

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF DISASTER )  
RESPONSE PREPARATION ) ORDER  
MEASURES )

This matter having been opened by the Commissioner of the Department of Banking and Insurance (“Commissioner”) pursuant to the authority of N.J.S.A. 17:1-8.1, 17:1-15, 17:27A-1 to -14, 17:29A-1 to -35, 17:29AA-1 to -32, 17:29B-1 to -19, 17:30B-2, 17:48-12, 17:48A-15, 17:48C-26 to-27, 17:48D-11, 17:48E-37, 17:48F-12, 17:48H-17, 17B:27B-1 to -25, 17B:30-1 to -15, 26:2J-18, and all powers expressed or implied therein; and

IT APPEARING that it is necessary for the Department of Banking and Insurance (“Department”) to monitor existing conditions in the insurance marketplace; and

IT FURTHER APPEARING that the Commissioner is authorized to address inquiries to authorized or admitted insurers and other entities actively writing or doing business in New Jersey concerning their conditions, affairs or any matters connected with their transactions; and

IT FURTHER APPEARING that according to best practice, insurers, and by extension, all entities providing coverage, should prepare and maintain a disaster response preparation plan (“DRPP”) to address all reasonably foreseeable risks to the continuity of their business in the event of a catastrophic event, particularly the processing of consumer inquiries and claims; and

IT FURTHER APPEARING that the Department has not requested updates to property/casualty insurers’ DRPPs since 2009; and

IT FURTHER APPEARING that it is appropriate for all domestic insurers, health service corporations, medical service corporations, hospital service corporations, dental service corporations, health maintenance organizations, dental plan organizations, organized delivery systems, prepaid prescription service organizations, and third party administrators (collectively, “entities subject to this Order”), and those licensed or registered entities not domiciled in this State with premium/fee volume in excess of the threshold set forth below, to develop, evaluate and, if necessary, update their current DRPPs, as required by Department in Order Nos. A07-126 and A09-103 with respect to property/casualty insurers..

NOW THEREFORE, IT IS on this 6<sup>th</sup> day of Nov 2019:

ORDERED that all domestic entities subject to this Order that write or that have in-force business as of the date of this Order, and all foreign entities subject to this Order with insurance policies with gross direct written premiums, or fees, as applicable, in an amount of \$50,000,000 or more in this State, calculated on a group basis, shall:

1. Provide to the Department a copy of its DRPP (or however else designated) no later than 60 days from the date of this Order. For entities that are members of a group, the Plan shall be filed on a group basis; however, the DRPP shall address the operations of each entity and any differences in disaster response for the lines of business written by each entity. The DRPP shall include the name of the entity(ies) covered by the DRPP, its (their) National Association of Insurance Commissioners (“NAIC”) number(s) (if applicable), and a contact person’s name, e-mail address, and telephone number. The DRPP also shall describe how each entity intends to provide its policyholders or member with applicable coverage or service under a policy, including

the resources needed to recover from a disaster. In order to satisfy these requirements, consistent with the requirements set forth in Order Nos. A07-126 and A09-103, a DRPP, at a minimum, shall detail what preparations the entity has made, where applicable, with respect to the following:


- Appropriate emergency response training of company personnel;
- Plans for the suitable expansion of claims handling capacity in a variety of disaster scenarios, including provisions to cover:
  - adequate personnel;
  - adequate IT/infrastructure for increased claims volume and/or requests for assistance (e.g., adequate capacity on toll-free hotline systems)
  - catastrophe response team availability;
  - access to disaster areas and personnel identification; and
  - applications for temporary adjuster permits (describe the process to ensure that the insurer will employ a sufficient number of temporary adjusters for the scope of the disaster);
- Testing of the DRPP; and
- The Incorporation of the role of insurance company disaster liaisons, and their interaction with the Department.

2. All entities subject to this Order shall provide a copy of its DRPP (or however else designated) no later than June 30 each year. If the Plan has not changed from the prior year, the entity may file a letter so stating.

3. Entities subject to this Order shall file DRPPs with the Department at the following address, and any questions regarding this Order shall be submitted via email to:

Peter Espeut  
Deputy Director of Strategic Planning  
Fax: (609) 292-3144  
E-mail: [CATPlan@dobi.nj.gov](mailto:CATPlan@dobi.nj.gov)

IT IS FURTHER ORDERED that should any entity subject to this Order not have a DRPP, such entity shall so advise the Department and indicate what steps are being taken to come into compliance with this requirement.

  
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Marlene Caride  
Commissioner

Jc CAT Plan Order/orders