



December 09, 2009

## **NEW JERSEY ADOPTS CHANGES TO FAIR PLAN SURCHARGE REGULATION**

### **BACKGROUND**

In December of 2008, we informed you that the Department of Banking and Insurance (DOBI) had proposed revising the regulation N.J.A.C. 11:1-5.1 to clarify the existing procedures for the FAIR Plan surcharge. This change does not establish a new surcharge.

The NJ DOBI has recently announced that the proposed revision has been adopted without any additional changes.

### **REVISED REGULATION**

The adopted regulation:

- Deletes the reference to the 1988 finding of fact by the Commissioner's office as this is outdated.
- Provides that the amount of any surcharge will be prescribed by an Order.
- Changes 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.
- Requires the surcharge to be separately identified and not combined with the PLIGA assessment.

### **EFFECTIVE DATE**

The revised regulation became effective on December 7, 2009.

### **AVAILABILITY**

The adoption notice may be accessed on the Department's website at:  
<http://www.state.nj.us/dobi/proposed/aa091207.pdf>.

The proposed regulation may be accessed on the Department's website at:  
[http://www.state.nj.us/dobi/proposed/prn08\\_392.pdf](http://www.state.nj.us/dobi/proposed/prn08_392.pdf).

### **QUESTIONS**

Contact Jan Kozlowski at (800) 935-6900.