address potential oversight costs. It is anticipated that oversight costs will be below the aggregate amount of the five percent for each renaissance school enrolled student. Therefore, the renaissance school district could realize a minimal savings for use in their general fund.

The nonprofit entity managing the renaissance school project must operate within its annual budget of public funds plus donated funds, and is bound by its nonprofit incorporation documents in how funds can be expended.

It also is anticipated that renaissance school project schools will demonstrate a higher student retention rate than the rates currently demonstrated by renaissance school districts. Therefore, the societal and financial benefits attributed to increased high school completion will accrue for the renaissance school districts and the State.

Federal Standards Statement
There are no Federal standards or requirements applicable to the rules proposed for readoption; therefore, a Federal standards analysis is not required.

Jobs Impact
It is anticipated the rules proposed for readoption will lead to job creation during the facility construction phase of the renaissance school project. The jobs will be contracted through firms identified by a process undertaken by the nonprofit entity partnering with the renaissance school district on the renaissance school project. It is possible that a renaissance school district could experience a job reduction to reflect the transfer of enrolled students from the renaissance school district’s schools to renaissance schools operated by the partnering nonprofit entity. However, a renaissance school project will create jobs related to the renaissance school’s operation.

Agriculture Industry Impact
There is no impact on the agriculture industry as a result of the rules proposed for readoption.

Regulatory Flexibility Analysis
The rules proposed for readoption apply to the nonprofit entities and public schools that enter into a Commissioner-approved agreement to operate a public school under the Urban Hope Act, N.J.S.A. 18A:36C-1 et seq. A nonprofit entity could be considered a small business as the term is defined by the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The Urban Hope Act limits at 12 the number of approved renaissance school projects with nonprofit entity operators to which the rules apply. The regulatory requirements pertaining to approved nonprofit entities reflect the minimal amount of paperwork and recordkeeping appropriate to strike a balance between the need to assure that educational services are provided in an appropriate manner, and the desire to minimize the burden on the nonprofit entities. There is no requirement of the nonprofit entities to procure professional services to comply with the regulatory requirements. There are no capital costs and minimal or no compliance costs associated with the rules proposed for readoption. Therefore, there should be no adverse economic impact on small businesses.

Housing Affordability Impact Analysis
The rules proposed for readoption will have no impact on the average cost of housing in the State. The rules proposed for readoption establish the process for eligible school districts to partner with nonprofit entities to create and operate renaissance school projects.

Full text of the rules proposed for readoption can be found in the New Jersey Administrative Code at N.J.A.C. 6A:31.

CHILDREN AND FAMILIES

OFFICE OF LICENSING

Manual of Requirements for Family Child Care Registration

Proposed Amendments: N.J.A.C. 10:126-1.2 and 6.4

Authorized By: Allison Blake, Ph.D., L.S.W., Commissioner, Department of Children and Families.

Authority: N.J.S.A. 30:5B-16 et seq.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2013-122

Submit comments in writing by November 2, 2013 to:
Pamela Wentworth
Policy and Regulatory Development Unit
Department of Children and Families
PO Box 717
Trenton, New Jersey 08625-0717

The agency proposal follows:

Summary
Pursuant to N.J.S.A. 30:5B-16 et seq., the Department of Children and Families (Department) is authorized to regulate family child care sponsoring organizations and voluntarily registered family child care providers in New Jersey.

The Manual of Requirements for Family Child Care Registration, N.J.A.C. 10:126, constitutes the rules that govern 17 family child care sponsoring organizations and some 2,500 voluntarily registered family child care homes throughout the State. The Family Day Care Provider Registration Act, N.J.S.A. 30:5B-16 et seq., established a two-tiered system of voluntary registration for family child care providers who provide child care for up to five children in the provider’s private residence. Under the law, family child care providers are not required to register, but if they choose to register, they must comply with State requirements. The Department of Human Services, through its Division of Family Development, contracts with selected family child care sponsoring organizations to carry out the voluntary registration system in specific geographic areas (which may include one or more counties). The Department of Children and Families through the Office of Licensing is responsible for ensuring that the contracted sponsoring organizations comply with all applicable provisions of N.J.S.A. 30:5B-16 et seq., and N.J.A.C. 10:126. In turn, each sponsoring organization is responsible for inspecting, registering, and monitoring family child care providers to ensure their compliance with State rules, and for providing technical assistance, training, and consultation to providers to assist them in maintaining compliance.

