

SUBCHAPTER 9. ALTERNATIVE TREATMENT CENTER
GENERAL ADMINISTRATIVE
REQUIREMENTS FOR ORGANIZATION AND
RECORDKEEPING

8:64-9.4 Personnel records

(a) Each ATC shall maintain a personnel record for each employee, principal officer, director, board member, agent, or volunteer that includes, at a minimum, the following:

1.-2. (No change.)

3. Documentation of the certification of each principal officer, director, or board member stating that he or she submits to the jurisdiction of the courts of the State of New Jersey and agrees to comply with all the requirements of the laws of the State of New Jersey pertaining to the Division;

4.-10. (No change.)

(b) (No change.)

8:64-9.7 Security

(a) (No change.)

(b) At minimum, each ATC shall:

1.-9. (No change)

10. Equip interior and exterior premises with electronic monitoring, video cameras, and panic buttons.

i. A video surveillance system shall be installed and operated to clearly monitor all critical control activities of the ATC and shall be in working order and operating at all times. The ATC shall provide two monitors for remote viewing via telephone lines in State offices. This system shall be approved by the Division prior to permit issuance.

ii. (No change.)

11.-13. (No change.)

SUBCHAPTER 10. PLANT CULTIVATION AUTHORIZED
CONDUCT

8:64-10.7 Processing and packaging of marijuana

(a)-(b) (No change.)

(c) Each package of usable marijuana, at a minimum, shall:

1.-2. (No change.)

3. Be in a closed container that holds no more than 1/4 ounce and *is* sealed, so that the package cannot be opened, and the contents consumed, without the seal being broken.

(d) (No change.)

(e) An ATC shall package, manufacture, or dispense medicinal marijuana only in:

1. Dried form;

2. Oral lozenges;

3. Topical formulations; or

4. Oil formulations.

(f) The ATC shall submit the label to the Division for approval and *record* *recording*.

1. The Division shall provide a copy of the label to authorized employees of State agencies or local law enforcement agencies, as necessary *for these agencies* to perform their official duties.

Recodify existing N.J.A.C. 8:64-10.9, 10.10, and 10.11 as 8:64-10.8, 10.9, and 10.10 (No change in text.)

SUBCHAPTER 13. MONITORING, ENFORCEMENT ACTIONS,
APPEAL RIGHTS, AND EXEMPTION FROM
STATE CRIMINAL AND CIVIL PENALTIES
FOR THE MEDICINAL USE OF MARIJUANA

8:64-13.6 Prohibitions, restrictions, and limitations on the cultivation
or dispensing of medicinal marijuana and criminal penalties

(a) The holding of an ATC permit or employment at an ATC does not relieve the ATC or its employees from criminal prosecution or civil penalties for activities not authorized by the Act, this chapter, or the ATC permit.

(b) (No change.)

(c) Any person who makes a fraudulent representation to a law enforcement officer about the person's status as a qualifying patient to

avoid arrest or prosecution for a marijuana-related offense is guilty of a petty disorderly persons offense and shall be sentenced in accordance with applicable law.

(d)-(e) (No change.)

8:64-13.8 Onsite inspection and corrective actions

(a) Any failure to adhere to the Act and this chapter documented by the Department may result in sanctions, including suspension, revocation, non-renewal, or denial of permit and referral to State or local law enforcement.

1. (No change.)

(b) An ATC shall maintain detailed confidential sales records in a manner and format approved by the Department pursuant to N.J.A.C. 8:64-9.

1. (No change.)

2. The Department may, within its sole discretion, periodically require the audit of an ATC's financial records by an independent certified public accountant approved by the Department.

i. If the Department requires an audit of an ATC's financial records, the ATC shall bear all costs related to such audit. A requested audit shall be concluded within a reasonable period, as determined by the Department. Results of a required audit shall be forwarded to the Division.

3. (No change.)

(c)-(i) (No change.)

8:64-13.11 Exemption from State criminal and civil penalties for the
medicinal use of marijuana

(a)-(f) (No change.)

INSURANCE

(a)

DEPARTMENT OF BANKING AND INSURANCE
DIVISION OF INSURANCE

Administration

Readoption with Amendments: N.J.A.C. 11:1

Proposed: December 3, 2018, at 50 N.J.R. 2407(a).

Adopted: April 22, 2019, by Marlene Caride, Commissioner,

Department of Banking and Insurance.

