

**SUBCHAPTER 3. DATA SUBMISSION
REQUIREMENTS FOR ALL LICENSED
PRODUCERS WITH SURPLUS LINES
AUTHORITY AND ELIGIBLE SURPLUS LINES
INSURERS**

11:19-3.1 Purpose and scope

(a) The purpose of this subchapter is to set forth the filing and reporting requirements and procedures for the submission/maintaining of:

1. All eligible surplus lines insurers' annual net written premiums for the State of New Jersey; and
2. Tax and surcharge filings for all licensed surplus lines producers.

(b) These rules apply to all licensed producers with surplus lines authority and all insurers eligible to transact surplus lines insurance business in New Jersey in accordance with N.J.S.A. 17:22-6.40 et seq. and 17:22-6.70 et seq.

Amended by R.2001 d.132, effective May 7, 2001.

See: 33 N.J.R. 14(a), 33 N.J.R. 1392(a).

In the introductory paragraph of (a), inserted "/maintaining" following "submission".

Amended by R.2015 d.085, effective May 18, 2015.

See: 46 N.J.R. 1406(a), 47 N.J.R. 1006(a).

In (a)1, substituted "annual" for "quarterly".

11:19-3.2 Definitions

The following words and terms, as used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

"Alien insurer" means an insurer formed under the laws of any country other than the United States of America, its states, districts, territories, commonwealths or possessions.

"Commissioner" means the Commissioner of the New Jersey Department of Banking and Insurance.

"Department" means the Department of Banking and Insurance.

"Due date" means a date prior to or on which a submission shall be received by the Department.

"Foreign insurer" means an insurer formed under the laws of a jurisdiction of the United States of America, other than the State of New Jersey.

"Home state" is as defined in N.J.S.A. 17:22-6.41(g).

"Insurer" or "insurance company" means an entity authorized or eligible to transact the business of insurance in New Jersey.

"ISI Number" means the nine digit identifying number issued by the NAIC to uniquely identify an "alien insurer."

"NAIC" means the National Association of Insurance Commissioners.

"NAIC number" means the five digit number assigned by the NAIC to uniquely identify a foreign or admitted insurer.

"Net written premiums" means direct gross premiums on insurance policies written by a surplus lines insurer less return premiums thereon. If a policy issued by a surplus lines insurer covers risks or exposures only partially located in this State, the "net written premiums" do not include premiums on the risks or exposures outside of the State.

"SLAS" means Surplus Lines Automation Suite, which is a web-based software developed to assist the Department in monitoring the activities of licensees which sell surplus lines insurance to New Jersey residents and matches agent tax data to company policy data.

"Surplus lines insurer" means an unauthorized insurer eligible to transact surplus lines insurance business in this State, in which an insurance coverage is placed or may be placed pursuant to N.J.S.A. 17:22-6.40 et seq.

"Transaction number" means the 12-character number made up of the producer's surplus line agent number (assigned by the Department), the year of the placements, and a sequential number (maintained by the agent).

Amended by R.1998 d.109, effective February 17, 1998.

See: 29 N.J.R. 5260(a), 30 N.J.R. 674(b).

In "Commissioner" and "Department" definitions, changed the "Department of Insurance" to the "Department of Banking and Insurance".

Amended by R.2001 d.132, effective May 7, 2001.

See: 33 N.J.R. 14(a), 33 N.J.R. 1392(a).

Deleted "EBCDIC".

Amended by R.2015 d.085, effective May 18, 2015.

See: 46 N.J.R. 1406(a), 47 N.J.R. 1006(a).

Added definitions "Home state" and "SLAS"; deleted definition "SLPS"; and in definition "Transaction number", substituted "12" for "14".

11:19-3.3 General requirements

(a) All eligible surplus lines insurers qualified to transact business in New Jersey shall maintain reports of the information required by this subchapter for the preceding calendar year for inspection by the Department upon request beginning May 15, 2001. Each annual report on an insurer's net written premiums for the State of New Jersey shall be available for inspection by April 1 of each year. If requested, upon its receipt the data shall be used by the Department for the purpose of determining compliance with all laws and rules applicable to eligible insurers and insurance producers who placed business with such insurers, including, but not limited to, confirming the accuracy of the premium data reported by producers for purposes of the payment of premium tax pursuant to N.J.S.A. 17:22-6.59 and to determine whether all of the insurer's business was placed through a New Jersey licensed surplus lines insurance producer pursuant to N.J.S.A. 17:22-6.42.

(b) All licensed surplus lines producers shall, on or before the due dates set forth in this subsection following each calendar quarter, remit premium taxes and surcharges utilizing the forms set forth on the Department's website: www.njsslauite.com. The due dates for these filings are as follows: May 15, August 14, November 14 and February 14. The requirements in this subsection shall apply beginning with the filing covering the calendar quarter occurring immediately following May 18, 2015.

Amended by R.2001 d.132, effective May 7, 2001.

See: 33 N.J.R. 14(a), 33 N.J.R. 1392(a).