Family child care sponsoring organizations may serve as Child Care Resource and Referral Centers under contract with the Division of Family Development to administer an array of child care services.

The Office of Licensing is proposing these amendments in an effort to update, improve, and clarify the rules regarding ensuring the safety of the children and communication with parents in the event of evacuation, relocation, shelter-in-place, or lockdown, in response to natural or civil disaster or other emergency.

The proposed amendments to N.J.A.C. 10:126-6.4 establish procedures for providers for ensuring the safety of the children and communication with parents in the event of a natural or civil disaster or other emergency.

NEW JERSEY REGISTER, TUESDAY, SEPTEMBER 3, 2013 (CITE 45 N.J.R. 1987)
The Department also proposes to amend N.J.A.C. 10:126-1.2, definition of “Division,” to update the name of the Division to the Division of Child Protection and Permanency. The name of the Division of Youth and Family Services was changed June 29, 2012, pursuant to the amendment of N.J.S.A. 9:3A-9.

As the Office of Licensing has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirements pursuant to N.J.A.C. 1:30-3.3(a)(5).

Social Impact
The proposed amendments will have a positive social impact by clarifying and updating the rules, conforming to current practice and statutes, and strengthening provisions for ensuring children’s safety and communication with parents in the event of evacuation, relocation, shelter-in-place, or lockdown, in response to a natural or civil disaster or other emergency.

Amending the name of the Division has no social impact.

Economic Impact
The proposed amendments will have a minimal economic impact on registered family child care providers and sponsoring organizations. Registered family child care providers and sponsoring organizations will be obligated to make the necessary expenditures to comply with rules ensuring children’s safety and communication with parents in the event of evacuation, relocation, shelter-in-place, or lockdown, in response to a natural or civil disaster or other emergency. There are planning and recordkeeping requirements; compliance is expected to be limited to minimal planning and recordkeeping. The cost of compliance will be negligible.

Amending the name of the Division has no economic impact.

Federal Standards Statement
The proposed amendments do not exceed or have any impact on analogous Federal counterparts, since there are no existing statutes or requirements pertaining to family child care imposed by Federal law within the scope of these rules.

Jobs Impact
The proposed amendments are not expected to result in the generation or loss of jobs.

Agriculture Industry Impact
The proposed amendments will have no impact on the agriculture industry.

Regulatory Flexibility Analysis
The proposed amendments will affect some 2,500 registered family child care homes and 17 family child care sponsoring organizations, all of which fall within the definition of a small business, as defined in the State Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The proposed amendments impose no reporting and minimal recordkeeping and other compliance requirements on family child care homes and family child care sponsoring organizations with respect to ensuring children’s safety and communication with parents in the event of evacuation, lockdown, in the event of a natural or civil disaster or other emergency.

The proposed amendments are necessary to ensure the health, safety, and well-being of children in family child care homes. No capital expenditures are imposed by the proposed amendments and no additional professional services will be needed to comply with the proposed amendments. Records of emergency preparedness plans will need to be maintained by providers, but the cost for developing these is expected to be negligible. In the development of the proposed amendments, the Department sought to minimize any adverse economic impact on small businesses and the requirements are the minimal necessary to ensure safety of children in the care of the family child care homes and family child care sponsoring organizations.

Housing Affordability Impact Analysis
The proposed amendments will have an insignificant impact on affordable housing in New Jersey and there is an extreme likelihood that the proposed amendments would evoke a change in the average costs associated with housing because the rules concern requirements for communication and child safety in the event of an emergency by registered family care providers.

Smart Growth Development Impact Analysis
The proposed amendments will have an insignificant impact on smart growth and there is an extreme unlikelihood that the rules would evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan in New Jersey because the rules concern requirements for communication and child safety in the event of an emergency by registered family care providers.

