total number of policies/certificates for the appropriate level of detail, such as policy/contract level, age level, or duration level.

“Plan ID” means the unique code to identify each plan of insurance.

“Policy ID” means the policy/contract or certificate number for the individual item.

“Reinsurance indicator” means that if the reserve amount reported represents reinsurance ceded, the indicator shall be “Y”; otherwise the indicator shall be “N.”

“Reserve amount” means the amounts used to determine the reserves reported in the Annual Statement. If the “Traditional Indicator” is “T,” the reserve amount shown is obtained as a result of the multiplication of “Amount 1” by the corresponding “Factor” associated with it.

“Traditional indicator” means that the field contains a “T” (Traditional) or an “N” (nontraditional). If this field contains a “T”, the plan has a factor driven reserve; otherwise, if the field contains an “N” then it represents a plan that has a non-factor driven reserve.

11:19-4.3 ADAS filing requirements

(a) All domestic life/health insurance companies shall provide the Department with a report on the insurer’s third quarter and year end summary valuation on a personal computer diskette, tape or cartridge in accordance with (b) through (e) below.

(b) All personal computer diskette submissions shall be IBM compatible, formatted with IBM DOS so that it can be read by an IBM Personal System/2 (“PS/2”) computer. The diskette shall be a high density, double-sided, 1.44 megabyte (3.5 inch) or 1.2 megabyte (5.25 inch) diskette (3.5 inch diskettes are preferred). If the personal computer diskette report is more than 20 diskettes, then domestic life/health insurers may submit their report on either IBM compatible 3490 cartridges or 1600 BPI tapes, in accordance with (e) below (3490 cartridges are preferred with 1600 BPI tapes as a secondary preference).

1. The diskette file shall be a non-delimited ASCII text file with a carriage return or line feed as the last character of each record. The data shall not be in compressed format.

2. The filename (for diskettes) or data set name (for tapes and cartridges) except for the factor deck file or data set, is to be named using the first letter of the “File Type” (A, D, or P) followed by a letter representative of the company type, that is, L for L/H, F for Fraternal, etc., followed by the quarter (3Q or YE), followed by the year (two digits) and the disk number for diskettes. All filenames or data set names except the factor deck file or data set shall end with the ASCII extension (.ASC) for diskettes and the EBCDIC Extension (.ADAS) for tapes or cartridges. The factor deck filename or data set name shall be consistent with the plan ID, but shall not exceed eight characters.

(c) All reports on an insurer’s valuation data filed by domestic life/health insurance companies with the Department shall include the information and shall be submitted in the format set forth in the record layout in Appendices A and B to this subchapter which are incorporated in this rule by reference. Subject to prior approval by the Department, an insurer may submit data in a format which differs from the record layout in Appendix B to the extent that the data provided in some fields differs from that described in Appendix B. There can be no variation in the field length or start position. The report shall include the following information:

1. An external label shall be affixed to all diskette(s) and shall include the following information:
 - i. The company’s name, NAIC number, and year and quarter relating to the data submitted;
 - ii. The date when the diskette was mailed;
 - iii. The volume label (VOL), created using the DOS, shall consist of the volume sequence number

(VQN) of the diskette preceded by the first three characters of the file type; for example, "DUR 2 of 4"; and

iv. The volume serial number ("VSN") of the diskette (this can be determined by executing the DOS "VOL" command).

2. An external label shall be affixed to the tapes or cartridges and shall include the following information:

i. The company's name and NAIC number, and the year and quarter relating to the data submitted;

ii. The volume serial number and the volume sequence number if the file is multi-volume (for example, 1 of 5);

iii. The date when the tape or cartridge was mailed; and

iv. The letters "SL" on the external label indicating that the internal IBM standard tape information is included.

