

## CHAPTER 409

**AN ACT** concerning certain homeowners insurance deductibles and premium rates, and providing for a consumer information brochure.

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

C.17:36-5.33 Definitions relative to homeowners insurance deductibles premium rates.

1. For purposes of this act:

"Commissioner" means the Commissioner of Banking and Insurance.

"Homeowners insurance" means personal lines insurance provided against loss to real and personal property as defined in the standard fire policy and extended coverage endorsement thereon, a dwelling policy, the homeowners multiple peril policy, insurance against the perils of vandalism, malicious mischief, burglary, or theft, or liability insurance or any combination thereof, or any other such policy delivered, issued or renewed or approved by the commissioner for issuance, delivery or renewal in this State.

C.17:36-5.34 Uniform policy language concerning hurricane deductible.

2. The commissioner shall establish by regulation uniform policy language regarding the applicability of hurricane deductibles and the form of notice to be provided to an insured under a homeowners insurance policy by an insurer utilizing a hurricane deductible program or programs.

C.17:36-5.35 Expedited rate filing procedure, certain.

3. a. A filer may use an expedited rate filing procedure to file for a proposed alteration to its homeowners insurance rating system when the filer requests an increase of no more than five percent in its Statewide rate for homeowners insurance at any time during a calendar year, with documentation supporting the increase no later than 30 days prior to the effective date of the rate change, provided that the increase shall not produce rates that are excessive, inadequate for the safety and soundness of the insurer, or unfairly discriminatory.

b. The commissioner shall establish by regulation the documentation which shall accompany the filing, which shall be reasonable and in accordance with the nature of the filing, and upon submission of the documentation required, the filing shall be deemed complete. The rate change shall be effective no sooner than the 30th day following the filing.

c. The commissioner may challenge a rate increase made pursuant to subsection a. of this section within 30 days of the date the filing is received, by notifying the filer in writing. The commissioner shall hear the matter on an expedited basis and shall render a final determination within four months of the date of the filing. The commissioner may, for good cause, extend this four-month period up to an additional three months.

d. Any increase in excess of the rate increases permitted by subsection a. of this section shall be subject to the provisions of P.L.1944, c.27 (C.17:29A-1 et seq.).

e. A filer shall not file more than one request in any 12-month period for an increase in its homeowners insurance rates pursuant to this section.

C.17:36-5.36 Consumer information brochure on hurricane deductibles required for issuance of homeowners policy.

4. a. No homeowners insurance policy shall be issued, delivered or renewed in this State on or after the 90th day following the effective date of this act unless the policy is accompanied by a consumer information brochure which explains the insurer's hurricane deductible program, if any, and which includes the information on flood insurance required to be provided pursuant to P.L.2001, c.84.

b. The board of directors of the New Jersey Insurance Underwriting Association established pursuant to P.L.1968, c.129 (C.17:37A-1 et seq.) shall prepare and disseminate a consumer information brochure in accordance with the requirements of this section.

c. An insurer shall provide a consumer information brochure to an insured at least annually at the time of policy renewal, or as otherwise ordered by the commissioner.

C.17:36-5.37 Regulations.

5. The commissioner shall promulgate regulations pursuant to the "Administrative

Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), necessary to effectuate the provisions of this act.

6. This act shall take effect immediately.

Approved January 8, 2002.