Full text of the proposal follows (additions indicated in boldface thus; deletions indicated in brackets [thus]):

SUBCHAPTER 1. GENERAL PROVISIONS
10:126-1.2 Definitions
The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise:

“Division” means the Division of [Youth and Family Services.] Child Protection and Permanency, in the New Jersey Department of Children and Families.

SUBCHAPTER 6. SAFETY, HEALTH, AND PROGRAM REQUIREMENTS FOR PROVIDERS
10:126-6.4 [Fire safety] Emergency preparedness
(a) The provider shall [have] maintain and post in a prominent location a written plan for the emergency evacuation, relocation, shelter-in-place, or lockdown of the children [from the home, which shall be posted in a prominent location when enrolled children are present,] in the event of natural or civil disaster or other emergency, which shall include:

1. Fire/evacuation drills shall be practiced with the children on a monthly basis.

2. Documentation of the fire/evacuation drills shall include date, time, total amount of time taken to evacuate the home and the number of children and adults present.

1. The location of the first aid kit and any additional first aid supplies;

2. An anticipated relocation site able to provide adequate, safe shelter for providers and enrolled children;

3. The hospital or clinic to which injured or ill children will be taken;

4. The telephone numbers for obtaining police, fire, ambulance, and poison control services; including the National Poison Emergency Hotline at (800) 222-1222;

5. The location of written authorization from parent(s) for emergency medical care for each child;

6. A diagram showing how the home is to be evacuated in case of emergency;

7. Procedures for notifying each child’s parent of the relocation, shelter-in-place, or lockdown, including the procedures for communicating with each parent before and during the emergency and ensuring family reunification after the emergency;

8. The local law enforcement agency or emergency management office to be notified of the provider’s identifying information as required in (b) below;

9. The procedure for obtaining emergency transportation for children, including those with special needs; and

10. Procedures to address the needs of the individual children; such as assistance for infants, toddlers, and children with special needs or chronic medical conditions.

(b) In the event of an evacuation, shelter-in-place, or lockdown, the registered family child care provider shall notify the appropriate local law enforcement agency or emergency management office of:

1. The name of the family child care provider;

2. The location of the family child care home;
DEPARTMENT OF BANKING AND INSURANCE
DIVISION OF INSURANCE
Fraud Prevention and Detection

Proposed Readoption with Amendments: N.J.A.C. 11:16

Proposed Repeal and New Rule: N.J.A.C. 11:16-6

Appendix

Authorized By: Kenneth E. Kobylowski, Commissioner, Department of Banking and Insurance, with the approval of Ronald Chillemi, Acting Insurance Fraud Prosecutor, as to N.J.A.C. 11:16-6.7 and 11:16-6 Appendix.


Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2013-123.

Submit comments by November 2, 2013 to:
Robert J. Melillo, Chief
Legislative and Regulatory Affairs
Department of Banking and Insurance
20 West State Street
P.O. Box 325
Trenton, NJ 08625-0325
Fax: (609) 292-0896
Email: legsregs@dobi.state.nj.us

The agency proposal follows:

Summary

Pursuant to N.J.S.A. 17:33A-1 et seq., P.L. 2010, c. 32 and N.J.S.A. 52:14B-5.1, the Commissioner of Banking and Insurance (Commissioner) proposes to readopt N.J.A.C. 11:16, Fraud Prevention and Detection. This chapter includes rules related to different areas of insurance, including life/health and property/casualty, and the organization of the Department of Banking and Insurance (Department), N.J.A.C. 11:16 is scheduled to expire on July 30, 2013, in accordance with N.J.S.A. 52:14B-5.1b. In accordance with N.J.S.A. 52:14B-5.1c(2), the submission of this notice to the Office of Administrative Law extended the expiration date 180 days to January 26, 2014.

Rules concerning the following subjects are codified in this chapter, listed by subchapter:
1. Claim Form Statements;
2. Reports to the National Insurance Crime Bureau; 3-5. Reserved;
6. Fraud Prevention and Detection Plans; and
7. Administrative Procedures and Penalties.