3. The information on the external label(s) shall be displayed as follows:

NAME:	
NAIC #:	YEAR:
DATE MAILED:	QUARTER:
VOL:	VQN:
VSN:	

4. A cover letter indicating the same information on the external labels shall accompany each data submission and shall also describe what certificate sections or types of insurance are included on the diskette(s), tape(s) or cartridge(s). The description shall be in sufficient detail so the Department may determine whether the valuation reports and/or factor deck submissions are complete. The cover letter accompanying the factor deck shall list all of the plans for which factors are being provided, together with the Lowest Age and the Highest Age submitted for each plan;

5. A signed affidavit by two officers from the insurer which shall accompany all transmissions attesting to the accuracy of the information contained on the diskette(s), tape(s) or cartridge(s); and

6. The diskette(s), tape(s) or cartridge(s) must be received by November 15 for third quarter reports and February 15 for year end reports at the address listed below:

New Jersey Department of Insurance
FEMS—Valuation Bureau
20 West State Street
CN 325
Trenton, New Jersey 08625

i. If mailed, they shall be mailed in standard secure containers with a pre-addressed, prepaid return address label enclosed or attached.

ii. The box or container and any label thereto, shall be clearly and legibly printed or typed in capital letters.

(d) All reports on an insurer's valuation data filed by domestic life/health insurance companies with the FEMS—Valuation Bureau for the third quarter and year-end reports shall include the following information:

1. All third quarter submissions shall provide:

i. The duration level detail for all in force business;

ii. The factor decks for plans first issued since the last year-end; and

iii. A plan listing that provides, for each plan included in the valuation report, the plan code, a description of the plan, the valuation basis, the certificate line, and a description of the data contained in each field.

2. All year-end submissions shall provide:

i. The duration level detail for all in force business;

ii. An age level detail for each duration level record selected by the Department from the third quarter reports;

iii. The policy level detail for each duration level record selected by the Department from the third quarter report;

iv. The factor decks for new plans not submitted with the third quarter filing;

v. The factor decks for plans requested by the Department;

vi. A plan listing which provides, for each plan included in the valuation report, the plan code, a description of the plan, the valuation basis, the certificate line, and a description of the data contained in each field; and

vii. A complete summary of the company's year-end reserve valuation which identifies each reserve item by its appropriate actuarial bases and is consistent with the applicable Annual Statement reports, Exhibit 8 and 9 for the General Account and Exhibit 6 for Separate Accounts.

3. Insurers may treat blocks of business separately when submitting valuation reports to the Department. In order to make separate submissions, an insurer shall submit a plan describing how its blocks of business will be split and shall obtain the Commissioner's approval for the plan.

4. For year-end 1994 and 1995, each domestic life/health insurer shall submit a hard copy of the valuation report along with the diskette, tape or cartridge filing. The Department may require that an insurer continue to submit a hard copy until such time as the Department determines that the insurer's diskette, tape or cartridge filing is adequate to permit the Department to complete its audit of the insurer's reserve liabilities.

(e) All cartridge or computer tape report submissions on an insurer's valuation data filed by Domestic Life/Health Insurance Companies with the Department shall include the information in (b) through (d) above and shall be submitted in accordance with the format set forth below.

1. The duration level report for third quarter and year end shall include an internal IBM standard tape label containing:

- i. Duration level data set name;
- ii. The data shall be EBCDIC character set and alphas in upper case;
- iii. Volume serial number (will be assigned by the company);
- iv. Tape density;
- v. Record format (must be fixed block);
- vi. Record length (must be 215);
- vii. Block size (must be 31,820); and
- viii. Create date.

2. The age level report for year end shall include an internal IBM standard tape label containing:

- i. Age level data set name;
- ii. The data shall be EBCDIC character set and alphas in upper case;
- iii. Volume serial number (will be assigned by the company);
- iv. Tape density;
- v. Record format (must be fixed block);
- vi. Record length (must be 122);
- vii. Block size (must be 31,964); and
- viii. Create date.

3. The policy level report for year end shall include an internal IBM standard tape label containing:

- i. Policy level data set name;
- ii. The data shall be EBCDIC character set and alphas in upper case;
- iii. Volume serial number (will be assigned by the company);

- iv. Tape density;
- v. Record format (must be fixed block);
- vi. Record length (must be 134);
- vii. Block size (must be 31,892); and
- viii. Create date.

4. The factor deck report for third quarter and year end, unless provided on diskette, shall include an internal IBM standard tape label containing:

- i. Factor deck data set name;
- ii. The data shall be EBCDIC character set and alphas in upper case;
- iii. Volume serial number (will be assigned by the company);
- iv. Tape density;
- v. Record format (must be fixed block);
- vi. Record length (must be 12);
- vii. Block size (must be 31,992); and
- viii. Create date.

