



**State of New Jersey**  
DEPARTMENT OF BANKING AND INSURANCE  
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RICHARD J. CODEY  
*Acting Governor*

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HOLLY C. BAKKE  
*Commissioner*

**BULLETIN NO. 05-03**

**TO: ALL INSURANCE COMPANIES, HEALTH SERVICE CORPORATIONS, HOSPITAL SERVICE CORPORATIONS, MEDICAL SERVICE CORPORATIONS, HEALTH MAINTENANCE ORGANIZATIONS AND FRATERNAL BENEFIT ORGANIZATIONS AUTHORIZED TO CONDUCT INSURANCE BUSINESS IN NEW JERSEY**

**FROM: HOLLY C. BAKKE, COMMISSIONER**

**RE: INDICATION OF VARIABLE TEXT AND ANNOTATED STATEMENT OF VARIABILITY WITHIN FORM FILINGS SUBMITTED TO THE DEPARTMENT**

The purpose of this Bulletin is to provide guidance to companies with respect to their submission of life, health and annuity form filings, including those submitted pursuant to N.J.S.A.17B:25-18.4. (40-States Certification Filing), in order to allow items in the forms to be identified as variable.

The Department must have sufficient information on file to confirm the approval or acknowledgement of any form delivered or issued for delivery in New Jersey. The Department is receiving form filings that contain variably bracketed items with either no explanation on variability or with explanations that are so deficient that the Department cannot perform a review.

Items identified as variable which include company address and phone number, officer signatures, marketing names, John Doe specimen information, or

information which may be considered variable in accordance with N.J.A.C. 11:4-44.3(d)2, may be changed by the company without review by the Department.

Any submission of a form (as defined at N.J.A.C. 11: 4-40.2) which contains variable brackets around items other than those identified in the preceding paragraph shall include an additional copy of the form, annotated at each item which is variable, and a Statement of Variability containing a corresponding explanation for each variable item. Further, for individual life, health and annuity form filings where the use of variability will result in various plans of insurance, the submission shall also include a copy of the form filled in for specimen issue to reflect each available plan.

If the material required in the preceding paragraph is not included in the submission then the Department shall return the filing with a notice of non-action pursuant to N.J.A.C. 11:4-40.5 (c).

The variable brackets shall be printed in no less than ten point type, one point leaded, and shall enclose only the actual portion of the text or item that is variable. Brackets enclosing an entire provision when only a portion of the provision is variable is unacceptable.

The Statement of Variability shall include:

(a). The range of variability for each numeric item. The range of variability shall include actual lower and upper limits, where applicable, where such limits are both realistic and reasonable. A zero entry in a range for a benefit described in the form shall be accompanied by an explanation by the company;

(b). The actual alternate text intended to be substituted for the original text of any variable item. Examples of text will not be sufficient. The alternate text must be reviewed and approved or acknowledged by the Department;

(c). A description of all items in the forms which are intended to vary along with a discussion on the conditions under which the items will change. The Statement should indicate whether the items will vary so as to provide (1) various plans available in the market at the same time, or (2) various plans where only one plan will be made available in the market at any one time. Moreover, if any item varies in conjunction with any other variable item(s), the Statement must describe all possible combinations and provide detailed specifics concerning the interaction of the items;

(d). An explanation of the use of brackets to indicate that a provision or text may be included in or omitted from the form, with sufficient specimen examples

showing all combinations of the effect on plan provisions of the inclusion or omission of the bracketed text. In addition, the Statement shall identify the circumstances for inclusion or omission and shall state whether the decision for inclusion or omission is made by the applicant/policyholder, or by the company; and

(e). A statement that any use of variability shall be administered in a uniform and non-discriminatory manner and shall not result in unfair discrimination pursuant to N.J.S.A. 17B: 30-12.

Questions regarding this Bulletin may be faxed to 609-633-0527. Questions related to form filing or content aspects may also be directed to The Office of Life and Health at 609-292-5427 extension 50340.

Questions may also be submitted by mail to:

Office of Life and Health  
New Jersey Department of Banking and Insurance  
20 West State Street  
PO Box 325  
Trenton, NJ 08625-0325

2/18/05

Date

/s/ Holly C. Bakke

Holly C. Bakke

Commissioner

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