



October 25, 2006

NJ PROPOSES READOPTION OF CLAIMS OMBUDSMAN REGULATION

BACKGROUND

The New Jersey Department of Banking and Insurance recently issued a proposal to readopt the Claims Ombudsman regulation with amendments (PRN 2006-323). The regulation is N.J.A.C. 11:25.

CHANGES

The substantive changes are as follows:

- In paragraph 1.2, the definition of “disputed insurance claim” is amended to include a claim denial.
- In paragraph 1.3(b) 5, the seven days for complaint rebuttal is being increased to 15 business days. The 15 day period mentioned in paragraph 1.3(b) 3 is being clarified to 15 business days.
- In paragraph 2.3(a) 2, the record retention requirement for internal appeals is being reduced from five to three years.
- In paragraph 2.5(a), insurers will be required to provide claimants, as well as policyholders, with a written explanation of the insurer’s internal appeal system and include telephone and fax numbers and e-mail (if used) and business addresses to which internal appeals may be submitted.

COMMENTS

If you wish to comment on this proposal, you should submit your comments by December 1, 2006 to the address shown in PRN 2006-323.

AVAILABILITY

The proposed regulation may be accessed on the Department’s website at http://www.state.nj.us/dobi/proposed/prn06_323.pdf.

QUESTIONS

Contact Jan Kozlowski at (800) 935-6900 or e-mail: jkozlowski@msonet.com.