The rules in this chapter were promulgated to implement the statutory requirements in Title 17 of the New Jersey Statutes that relate to insurance fraud prevention and detection. In consultation with the Office of the Insurance Fraud Prosecutor (OIFP), the Department has undertaken a review of these rules at several levels to determine their current effectiveness and viability. These rules continue to provide the insurance industry and consumers with vital information and useful standards concerning many aspects of the prevention and detection of insurance fraud. The Department believes that the original purpose for each rule, as stated in the rule itself, continues to exist.

The rules in this chapter primarily serve two general purposes in the implementation of statutory law. First, they define and establish the purpose of detecting and reporting insurance fraud. Secondly they provide guidance to the insurance industry in the methodology of establishing and the implementation of fraud detection plans, special investigations units (SIUs), training programs and manuals, records retention, reporting, and approval of fraud detection plans by the Department. In addition, this chapter includes provisions, formats and instructions for the submission to the Bureau of Fraud Deterrence (“BFD” or “the Bureau”) and the OIFP of the Claim Fraud Referral/Notification Form; Application Fraud Referral/Notification Form; the Health Claim Fraud Referral/Notification Form; and the Health Application Fraud Referral/Notification Form. This chapter also provides Company Fraud Prevention and Detection Plan/Annual Reporting forms and instructions in the Appendix Exhibits labeled MEAFC form numbers 1A and 1B and 2A and 2B.

The rules proposed for readoption with amendments codify P.L. 2010, c. 32, which amended N.J.S.A. 17:33A-1 et seq., to reflect the establishment of the Bureau of Fraud Deterrence in the Department and to authorize the Commissioner to conduct investigations of and impose civil and administrative penalties upon the perpetrators of civil insurance fraud. See N.J.S.A. 17:33A-8 as amended. In accordance with the amended law, rules relating to administrative penalties and procedures set forth in former N.J.A.C. 13:88-1, Office of Insurance Fraud Prosecutor, have, through a notice of administrative correction, been recodified at N.J.A.C. 11:16-7, Administrative Procedures and Penalties, (see 43 N.J.R. 1536(a)) in order to achieve efficiencies in the civil investigation of insurance fraud.

The rules proposed for readoption with amendments modify and supplement certain references to the OIFP in the rules and on the amended Fraud Referral Forms and instructions in the subchapter Appendix and, where appropriate, add references to the Bureau. Also proposed is the replacement of the forms used by insurers for the Annual Report of Fraud Data for Automobile and Health Fraud Prevention and Detection with updated versions that will refine the fraud data reporting process and result in increased efficiency and cost containment, and possible cost reductions, for insurance companies, the OIFP, and the Department. Amendments are also proposed to the Market Conduct Fraud Detection Insurer Manual and reporting procedures.

The Department is proposing to add the following definitions to N.J.A.C. 11:16-6.2: anti-fraud prevention and detection plan, anti-fraud prevention and detection protocol, anti-fraud prevention and detection program, anti-fraud prevention and detection procedure manual, Attorney General, automobile, automobile insurance, Bureau or BFD, CAIP, commercial lines insurance coverage, commercial motor vehicle, eligible person, Exportable List, health insurance comprehensive benefits, hospital, insurance company, limited health care services, PAIP, pattern, person, practitioner, principal residence, private passenger automobile insurance, producer, and statement. The eligible person definition is added to the rule pursuant to N.J.A.C. 11:3-34, Eligible Persons Qualifications and Automobile Insurance Eligibility Points Schedule. N.J.A.C. 11:16-6.3, General requirements and filing format, currently requires insurers to submit their fraud detection and prevention plans on 8½ by 11 paper with the first page showing the insurer’s company name, insurer’s identification number, National Association of Insurance Commissioners (NAIC) company, and group numbers. The Department proposes to amend subsection (b), which specifies the required format, to include in the plan page numbering, a table of contents, and the insurer’s anti-fraud protection and detection training program, protocol, and procedure manual. Requirements for the format of subsequent amendments are also specified. Proposed new paragraph (b)1 requires the inclusion of a brief description of the insurer’s business model or company profile in its anti-fraud protection and prevention protocol.