

INSURANCE
DEPARTMENT OF BANKING AND INSURANCE
DIVISION OF INSURANCE

Official Department Mailing List: Address Information

Proposed Amendments: N.J.A.C. 11:1-25.1, 25.2 and 25.3

Authorized By: Holly C. Bakke, Commissioner, Department of Banking and Insurance

Authority: N.J.S.A.17:1-8.1 and 15e.

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

Proposal Number: PRN 2004-81

Submit comments by April 30, 2004 to:

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The agency proposal follows:

Summary

The Department of Banking and Insurance (Department) proposes to amend N.J.A.C. 11:1-25 regarding the means by which the Department provides bulletins, orders and other documents to insurers or other entities regulated by the Department's Division of Insurance. A listing of all insurers or regulated entities covered by these proposed amendments is set forth at N.J.A.C. 11:1-25.2. The amendments are appropriate due to technological innovations and the resulting opportunity to decrease the operating costs of the Department through the use of electronic mail (e-mail).

N.J.A.C. 11:1-25.3 is proposed to be amended to add a subsection at N.J.A.C. 11:1-25.3(e) which would require insurers to submit to the Department the e-mail address to which they wish the Department to send bulletins, general orders and public notices issued by the Department. In addition, the new subsection will require submissions of the e-mail address to be made on an e-mail address designation form available on the Department's web site. The amendment also will require that the submissions be made via letter on the letterhead of the insurer or other regulated entity so as to ensure it is an authorized action of the insurer or other entity. The amendment also requires that changes to the e-mail address be relayed to the Department within 10 days of the change via the submission of a new e-mail address designation form.

The headings of Subchapter 25 and N.J.A.C. 11:1-25.1 are proposed to be amended to show they also encompass e-mail requirements. Additionally, N.J.A.C. 11:1-25.2 is proposed to be amended to add the phrase "or any other statute requiring such a submission." This added language will make the mailing and e-mail list requirements applicable to additional entities that may be regulated by the Department in the future.

N.J.A.C. 11:1-25.3 is also proposed to be amended to note in its heading that it covers e-mail addresses and corrects the title of the section within the Department that receives annual reports. The rule is also proposed to be amended to make it clear that the official mailing address is to be used for company-specific administrative orders. It is also proposed to be amended so that general bulletins and public notices would not be sent by regular U.S. mail but transmitted by e-mail, as set forth in the proposed amendment at N.J.A.C. 11:1-25.3(e).

This rule proposal provides for a comment period of 60 days, and, therefore, pursuant to N.J.A.C. 1:30-3.3(a)5, is not subject to the provisions of N.J.A.C. 1:30-3.1 and 3.2 governing rulemaking calendars.

Social Impact

The proposed amendments should have a positive social impact by improving the efficiency of the operations of the Department and the regulated insurance community.

The proposed amendments would apply to all New Jersey insurers and other entities regulated by the Department's Division of Insurance. E-mail is a common tool used in business and government today. When disseminated via e-mail, information can be provided in a faster, more efficient manner.

Economic Impact

The Department expects that the proposed amendments will have a positive economic impact. Insurers and other entities regulated by the Department's Division of Insurance will receive information more quickly and efficiently. In addition, the Department will save the costs of staff time and postage associated with large regular mailings. The expense to insurers or other regulated entities of advising the Department of their e-mail address and updating it if it should change is minimal and a normal cost of doing business.

Federal Standards Statement

The proposed amendments are not subject to any Federal standards or requirements. Therefore a Federal standards analysis is not required.

Jobs Impact

While the Department does not anticipate that any jobs will be gained or lost as a direct result of the proposed amendments, by reducing costs for the Department and, consequently, for insurers, these amendments should facilitate growth in the New Jersey insurance marketplace, which may result in job growth.

The Department invites commenters to submit any data or studies concerning the jobs impact of the proposed amendments together with their written comments on other aspects of this proposal.

Agriculture Industry Impact

The Department does not expect any agriculture industry impact from the proposed amendments.

Regulatory Flexibility Analysis

Some New Jersey insurers or other entities regulated by the Department's Division of Insurance are small businesses as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The proposed amendments will impose compliance and reporting requirements on these entities. Insurers or other entities regulated by the Department's Division of Insurance will have to complete a form to provide their e-mail address to the Department, and report to the Department changes to that e-mail address. There are no recordkeeping requirements imposed by the proposed amendments.

The Department believes that these requirements are not unduly burdensome and will not require the retaining of professional services to comply.