Filed: April 22, 2019, as R.2019 d.041, **without change**.

Authority: N.J.S.A. 17:1-8.1, 17:1-15.e, 17:17-1 et seq., 17B:17-1 et seq., and 34:15-103 et seq.

Effective Dates: April 22, 2019, Readoption;

May 20, 2019, Amendments.

Expiration Date: April 22, 2026.

Summary of Public Comment and Agency Response:

No comments were received.

Federal Standards Statement

A Federal standards analysis is not required because the rules readopted with amendments are not subject to any Federal requirements or standards, with the exception of surplus lines insurance. Aspects of surplus lines insurance are subject to the Federal Dodd-Frank Wall Street Reform and Consumer Protection Act, P.L. 111-203 (Act). The following rules are affected:

N.J.A.C. 11:1-31, governing surplus eligibility, and N.J.A.C. 11:1-33, governing surplus procurement procedures. Section 524 of the Act provides that a state may not impose eligibility requirements on, or establish eligibility criteria for, nonadmitted insurers domiciled in the United States, except in conformance with sections 5A(2) and 5C(2)(a) of the NAIC Non-Admitted Insurance Model Act, unless the state has adopted nationwide uniform procedures developed in accordance with the Act. In addition, no state may prohibit a surplus lines producer from placing nonadmitted insurance with, or procuring nonadmitted insurance from, a nonadmitted insurer domiciled outside of the United States that is listed on the Quarterly Listing of Alien Insurers maintained by the

International Insurers Department of the NAIC. N.J.A.C. 11:1-31 imposes eligibility requirements on all insurers seeking to become eligible. Accordingly, under the Act, this subchapter would continue to apply only to an insurer not domiciled in the United States that is not listed on the Quarterly Listing of Alien Insurers.

In all instances, the Department recognizes that the Act controls and will apply the rules consistent therewith.

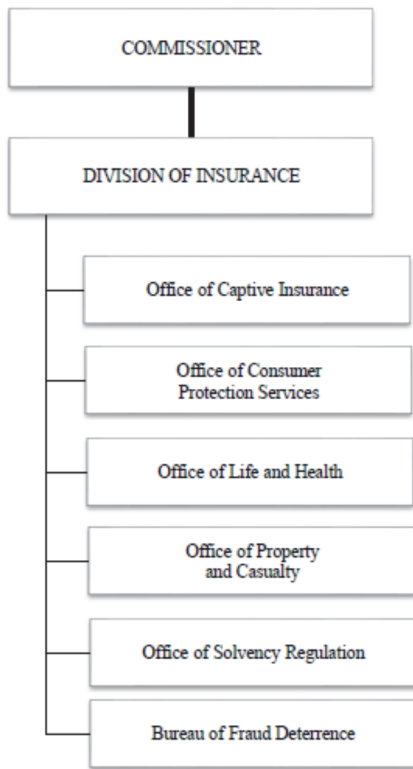
Full text of the readopted rules can be found in the New Jersey Administrative Code at N.J.A.C. 11:1.

Full text of the adopted amendments follows:

SUBCHAPTER 1. ORGANIZATION

11:1-1.1 Organization
(a)-(b) (No change.)

DEPARTMENT OF BANKING AND INSURANCE



SUBCHAPTER 2. FILINGS: PROPERTY AND CASUALTY

11:1-2.1 Purpose and scope
(a)-(b) (No change.)
(c) All commercial and personal lines filings submitted to the Department shall be submitted through the use of the NAIC electronic filing system SERFF (System for Electronic Rate and Form Filing). Any such filings received in any method other than through SERFF will be closed without action and returned to the company without review.

SUBCHAPTER 2A. PERSONAL LINES FILINGS: RATE FILING REVIEW PROCEDURES

11:1-2A.2 Definitions
The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:
...

“Contested case” means any proceeding so defined in N.J.S.A. 52:14B-2, specifically including a personal lines prior approval rate filing when a request for a hearing has been made by any party or when the Commissioner determines that a hearing on the filing is necessary.
...

