



December 22, 2008

NJ ADOPTS CHANGES TO BLOCK CANCELLATION AND NONRENEWAL REGULATION

BACKGROUND

New Jersey Regulation NJAC 11:1-22 provides the standards for the block cancellation or nonrenewal of personal and commercial lines policies. In April, 2008 we informed you that the Department of Banking and Insurance (DOBI) had issued a proposal to revise the current rules. The proposal stated that “The purpose of the rules is to ensure that the DOBI is apprised of instances where an insurer seeks to cancel or nonrenew a block or class of insurance within a line of insurance, such as homeowners’ insurance in a coastal region or coverage afforded to certain types of contractors....”

The DOBI has now adopted the proposed regulation with one additional change.

CHANGES

The additional change in the adopted regulation clarifies that companies may implement a block cancellation or nonrenewal plan of longer than three years.

AVAILABILITY

The adopted regulation may be accessed on the DOBI website at:
<http://www.state.nj.us/dobi/proposed/aa081201.pdf>

QUESTIONS

Contact Jan Kozlowski at (800) 935-6900.