

INSURANCE

(a)

DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF INSURANCE

Notice of Readoption

Insurance Producer Standards of Conduct

Readoption: N.J.A.C. 11:17A, 11:17B, 11:17C, and 11:17D

Authority: N.J.S.A. 17:1-8.1, 17:1-15.e, and 17:22A-26 et seq.

Authorized By: Richard J. Badolato, Commissioner, Department of Banking and Insurance.

Effective Date: August 14, 2017.

New Expiration Date: August 14, 2024.

Take notice that pursuant to the provisions of N.J.S.A. 52:14B-5.1, the rules at N.J.A.C. 11:17A, 11:17B, 11:17C, and 11:17D were scheduled to expire on December 17, 2017. These rules were originally adopted in December 1989, and amended thereafter, to reflect the current standards and practices required by the Department of Banking and Insurance (Department) for insurance producers licensed in this State. These rules continue to provide insurance producers with a clear set of performance guidelines and standards of conduct concerning their daily operations and interaction with the Department and the public.

N.J.A.C. 11:17A defines activities for which one must be licensed as an insurance producer; specifies certain prohibited unfair trade practices; and sets forth miscellaneous marketing and related requirements.

N.J.A.C. 11:17B sets forth the rules concerning commissions and fees that may be paid to or charged by insurance producers.

N.J.A.C. 11:17C sets forth standards for licensed insurance producers concerning the management of funds and general recordkeeping for insurance related transactions.

N.J.A.C. 11:17D contains procedures for reinstating suspended or revoked licenses and for imposing administrative penalties, and includes a schedule of fines for violations of certain provisions of Title 17 and 17B of the New Jersey Statutes and rules adopted or orders issued by the Commissioner.

The rules contained within Chapters 17A, 17B, 17C, and 17D continue to be necessary, reasonable, and proper for the purposes for which they were promulgated. Therefore, pursuant to N.J.S.A. 52:14B-5.1.c(1), these rules are readopted and shall continue in effect for a seven-year period.

(b)

DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF INSURANCE

Notice of Readoption

Medical Malpractice Liability Insurance

Readoption with Technical Changes: N.J.A.C. 11:27

Authority: N.J.S.A. 17:1-8.1, 17:1-15.e, 17:23-20 et seq., 17:29AA-1 et seq., 17:30D-17 et seq., and 17:32-1 et seq.

Authorized By: Richard J. Badolato, Commissioner, Department of Banking and Insurance.

Effective Dates: August 14, 2017, Readoption;
September 18, 2017, Technical Changes.

New Expiration Date: August 14, 2024.

Take notice that pursuant to N.J.S.A. 52:14B-5.1, the rules at N.J.A.C. 11:27 were scheduled to expire on November 30, 2017. These rules address medical malpractice liability insurance in this State.

The Legislature enacted the New Jersey Medical Care Access and Responsibility and Patients First Act, P.L. 2004, c. 17 (the Act), which provided various reforms to address the vital interests of the State in

ensuring that health care practitioners can continue to provide high-quality health care, and that such health care continues to be available to residents of this State. The Department adopted various rules to implement the Act beginning in 2005, with the latest rules adopted in June of 2009. In addition, N.J.A.C. 11:27-14, effective February 22, 2011, sets forth the procedures by which the Commissioner shall establish the range of annual rate change that may become effective within 30 days after filing pursuant to N.J.S.A. 17:29AA-5.1. The rules to be readopted continue to provide standards to implement specific provisions of the Act or otherwise further the goals of the Act to ensure access to high-quality health care by residents of this State, and to otherwise implement statutory law.

N.J.A.C. 11:27-1 sets forth general provisions regarding the purpose, scope, and separability of the rules.

N.J.A.C. 11:27-2 implements N.J.S.A. 17:30D-20 by providing for an optional policy provision in medical malpractice liability insurance policies that contain a "consent by the insured to settle," to waive that provision by way of endorsement, and to require insurers to provide a premium reduction reflecting any savings or reduced costs if the endorsement providing for a waiver of the "right to consent to settle" provision is selected.

N.J.A.C. 11:27-3 implements N.J.S.A. 17:30D-21 by specifying the requirements applicable to mandatory deductibles that shall be offered by all authorized medical malpractice liability insurers on medical malpractice liability insurance policies issued in this State.

N.J.A.C. 11:27-4 implements N.J.S.A. 17:30D-26 by providing minimum standards for premium payment installments.

N.J.A.C. 11:27-5 implements N.J.S.A. 17:30D-22 by prohibiting increases in premiums upon the renewal of New Jersey medical malpractice liability policies on the basis of claims filed against insureds where the insured is dismissed from a civil action based upon that claim at an early stage of the civil proceeding.

N.J.A.C. 11:27-6 implements N.J.S.A. 17:30D-24 by specifically providing that medical malpractice liability insurers shall comply with N.J.A.C. 11:1-20 with regard to notices of renewal and non-renewal of medical malpractice liability insurance policies.

N.J.A.C. 11:27-7 implements N.J.S.A. 17:30D-28 through 30 by setting forth procedures for the establishment of the Medical Malpractice Liability Insurance Premium Assistance Fund (MMLIPAF). The Department recognizes that the MMLIPAF had a statutorily prescribed duration of three years and is currently inactive.

N.J.A.C. 11:27-8 implements N.J.S.A. 17:30D-18 by establishing prohibitions upon concurrently serving as an officer, director, or board member of a professional association of health care providers and in such a capacity with a domestic medical malpractice liability insurer.

N.J.A.C. 11:27-9 implements N.J.S.A. 17:30D-19 by establishing rules for the formation and operation of medical malpractice liability insurance purchasing alliances.

N.J.A.C. 11:27-10 implements N.J.S.A. 17:30D-27 by establishing the requirements for structured settlements and the furnishing of bonds.

N.J.A.C. 11:27-11 establishes reporting requirements regarding reinsurance agreements and loss reserves established by insurers that are writing medical malpractice liability insurance in this State.

N.J.A.C. 11:27-12 sets forth minimum requirements for the independence of the board of directors and the committees of the board of directors of an insurer that is writing medical malpractice liability insurance in this State.

N.J.A.C. 11:27-13 provides for the biannual reporting of information related to rate modifiers used by medical malpractice liability insurers writing physicians and surgeons coverage in this State.

N.J.A.C. 11:27-14 sets forth the procedures to establish the designated range of annual rate change pursuant to N.J.S.A. 17:29AA-5.1; the filing requirements for changes in rates for medical malpractice liability insurance; and the procedures to review medical malpractice liability insurance rates subject to prior approval.

Therefore, pursuant to N.J.S.A. 52:14B-5.1.c(1), these rules are readopted and shall continue in effect for a seven-year period, with the following technical changes to reflect the current e-mail address for the filings under the rules and Department's current website.