11:1-2A.3 General filing provisions
(a)-(e) (No change.)
(f) Any filing or other item submitted to the Division of Rate Counsel shall be sent to the Division of Rate Counsel at the address below. Refer to the Department’s website at www.state.nj.us/dobi/division_insurance/propcas.htm for updates to the address.
Division of Rate Counsel
140 East Front Street, 4th Floor
PO Box 003
Trenton, NJ 08625

SUBCHAPTER 3. DISABILITY DISCRIMINATION GRIEVANCE PROCEDURE

11:1-3.3 Required ADA notice
In addition to any other advice, assistance, or accommodation provided, a copy of the following notice shall be given to anyone who inquires regarding the agency’s compliance with the ADA or the availability of accommodation that would allow a qualified individual with a disability to receive services or participate in a program or activity provided by the agency.

AGENCY NOTICE OF ADA PROCEDURE

The agency has adopted an internal grievance procedure providing for prompt and equitable resolution of grievances alleging any action prohibited by the U.S. Department of Justice regulations implementing Title 11 of the Americans with Disabilities Act. Title 11 states, in part, that “no otherwise qualified disabled individual shall, solely by reason of such disability, be excluded from participation in, be denied the benefits of or be subjected to discrimination” in programs or activities sponsored by a public entity.

Rules describing and governing the internal grievance procedure can be found in the New Jersey Administrative Code, N.J.A.C. 11:1-3. As those rules indicate, grievances should be addressed to the agency’s designated ADA Coordinator, who has been designated to coordinate ADA compliance efforts, at the following address:

ADA Coordinator
New Jersey Department of Banking and Insurance
Office of Human Resources
PO Box 325
Trenton, New Jersey 08625-0325

1.-7. (No change.)

11:1-3.4 Designated ADA coordinator
(a) The designated coordinator of ADA compliance and complaint investigation for the agency is:

ADA Coordinator
New Jersey Department of Banking and Insurance
Office of Human Resources
PO Box 325
Trenton, New Jersey 08625-0325

(b)-(c) (No change.)

SUBCHAPTER 6. NEW JERSEY PROPERTY-LIABILITY INSURANCE GUARANTY ASSOCIATION ASSESSMENT PREMIUM SURCHARGE

11:1-6.3 Establishment of Association assessment premium surcharge
(a) Upon a determination by the Commissioner that a surcharge on premiums is necessary to permit member insurers to recoup assessments paid to the Association pursuant to N.J.S.A. 17:30A-8a(3), he or she shall order within 30 days of the due date of an assessment that a surcharge be imposed on net direct written premiums for policies to which N.J.S.A.

17:30A-1 et seq., applies. The Order will be posted on the Department's current website, at www.state.nj.us/dobi/index.html.

(b)-(k) (No change.)

11:1-6.4 Reporting requirements

All insurers collecting a surcharge established pursuant to this subchapter shall file by March 1 of each year a reconciliation form on a form to be provided by the Commissioner. The form shall show the assessments paid to the Association and the surcharges collected by the insurer, if any, during the calendar year immediately preceding. This information shall be forwarded to:

New Jersey Department of Banking and Insurance
Office of Solvency Regulation
20 West State Street
PO Box 325
Trenton, NJ 08625-0325

SUBCHAPTER 7. MEDICAL MALPRACTICE REPORTING REQUIREMENTS

11:1-7.3 Medical malpractice reporting requirements

(a)-(g) (No change.)

(h) The notice referred to in (g) above shall be delivered to the Department electronically no later than seven days after the settlement, judgment, or arbitration award is officially agreed to or entered. The notice shall be e-mailed to the Department at medmalclrep@dobi.nj.gov.

11:1-7.4 Confidentiality

All information or documentation submitted to the Panel pursuant to this subchapter is confidential, except for release to a government agency under certain circumstances and conditions as set forth at N.J.S.A. 45:9-19.10.

SUBCHAPTER 15. PETITIONS FOR RULES; RULEMAKING NOTICE

11:1-15.2 Procedure for petitioner

(a) (No change.)

(b) Petitions shall be sent to the following address:

New Jersey Department of Banking and Insurance
Office of Regulatory Affairs
Attn: Rulemaking Petitions
PO Box 325
Trenton, NJ 08625-0325

(c) (No change.)

11:1-15.5 Sufficient public interest for the purposes of extending the comment period or granting a public hearing

(a) (No change.)

(b) In determining whether sufficient public interest has been demonstrated for purposes of conducting a public hearing pursuant to N.J.A.C. 1:30-5.5, the Commissioner shall consider the application of an interested person that has been submitted on a form prescribed by the Commissioner. Such application shall be submitted within 30 days following the publication of the notice of proposal in the New Jersey Register.

