

PUBLIC NOTICE

INSURANCE

DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF PROPERTY AND CASUALTY

Public Notice

List of Special Risks

Take notice that effective January 18, 2011, Commissioner of Banking and Insurance Thomas B. Considine, pursuant to the authority conferred upon him by the Commercial Insurance Deregulation Act of 1982, N.J.S.A. 17:29AA-1 et seq., hereby promulgates the list of special risks described in N.J.S.A. 17:29AA-3k. This list was last published June 20, 2005 at 37 N.J.R. 2260(a). The Special Risks list can also be found on the Department's website at www.state.nj.us/dobi/acrobat/ph050620.pdf.

The following commercial lines insurance risks are found to be special risks which are of an unusual nature or high loss hazard or are difficult to place or rate:

1. Risks which are written on an excess or umbrella basis;
2. Risks which are eligible for export as set forth on any current Exportable List promulgated by the Commissioner under N.J.S.A. 17:22-6.43 and N.J.A.C. 11:1-34; and

3. Those commercial lines insurance risks, or portions thereof which:
- (a) do not appear in any of the manuals, rating plans or schedules specified below;
 - (b) are excepted below from such manuals, rating plans or schedules; or (c) are specifically designated special risks below.

I. RATING ORGANIZATION MANUALS, RATING PLANS, OR SCHEDULES AND EXCEPTIONS

A. INSURANCE SERVICES OFFICE

1. COMMERCIAL LINES MANUAL (including Commercial Automobile Supplementary Rating Procedures)

Except risks which are designated as:

- (a) “a” rated
- (b) “refer to company” either exclusively or in the alternative
- (c) “Submit to company”
- (d) Property owned by the Federal government

- (e) Railroad property
- (f) Computer fraud risks
- (g) Extortion risks

2. COMMERCIAL AUTOMOBILE SUPPLEMENTARY
RATING PROCEDURES

B. MUTUAL SERVICE OFFICE
COMMERCIAL LINE MANUAL

Except risks designated as:

- 1. “a” rated
- 2. “refer to company” either exclusively or in the
alternative
- 3. “submit to company”

C. CROP-HAIL INSURANCE ACTUARIAL ASSOCIATION
MANUAL

D. AMERICAN ASSOCIATION OF INSURANCE SERVICES
COMMERCIAL LINES MANUAL

Except risks designated as:

1. "a" rated
2. "refer to company" either exclusively or in the alternative
3. "Submit to company"

E. MILL AND ELEVATOR RATING BUREAU MANUAL

F. SPECIAL RISK EXCEPTIONS

Notwithstanding anything aforesaid, the following risks are not special risks and are specifically excepted from the special risks list:

1. Legal malpractice liability
2. Medical malpractice liability
3. Hospitals professional liability
4. Physicians and surgeons professional liability
5. Dentist professional liability
6. Employees professional liability
7. Nurses professional liability
8. Optometrists professional liability

9. Physiotherapists professional liability
10. Chiropodists professional liability
11. Surgery Centers Professional liability

II. SPECIFICALLY DESIGNATED SPECIAL RISKS

A. LARGE COMMERCIAL RISKS

A Large commercial risk is defined as a risk of a commercial entity, that is not a personal risk:

1. Whose aggregate annual property and casualty premiums on all policies, excluding workers compensation, life, health and accident, annuities and medical malpractice, total at least \$25,000, or that has at least 25 full-time employees at the time the policy is written or renewed; and

2. For which the entity uses an employee acting as an insurance manager or buyer or a retained qualified insurance consultant or risk manager provided the insurance is procured in accordance with the laws of this State.

B. INSURANCE SERVICES OFFICE

1. Risks rated under any of the following schedules are special risks:

- (a) Petroleum properties
- (b) Petrochemicals plants
- (c) Electric generating stations
- (d) Natural gas pumping stations
- (e) Coal, oil and water gas plants
- (f) Electric traction properties

2. Risks insured under the provisions of the Highly Protected Risks Rating Plan are special risks.

C. Preferred risk properties insured and rated as showing in the rules and rating schedules of the FACTORY MUTUAL SERVICE BUREAU are special risks.

D. All commercial insurance aviation risks (including those rates from the AVIATION INSURANCE RATING BUREAU Schedule of Rates) are special risks.

E. All nuclear insurance risks are special risks.

- F. All Animal Mortality risks are special risks.

- G. All Credit Insurance risks are special risks.

- H. All Boiler and Machinery risks are special risks.

- I. All Healthcare Provider Stop Loss Insurance risks are special risks.