



December 15, 2008

NEW JERSEY PROPOSES CHANGES TO FAIR PLAN SURCHARGE PROCEDURES

BACKGROUND

The Department of Banking and Insurance (DOBI) is proposing to revise regulation N.J.A.C. 11:1-5.1 to clarify the existing procedures for the FAIR Plan surcharge. This proposal does not establish a new surcharge.

CHANGES

The proposal would:

- Delete the reference to the 1988 finding of fact by the Commissioner's office as this is outdated.
- Prescribe the amount of any surcharge by an Order.
- Change the calculation of any surcharge on commercial multi-peril policies from 65% of the premium to the property portion of the premium reported on the annual statement.
- Require the surcharge to be separately identified and not combined with the PLIGA assessment.

COMMENTS

If you wish to comment on this proposal, you should submit your comments by January 30, 2009 to the address shown in PRN 2008-392.

AVAILABILITY

The proposed regulation may be accessed on the Department's website at: http://www.state.nj.us/dobi/proposed/prn08_392.pdf.

QUESTIONS

Contact Jan Kozlowski at (800) 935-6900.