1. A person interested in having a public hearing held on a notice of proposal shall submit an application on a form prescribed by the Commissioner, to Office of Regulatory Affairs, Department of Banking and Insurance, 20 West State Street, PO Box 325, Trenton, NJ 08625-0325. The application shall contain the following information:

i.-iii. (No change.)

(c)-(e) (No change.)

SUBCHAPTER 20. RENEWAL, CANCELLATION, AND NONRENEWAL OF COMMERCIAL AND HOMEOWNERS INSURANCE POLICIES

11:1-20.1 Scope

(a) This subchapter shall apply to all commercial insurance policies that are in force, issued, or renewed by companies licensed to do business in this State except workers' compensation insurance, employers liability,

fidelity, surety, performance and forgery bonds, ocean marine and aviation insurance, and accident and health insurance and any policy written by a surplus lines insurer. With the exception of N.J.A.C. 11:1-20.3 and 11:1-20.4(d), this subchapter shall not be applicable to multi-state location risks or policies subject to retrospective rating plans.

(b) This subchapter shall also apply to all policies of homeowners insurance as defined at N.J.A.C. 11:2-42.2.

(c)-(d) (No change.)

11:1-20.2 Renewal, nonrenewal, and cancellation notice requirements

(a)-(g) (No change.)

(h) All notices of nonrenewal and cancellation, except those for nonpayment of premium, must contain a statement that shall be clearly and prominently set out in boldface type or other manner that draws the reader's attention advising the insured that the insured may file a written complaint about the cancellation or nonrenewal with the New Jersey Department of Banking and Insurance, Office of Consumer Protection Services, PO Box 329, Trenton, New Jersey 08625-0329. The statement also shall advise the insured to contact the Department of Banking and Insurance immediately, in the event he or she wishes to file a complaint.

(i)-(m) (No change.)

11:1-20.3 Policy provisions relating to cancellation or nonrenewal

(a) All commercial insurance policy forms and all homeowners' insurance policy forms must contain a provision setting forth the following statement:

Pursuant to New Jersey law, this policy cannot be cancelled or nonrenewed for any underwriting reason or guideline which is arbitrary, capricious or unfairly discriminatory or without adequate prior notice to the insured. The underwriting reasons or guidelines that an insurer can use to cancel or nonrenew this policy are maintained by the insurer in writing and will be furnished to the insured and/or the insured's lawful representative upon written request.

This provision shall not apply to any policy that has been in effect for less than 60 days at the time notice of cancellation is mailed or delivered, unless the policy is a renewal policy.

1. (No change.)

11:1-20.11 Penalties

(a) (No change.)

(b) As an alternative or in addition to the penalties set forth in (a) above, the Commissioner, where he or she deems such action will further the purposes of this subchapter, may require immediate reinstatement without lapse of any policy that has been cancelled or nonrenewed in violation of the provisions of this subchapter.

1.-2. (No change.)

SUBCHAPTER 22. PROHIBITION OF CERTAIN CANCELLATION AND NONRENEWAL ACTIVITY

11:1-22.2 Prohibitions

(a) (No change.)

(b) A plan filed pursuant to (a)2 above shall contain the following information:

1.-4. (No change.)

5. The total market share of the nonrenewing company or companies by line of insurance. For homeowners' policies, this shall include the number of exposures by designated zip codes set forth in N.J.A.C. 11:2-42.9(b) (Appendix E) and, separately, any additional zip codes that fall within a company's definition of a coastal area;

6. A copy of the proposed nonrenewal notice. The notices shall not include the statements otherwise required pursuant to N.J.A.C. 11:1-20.2(h) and 11:3-8.6(b)1, as applicable, related to filing complaints with the Department concerning the non-renewal. A sample of such notice shall be posted on the Department's website at <http://www.state.nj.us/dobi/>, and may be modified by the Department from time to time;

7.-9. (No change.)

(c) A plan filed pursuant to (a)3 above shall contain the following information:

1.-4. (No change.)