11:19-4.4 Penalties

Failure to comply with the provisions of this subchapter shall subject the insurer to penalties pursuant to N.J.S.A. 17B:21-1 and 17B:21-2 and any other penalties permitted by law.

APPENDIX A

CERTIFICATE SECTION/CERTIFICATE SECTION DESCRIPTION

Certificate Section Code	Primary Category of Insurance
	GENERAL ACCOUNT—EXHIBIT 8
IA	Life Insurance:
IB	Annuities (excl Supp Contracts with Life Cont):
IC	Supp Contracts with Life Contingencies:
ID	Accidental Death Benefits:
IE	Disability—Active Lives:
IF	Disability—Disabled Lives:
IG	Miscellaneous Reserves:
	ACCIDENT AND HEALTH—EXHIBIT 9
IIA	Active Life Reserve:
IIB	Claim Reserve:
	SEPARATE ACCOUNT—EXHIBIT 6
IIIA	Life Insurance:
IIIB	Annuities (excl Supp Contracts with Life Cont):
IIIC	Supp Contracts with Life Contingencies:
IIID	Miscellaneous Reserves:

Additional categories may be used by an insurer upon notification to and approval by the Commissioner.

APPENDIX B

Exhibit 1

DURATION LEVEL RECORD LAYOUT

Field Number	Field Name	Start Position	Field Type and Length	Required Field	Comments
1	CERTIFICATE SECTION	1	X(5)	Y	See Code in Appendix A.
2	CERTIFICATE SECTION DESC	6	X(50)	Y	See Appendix A.
3	CERTIFICATE LINE NUMBER	56	N(8)	Y	Range (1-9999). The specific number assigned to this field represents the location of the line in the Certificate Section of the Certificate of Valuation. However, for reserves ceded, the "Reinsurance Indicator" must be 'Y' and the "Certificate Line Number" must be 9999, the greatest number assigned in the "Certificate Section."
4	CERTIFICATE LINE	64	X(50)	Y	This field's description must be identical to any prior years' description of the valuation basis (i.e., spaces, upper and lower case lettering, hyphens, text, etc.). However, this field's description must be "Reinsurance" if the "Reinsurance Indicator" is 'Y'.
5	BASIS LEVEL	114	X(50)	N	Basis code or description of basis.
6	PLAN ID	164	X(12)	Y	Unique plan code or kind code.
7	DURATION	176	N(3)	Y	If "Traditional Indicator" is 'T', the field represents the number of years all of the policies in the record are in force. Otherwise, the field must identify a time period relevant to the reserve calculation. Enter "999" if field does not apply.
8	AMOUNT 1	179	N(13)	Y	Inforce/benefit amount used to calculate reserve. If the "Traditional Indicator" is 'T', "Amount 1" times "Factor" must equal the "Reserve Amount."
9	RESERVE AMOUNT	192	N(12)	Y	Total dollar amount of reserve for "Duration" and plan specified.
10	NUMBER OF POLICIES	204	N(9)	Y	Policy Count.
11	TRADITIONAL INDICATOR	213	X(1)	Y	Enter 'T' for a "Traditional" "Plan ID". This reserve is factor driven (i.e. the "Reserve Amount" equals a verifiable "Factor" times "Amount 1.") Age level data records described in Exhibit 2 shall be available for "Traditional" plans upon request. Enter 'N' for a "Nontraditional" "Plan ID". This reserve is not factor driven (i.e. the "Reserve Amount" is not computed as the "Factor" times "Amount 1.") Policy level data records described in Exhibit 3 shall be available for "Nontraditional" plans upon request.
12	NEW INDICATOR	214	X(1)	Y	Enter 'Y' if the "Plan ID" is new this current valuation year; otherwise, enter 'N'.
13	REINSURANCE INDICATOR	215	X(1)	Y	Enter 'Y', if the "Reserve Amount" in the record represents reinsurance ceded; otherwise enter 'N'.

NOTE:

- (a) FIELD TYPE "X(n)" in Column 4 is alphanumeric; this field must be left justified.
 (b) FIELD TYPE "N(n)" in Column 4 is numeric; this field must be right justified.
 (c) There are no spaces between fields.

