



April 24, 2008

## **NJ PROPOSES 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. The Department of Banking and Insurance (DOBI) is proposing to revise the current rules. The proposal states 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....”

### **CHANGES**

The new rules as proposed (PRN 2008-123) will:

- Codify various existing requirements that the Department has imposed on insurers in developing their block cancellation or nonrenewal plan.
- Consider nonrenewals because of changes in an insurer’s underwriting guidelines as subject to these rules.
- Clarify the time frames for filing and reviewing the plan.
- Provide that the DOBI may extend the time frame for implementing the block cancellation or nonrenewal for up to three years to minimize market disruption.

### **COMMENTS**

If you wish to comment on this proposal, you should submit your comments by June 20, 2008 to the address shown in PRN 2008-123.

### **AVAILABILITY**

The proposed regulation may be accessed on the DOBI website at:  
[http://www.state.nj.us/dobi/proposed/prn08\\_123.pdf](http://www.state.nj.us/dobi/proposed/prn08_123.pdf).

### **QUESTIONS**

Contact Jan Kozlowski at (800) 935-6900.