5. The total market share of the nonrenewing company or companies by line of insurance. For homeowners' policies, this shall include the number of exposures by designated zip codes set forth in N.J.A.C. 11:2-42.9(b) (Appendix E) and, separately, any additional zip codes that fall within a company's definition of a coastal area;

6. A copy of the proposed cancellation notice. The notices shall not include the statements otherwise required pursuant to N.J.A.C. 11:1-20.2(h) and 11:3-8.6(b)1, as applicable, related to filing complaints with the Department concerning the cancellation. A sample of such notice shall be posted on the Department's website at <http://www.state.nj.us/dobi/>, and may be modified by the Department from time to time;

7.-9. (No change.)

(d)-(f) (No change.)

11:1-22.5 Penalties

(a) (No change.)

(b) As an alternative or in addition to the penalties set forth in (a) above, the Commissioner, where he or she deems such action will further the purposes of this subchapter, may require immediate reinstatement without lapse of any policy that has been nonrenewed or cancelled in violation of the provisions of this subchapter.

1.-2. (No change.)

SUBCHAPTER 25. OFFICIAL DEPARTMENT MAILING AND ELECTRONIC MAILING LISTS: ADDRESS INFORMATION

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

(a)-(d) (No change.)

(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 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 Regulatory Affairs
PO Box 325
Trenton, NJ 08625-0325

The form can be obtained from the Department's website at: www.state.nj.us/dobi/index.html.

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

SUBCHAPTER 28. FORMATION OF A DOMESTIC PROPERTY AND CASUALTY INSURANCE CORPORATION (STOCK OR MUTUAL) OR RECIPROCAL INSURANCE EXCHANGE

11:1-28.6 Additional information requirements

(a) (No change.)

(b) All filings required by this subchapter or other information reasonably deemed necessary by the Commissioner or otherwise required by law shall be sent to:

New Jersey Department of Banking and Insurance
Office of Solvency Regulation
PO Box 325
Trenton, New Jersey 08625-0325
Attention: Formation of domestic companies

SUBCHAPTER 31. SURPLUS LINES INSURER ELIGIBILITY

11:1-31.6 Withdrawal of eligibility

(a) (No change.)

(b) The Commissioner shall notify all licensed surplus lines agents in this State of withdrawals of eligibility made pursuant to this section. Such notification may be made by posting such information on the Department's website, www.state.nj.us/dobi/index.html.

(c) (No change.)

SUBCHAPTER 32. FEES AND SPECIAL PURPOSE APPORTIONMENT

11:1-32.4 Fees; general

(a) (No change.)

(b) The following fees shall be paid for services provided by the Commissioner in addition to those set forth in (a) above as follows:

1.-19. (No change.)

20. The costs to the Department for investigation and prosecution of violations of the New Jersey Insurance Producer Licensing Act pursuant to N.J.S.A. 17:22A-45—actual staff time rounded to the nearest quarter hour at the rate of \$50.00 per hour; and

21. (No change.)

LABOR AND WORKFORCE DEVELOPMENT

(a)

THE COMMISSIONER

Notification

Readoption: N.J.A.C. 12:2

Proposed: December 17, 2018, at 50 N.J.R. 2545(a).

Adopted: April 18, 2019, by Robert Asaro-Angelo, Commissioner, Department of Labor and Workforce Development.

Filed: April 18, 2019, as R.2019 d.039, **without change**.

Authority: N.J.S.A. 34:1-20 and 34:1A-3(e) and P.L. 2009, c. 194, sec. 4a. and P.L. 2012, c. 57, sec.1.

Effective Date: April 18, 2019.

Expiration Date: April 18, 2026.

Summary of Hearing Officer's Recommendations and Agency's Responses:

A public hearing regarding the notice of rules proposed for readoption was held on January 15, 2019, at the Department of Labor and Workforce Development (Department). David Fish, Executive Director, Legal and Regulatory Services, was available to preside at the public hearing and to receive testimony regarding the notice of rules proposed for readoption. No one testified at the public hearing and no written comments were submitted directly to the Office of Legal and Regulatory Services. Therefore, the hearing officer recommended that the Department proceed with the readoption of the rules without change.

Summary of Public Comment and Agency Response:

No comments were received.

Federal Standards Statement

A Federal standards analysis is not required because the readopted rules are not subject to any Federal standards or requirements. Specifically, the subject matter of the readopted rules are governed by N.J.S.A. 34:1-20 and 34:1A-3(e) and P.L. 2009, c. 194, sec. 4a. and P.L. 2012, c. 57, sec.1.

Full text of the readopted rules can be found in the New Jersey Administrative Code at N.J.A.C. 12:2.