

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF THE QUARTERLY)
REPORTS SUBMITTED BY PROPERTY/)
CASUALTY INSURERS WRITING HOMEOWNERS) ORDER
INSURANCE COVERAGE IN NEW JERSEY)
TO DETERMINE EXISTING MARKET)
CONDITIONS PURSUANT TO N.J.A.C. 11:2-41.9)

This matter having been opened by the Commissioner of the Department of Banking and Insurance (“Commissioner”) pursuant to the authority of N.J.S.A. 17:1-15 (e), N.J.S.A. 17:23-20 et seq., N.J.S.A. 17:29D-1 and N.J.A.C. 11:1-20, 11:1-22 and 11:2-41 et seq., and all powers expressed or implied therein; and

IT APPEARING that the Commissioner is authorized to address inquiries to property/casualty insurers authorized to transact business in New Jersey concerning their condition or affairs or any matters connected with their transactions; and

IT FURTHER APPEARING that the Department, on December 23, 1994, adopted N.J.A.C. 11:2-41 to implement a “Windstorm Market Assistance Program” (“WindMAP”), in order to improve the availability of homeowners insurance in the coastal area of New Jersey as defined in N.J.A.C. 11:2-41.2; and

IT FURTHER APPEARING that N.J.A.C. 11:2-41.9 provides that member insurers of the WindMAP shall submit quarterly reports (commonly referred to as Windstorm Market Survey reports) to the Department of Banking and Insurance (“Department”) in a format prescribed by Order of the Commissioner; and

IT FURTHER APPEARING that it continues to be necessary to determine and monitor existing conditions in the homeowners insurance marketplace, including in the coastal area; and

IT FURTHER APPEARING that on December 8, 1997 by ORDER NO. A97-178, and by previous Orders of the Commissioner, the Department furnished insurers with forms and instructions that provided for the submission of the quarterly Windstorm Market Survey reports in hard copy format; and

IT FURTHER APPEARING that the Department has determined to modernize the process of submitting quarterly Windstorm Market Survey reports by streamlining certain reporting requirements and providing for the submission of reports by all insurers in a uniform, electronic format; and

THEREFORE, IT is on this 18th day of September, 2006

ORDERED that all authorized and admitted property/casualty insurers that have homeowners insurance policies in force on or after the date of this Order shall file with the Department a Windstorm Market Survey report each calendar quarter. For the calendar quarter ending September 30, 2006, insurers shall continue to file reports using the format, instructions and submission time requirements prescribed in Order No. A97-178. Commencing with the calendar quarter ending December 31, 2006 and thereafter, insurers shall submit Windstorm Market Survey reports using the templates and instructions posted on the Department's website at <http://www.state.nj.us/dobi/ppareports.htm>, which are incorporated herein by reference, and which may be modified from time to time. The Survey templates shall be completed in accordance with the corresponding instructions

provided and shall be filed with the Department electronically not later than the last day of the month following the end of the calendar quarter. Reports shall be emailed to reports@dobi.state.nj.us.

For the purposes of this Order, “homeowners insurance” is defined as any type of personal lines insurance providing against loss to real and personal property as defined in the standard fire policy and extended coverage endorsement thereon, a dwelling policy, the homeowners, tenants, and condominium unit owners multiple peril policy, mobile homeowners insurance policy, insurance against the perils of vandalism, malicious mischief, burglary or theft, or liability insurance, or any combination thereof, delivered or issued for delivery in this State, as further defined in N.J.A.C. 11:2-41.2.

For purposes of this Order, “coastal area” is as defined in N.J.A.C. 11:2-41.2. In reviewing the Windstorm Market Survey report requirements, the Department has, however, determined that several coastal zip codes appear to no longer be valid and/or to be assigned to commercial entities, based on information provided on the U.S. Postal Service website. Accordingly, these zip codes have not been included on the Survey templates that insurers shall utilize for reporting purposes hereunder commencing with the calendar quarter ending December 31, 2006. The eliminated zip codes are as follows: 07713; 08400; 08411; 08878; 07709; 07715 and 08756.

AND IT IS FURTHERED ORDERED that each insurer shall have the capability to provide to the Department, upon request, records supporting the data furnished by the insurer in each Windstorm Market Survey Report. Such records shall include, but are not limited to, the following: for each zip code within the coastal area, a listing of each new policy written by insured’s name, address and policy number; each policy cancelled and

the specific reason for cancellation, together with a copy of the cancellation notice; and each policy nonrenewed and the reason for nonrenewal, together with a copy of the nonrenewal notice.

AND IT IS FURTHER ORDERED that insurers that fail to fully and accurately complete or submit the Surveys as set forth herein will be subject to penalties pursuant to N.J.S.A. 17:33-2.

Steven M. Goldman

/s/ Steven M. Goldman

Commissioner

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