The purpose of the proposed amendments is to enable the Department to promptly send bulletins, orders and public notices to insurers or other entities regulated by the Department's Division of Insurance in the most cost-effective manner. This purpose does not vary based upon business size. Accordingly, no differentiation based on business size is provided. However, those insurers or other entities regulated by the Department's Division of Insurance who do not choose to have e-mail capability may so notify the Department in which case the Department will send documents to them by regular mail.

Smart Growth Impact

The proposed amendments will have no impact on the achievement of smart growth and implementation of the State Development and Redevelopment Plan.

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

SUBCHAPTER 25. OFFICIAL DEPARTMENT MAILING [LIST] **AND ELECTRONIC MAILING LISTS**: ADDRESS INFORMATION

11:1-25.1 Purpose

The purpose of this subchapter is to ensure that the Department's **records of the** official mailing address [records] **and the electronic mailing (e-mail) address of insurers and regulated entities** remain accurate and updated at all times and thereby maximize the **efficient** use of Department resources and the effectiveness of Department mailings.

11:1-25.2 Scope

This subchapter shall apply to any person, partnership, corporation or any other legal entity that is required to submit an annual financial statement or report to the Commissioner pursuant to any of the following: N.J.S.A. 17:16A-13, 17:22-6.45, 17:23-1, 17:35-8, 17:35-19, 17:44A-34, 17:45-12, 17:46A-7, 17:46B-55, 17:46C-9, 17:48-11, 17:48A-15, 17:48C-26, 17:48D-13, 17:48E-36, 17:50-8 [or], 17B:21-1 **or any other statute requiring such a submission.**

11:1-25.3 Official mailing **and electronic mailing** lists; change in address information

(a) For the purpose of disseminating Department information, including, but not limited to, [bulletins,] certificates of authority, orders to show cause, **and company-specific** administrative orders, [and public notices,] the Department's official mailing **address** list shall be based upon the mailing address information as provided in the insurer's **or other regulated entity's** most recent annual financial statement or report filed pursuant to the respective insurance laws requiring such, as set forth above at N.J.A.C. 11:1-25.2. The mailing address provided in the annual financial statement or report shall be deemed the official mailing address of the person, partnership, corporation or other legal entity which filed such statement or report, unless the Department has been specifically notified otherwise of a change in the mailing address. In such cases, the mailing address the Department has been notified of shall be deemed the official mailing address.

1. In cases where no mailing address is designated, the home address as provided in the annual financial statement or report filed shall be deemed the official mailing address [or report], unless the Department has been specifically notified otherwise of a change in

the home address. In such cases, the home address the Department has been notified of shall be deemed the official mailing address.

2. (No change.)

(b) Upon any change in the mailing address, or home address if applicable, the insurer or other regulated entity shall notify the Department in writing of such change no later than 10 days from the date the new address became effective. All address change notifications shall be sent to:

Supervisor of Insurance Reports
 [Division of Financial Examinations]
Office of Financial Solvency
 New Jersey Department of Banking and Insurance
 PO Box 325
 Trenton, New Jersey 08625-0325

(c) (No change.)

(d) Unless the Department is notified otherwise in accordance with the above provisions, the mailing address last provided to the Department pursuant to this rule shall be deemed **the insurer or regulated entity's** correct **official mailing address** and any communications mailed to such **address** shall be deemed properly mailed and received.

(e) Each insurer or other regulated entity shall submit an e-mail address to the Department on an e-mail address designation form as prescribed by the Department. The form shall be submitted no later than (sixty days following the effective date of these amendments), or the date the insurer or other regulated entity is granted a Certificate of Authority or other notice of authorization to do business in New Jersey, whichever is later. Subsequent to its receipt of the e-mail address, the Department shall transmit all general orders, bulletins, and public notices to the insurer or other regulated entity via e-mail to that e-mail address or through regular mail to the insurer or other regulated entity at its

official mailing address. Upon any change in an e-mail address previously filed with the Department, the insurer or other regulated entity shall, within 10 days, notify the Department in writing of such a change by submitting a new e-mail address designation form. The initial and every subsequent submission of the e-mail address designation form shall be made under cover of a letter, on original company letterhead and signed by an officer of the company, stating that the contents of the form are accurate. The form and accompanying letter shall be sent to:

New Jersey Department of Banking and Insurance
Office of Legislative and Regulatory Affairs
P.O. Box 325
Trenton, NJ 08625-0325

The form can be obtained from the Department's web-site at: www.njdobi.org.

The form shall contain a space for an insurer or other regulated entity to indicate that it does not have e-mail capability.

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