

INSURANCE
DEPARTMENT OF BANKING AND INSURANCE
DIVISION OF INSURANCE

Military Sales Practices

Adopted New Rules: N.J.A.C. 11:2-23A

Proposed: October 1, 2007 at 39 N.J.R. 4053(a)

Adopted: February 25, 2008 by Steven M. Goldman, Commissioner, Department of Banking and Insurance

Filed: February 25, 2008 as R. 2008 d.67, **without change.**

Authority: N.J.S.A. 17:1-8.1, 17:1-15e, and 17B:30-1 et seq.

Effective Date: March 17, 2008

Expiration Date September 21, 2010

Summary of Public Comment and Agency Response:

The Department of Banking and Insurance (Department) received one written comment from Leah J. Walters, Senior Counsel, State Relations, The American Council of Life Insurers.

COMMENT: The commenter commends the Department for this rule which will help to ensure that the men and women who serve in our armed forces will be protected from abusive sales practices. The commenter requests that the Department designate the effective date for these rules as 90 days after its adoption since the National Association of Insurance Commissioners (NAIC) adopted its model regulation in June of 2007, with a January 1, 2008 effective date, thereby giving insurers six months notice for national implementation.

RESPONSE: The Department appreciates the expression of support for the rule. The Department does not agree, however, with the commenter's suggestion to delay the effective date of these rules. The NAIC model is the direct result of the enactment by the U.S. Congress of the Federal Military Personnel Financial Services Protection Act, (FMPFSPA) (Public Law

No. 109-290), which became law on September 29, 2006. Based upon the Federal law having been enacted on that date and the NAIC model regulation having been adopted in June of 2007, with a January 1, 2008 effective date, the Department believes that more than adequate time and notice has been provided to affected companies for their development and implementation of the new procedures and compliance programs necessitated by these new rules.

Federal Standards Statement

The adopted new rules are consistent with and do not exceed the requirements of the FMPFSPA. Therefore no Federal standards analysis is required.

Full text of the adopted new rules follows:

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