APPENDIX B
Exhibit 2
AGE LEVEL RECORD LAYOUT

Field Number	Field Name	Start Position	Field Type and Length	Required Field	Comments
1	CERTIFICATE SECTION	1	X(5)	Y	Same as Duration Level Record Field.
2	CERTIFICATE LINE NUMBER	6	N(8)	Y	Same as Duration Level Record Field.
3	BASIS LEVEL	14	X(50)	N	Same as Duration Level Record Field.
4	PLAN ID	64	X(12)	Y	Same as Duration Level Record Field.
5	DURATION	76	N(3)	Y	Same as Duration Level Record Field.
6	AGE	79	N(3)	Y	Age $x > = 0$. If "Traditional Indicator" is 'T', then x is the issue age. Age may equal attained age or the age significant to the reserve calculation.
7	AMOUNT 1	82	N(13)	Y	Consistent with Duration Level Record Field.
8	RESERVE AMOUNT	95	N(12)	Y	The value resulting from multiplying the "Factor" (below) times "Amount 1."
9	NUMBER OF POLICIES	107	N(9)	Y	Consistent with Duration Level Record Field.
10	FACTOR	116	N(6)	Y	NNN.DD per unit "Reserve Amount." (Must include decimal point and two decimal places)
11	TRADITIONAL INDICATOR	122	X(1)	Y	Same as Duration Level Record Field.

NOTE:

- (a) FIELD TYPE "X(n)" in Column 4 is alphanumeric; this field must be left justified.
 (b) FIELD TYPE "N(n)" in Column 4 is numeric; this field must be right justified.
 (c) There are no spaces between fields.

APPENDIX B
Exhibit 3
POLICY LEVEL RECORD LAYOUT

Field Number	Field Name	Start Position	Field Type and Length	Required Field	Comments
1	CERTIFICATE SECTION	1	X(5)	Y	Same as Duration Level Record Field.
2	CERTIFICATE LINE NUMBER	6	N(8)	Y	Same as Duration Level Record Field.
3	BASIS LEVEL	14	X(50)	N	Same as Duration Level Record Field.
4	PLAN ID	64	X(12)	Y	Same as Duration Level Record Field.
5	DURATION	76	N(3)	Y	Same as Duration Level Record Field.
6	AGE	79	N(3)	Y	Age used to calculate the individual policy, contract or certificate reserve. See Age Level Record Layout.
7	POLICY ID	82	N(15)	Y	Policy number, contract number, account number, etc.
8	RESERVE AMOUNT	97	N(12)	Y	The total dollar amount of reserve for the "Age," "Duration," and "Policy ID" specified in the record.
9	AMOUNT 2	109	N(12)	N	Identifies significant information relevant to the "Reserve Amount" calculation (i.e., fund value, dates, etc.). This field shall be consistent for like/similar plans, and must be identified in the plan list when the field is filled in.
10	AMOUNT 3	121	N(12)	N	Identifies significant information relevant to the "Reserve Amount" calculation (i.e., fund value, dates, etc.). This field shall be consistent for like/similar plans, and must be identified in the plan list when the field is filled in.
11	TRADITIONAL INDICATOR	133	X(1)	Y	Same as Duration Level Record Field.
12	NEW INDICATOR	134	X(1)	Y	Same as Duration Level Record Field.

NOTE:

- (a) FIELD TYPE "X(n)" in Column 4 is alphanumeric; this field must be left justified.
 (b) FIELD TYPE "N(n)" in Column 4 is numeric; this field must be right justified.
 (c) There are no spaces between fields.

APPENDIX B
Exhibit 4
FACTOR DECK RECORD LAYOUT

Field Number	Field Name	Start Position	Field Type and Length	Required Field	Comments
1	AGE	1	N(3)	Y	Issue age $x \geq 0$.
2	DURATION	4	N(3)	Y	Number of years from the policy issue date.
3	FACTOR	7	N(6)	Y	The actuarial value which when multiplied by "Amount 1," will result in the "Reserve Amount" for the appropriate plan of insurance. The field has two (2) implied decimal places. (No decimal point to be shown)

NOTE:

- (a) FIELD TYPE "N(n)" in Column 4 is numeric; this field must be right justified.
 (b) Records must be sorted by age and duration.
 (c) There are no spaces between fields.