

BULLETIN NO.: 00-08

**TO: ALL INSURERS AUTHORIZED OR ADMITTED TO TRANSACT BUSINESS IN THIS STATE**

**FROM: KAREN L. SUTER, COMMISSIONER**

**RE: COMPLIANCE WITH NAIC ACCOUNTING PRACTICES AND PROCEDURES MANUAL – DIFFERENCES WITH NEW JERSEY STATUTES AND RULES**

On December 15, 1999, the Department of Banking and Insurance (“Department”) issued Bulletin No. 99-15, which reminded all insurers that they must make appropriate accounting and system changes to comply with the newly revised Accounting Practices and Procedures Manual and instructions adopted by the National Association of Insurance Commissioners, effective January 1, 2001. The Department has completed a review of existing statutes and rules to determine whether there are any differences between existing requirements set forth in statute or rule, and the NAIC Accounting Practices and Procedures Manual. The Department has found that there are differences in several areas.

The purpose of this Bulletin is to advise insurers that to the extent that there are differences between the requirements set forth in the Accounting Practices and Procedures Manual and any applicable New Jersey statute or rule, insurers should continue to comply with the applicable New Jersey statute or rule. These statutes and rules include, but are not limited to, the following:

- N.J.S.A. 17:46A-3, regarding contributions to the statutory contingency reserve by mortgage guarantee insurers;
- N.J.S.A. 17:46B-15, regarding the accounting of the statutory premium reserve for title insurance companies;
- N.J.S.A. 17:51B-2 and N.J.A.C. 11:2-28, regarding credit for reinsurance;
- N.J.S.A. 17B:19-8d, regarding interest rates used in determining the aggregate reserve for any category of policies;
- N.J.S.A. 17B:20-1b, regarding investments in leasehold improvements;
- N.J.A.C. 11:2-4, regarding the cost of EDP equipment; and
- N.J.A.C. 11:4-6, regarding minimum reserve standards for accident and health insurance.

The Department will continue to evaluate these areas to determine whether any changes are necessary or appropriate.