

January 31, 2003

**NEW JERSEY ISSUES BULLETIN
ON EARTHQUAKE NOTICE**

- BACKGROUND** We announced in a bulletin dated December 9, 2002 that Senate Bill 1097 would go into effect February 12, 2003. This law applies to homeowners and commercial property insurance and requires insurers that offer earthquake insurance to inform applicants and insureds of the availability of an earthquake endorsement. The required notice was to be developed by the Commissioner of Banking and Insurance.
- INSURANCE DEPARTMENT ACTION** The New Jersey Department of Banking and Insurance issued Bulletin 03-02, dated January 24, 2003, which provides the required notice and gives guidelines regarding its format.
- EFFECTIVE DATE** The notification requirements apply to all renewal notices issued and new applications received on or after February 12, 2003.
- NOTICE** The text that appears within brackets on the notice may be tailored by an insurer to be consistent with its business model.
- The notice may be combined with other notices so long as all required notices are displayed in a clear and conspicuous manner.
- COMPANY ACTION** If you offer earthquake coverage, you are required to issue the appropriate notice to all insureds.
- QUESTIONS** Call Jan Kozlowski at (800) 935-6900 or e-mail at jkozlowski@msonet.com.