Rewrote (a); in (b), substituted "Appendix" for "Appendices" and substituted "May 15, August 14, November 14 and February 14" for "April 30; July 31; October 31; and January 31".

Amended by R.2010 d.115, effective June 21, 2010.

See: 41 N.J.R. 4665(a), 42 N.J.R. 1209(c).

In (b), substituted "utilizing the forms set forth on the Department's website: www.njdobi.org" for "in accordance with the Appendix to this subchapter".

Amended by R.2015 d.085, effective May 18, 2015.

See: 46 N.J.R. 1406(a), 47 N.J.R. 1006(a).

Rewrote the section.

Notice of readoption with technical changes.

See: 47 N.J.R. 2379(a).

11:19-3.4 SLAS requirements for all surplus lines insurers

(a) All eligible surplus lines insurers shall prepare and maintain an annual report listing net written premiums for all insurance covering a subject of insurance where New Jersey is the home state. Surplus lines insurers which write no business where New Jersey is the home state during a calendar year shall prepare and maintain a signed affidavit attesting that no such business was written for the calendar year.

(b) An insurer's annual report shall list for each policy, the named insured, the transaction number, the producer's name and address, the policy number, the written premium amount, and the effective and expiration dates. Insurers shall note all premium activity that occurred on a policy during the calendar year. Transaction numbers are not required with respect to risks that are directly procured without the participation of a New Jersey surplus lines agent. Upon request by the Department, an insurer shall file this report for the requested calendar year with the Department through the SLAS website: www.njsslauite.com.

Amended by R.1998 d.109, effective February 17, 1998.

See: 29 N.J.R. 5260(a), 30 N.J.R. 674(b).

In (b), added the second and last sentences; in (c)2, changed the address; deleted (c)2i; and added a new 6ii and recodified the existing language of 6 into 6i and iii.

Amended by R.2001 d.132, effective May 7, 2001.

See: 33 N.J.R. 14(a), 33 N.J.R. 1392(a).

Rewrote (a) and (b); deleted (c).

Amended by R.2015 d.085, effective May 18, 2015.

See: 46 N.J.R. 1406(a), 47 N.J.R. 1006(a).

Section was "SLPS subsystem requirements for all surplus lines insurers". Rewrote the section.

Notice of readoption with technical changes.

See: 47 N.J.R. 2379(a).

11:19-3.5 SLAS filing requirements for all licensed producers with surplus lines authority

(a) All licensed producers with surplus lines authority shall assign a transaction number to each new or renewal policy he or she places. All subsequent endorsements shall be identified by the same transaction number. All surplus lines producers shall provide surplus lines insurers with the appropriate transaction number for each new, renewal, additional or return premium policy or endorsement, including adjustments for policies prior to July 1, 1993.

(b) All licensed surplus lines producers shall file with the Department or other authority as required a quarterly tax return in the form set forth on the Department's website: www.njsslauite.com.

(c) The instructions and forms for completing the New Jersey surplus lines producer quarterly tax return may be found on the Department's website: www.njsslauite.com.

Amended by R.1998 d.109, effective February 17, 1998.

See: 29 N.J.R. 5260(a), 30 N.J.R. 674(b).

Deleted former (c)4.

Amended by R.2010 d.115, effective June 21, 2010.

See: 41 N.J.R. 4665(a), 42 N.J.R. 1209(c).

In (b), substituted "on the Department's website: www.njdobi.org" for "in Appendix B to this subchapter"; and in the introductory paragraph of (c), substituted "return" for "returns" and inserted ", which may be found on the Department's website: www.njdobi.org".

Amended by R.2015 d.085, effective May 18, 2015.

See: 46 N.J.R. 1406(a), 47 N.J.R. 1006(a).

Section was "SLPS subchapter filing requirements for all licensed producers with surplus lines authority". In (b), updated the website; and rewrote (c).

11:19-3.6 (Reserved)

11:19-3.7 Penalties

(a) Failure to comply with the provisions of this subchapter shall subject an eligible surplus lines insurer to penalties as provided in N.J.S.A. 17:22-6.61.

(b) Failure to comply with the provisions of this subchapter shall subject a licensed producer with surplus lines authority to penalties as provided in N.J.S.A. 17:22-6.61 and 17:22A-17.

APPENDIX

(RESERVED)

Amended by R.1998 d.109, effective February 17, 1998.

See: 29 N.J.R. 5260(a), 30 N.J.R. 674(b).

Amended by R.2001 d.132, effective May 7, 2001.

See: 33 N.J.R. 14(a), 33 N.J.R. 1392(a).

Material contained in this Appendix was originally adopted as 11:19-3 Appendix B. Appendix A was repealed by R.2001 d.132 and designation "B" deleted from this Appendix.

Amended by R.2003 d.303, effective July 21, 2003.

See: 35 N.J.R. 500(a), 35 N.J.R. 3360(b).

Rewrote the section.

Amended by R.2008 d.327, effective November 3, 2008.

See: 40 N.J.R. 2400(a), 40 N.J.R. 6466(a).

Revised the instructions for heading II to provide that the SLPS-2-FRA form is not required to be filed if no fire premiums are written