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## HUMAN SERVICES

### (a)

#### DIVISION OF FAMILY DEVELOPMENT

#### New Jersey Supplemental Nutrition Assistance Program (NJ SNAP)

#### Eligibility Factors Other Than Need

#### Proposed Amendment: N.J.A.C. 10:87-3.17

Authorized By: Sarah Adelman, Commissioner, Department of Human Services.

Authority: N.J.S.A. 30:1-12.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2025-015.

Submit comments by May 16, 2025, to:

Megan R. Mazzoni, Administrative Practice Officer  
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or email: [DFD-Regulations@dhs.nj.gov](mailto:DFD-Regulations@dhs.nj.gov)

The agency proposal follows:

#### Summary

As the Department of Human Services (Department) is providing a 60-day comment period for this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

Federal regulations have been amended to clarify how states should evaluate whether or not an individual is a fleeing felon or a probation/parole violator for purposes of Supplemental Nutrition Assistance Program (SNAP) eligibility. In addition, the Food and Nutrition Service of the United States Department of Agriculture (FNS/USDA) has issued policy guidance clarifying SNAP eligibility for fleeing felons and probation/parole violators. Due to the Federal regulatory updates, the State regulations require amendment.

Federal law, at 7 U.S.C. § 2015(k)(1), provides that an individual who is fleeing to avoid prosecution for a felony, or a crime classified as a high misdemeanor within New Jersey, is fleeing to avoid capture after conviction of a felony, or a person who is in violation of a condition of probation or parole pursuant to a Federal or state law, is ineligible for SNAP benefits. New Jersey now seeks to amend its State rules to adopt the fleeing felon definitions set forth at 7 CFR 273.11(n)(1)(ii) and incorporate the two-prong approach to establish fleeing-felon status. For purposes of conforming State rules to Federal law, the term “felony” is used throughout the proposed amendment language; however, this term should be understood to mean high misdemeanor crimes within New Jersey. (See N.J.S.A. 2C:1-4(d)).

In New Jersey, a county social services agency (CSSA) may only disqualify an individual from SNAP for being a “fleeing felon” if a Federal, state, or local law enforcement officer, acting in their official capacity, presents the CSSA with an outstanding felony arrest warrant that conforms to one of the following three National Crime Information Center (NCIC) Uniform Offense Classification Codes: (1) Escape (4901); (2) Flight to avoid (prosecution, confinement, etc.) (4902); or (3) Flight-Escape (4999). An outstanding felony arrest warrant for any other crime is insufficient to deny SNAP benefits based on fleeing-felon status.

In addition to being presented with a felony arrest warrant by law enforcement, the CSSA must also confirm that law enforcement is

actively seeking to arrest the fleeing felon. In accordance with 7 CFR 273.11(n)(3)(i) or (ii), actively seeking is defined as “(i) a law enforcement agency states that it intends to arrest the individual on the felony warrant or probation/parole violation within 20 days of submitting a request to the State agency for information about the individual; or (ii) a law enforcement agency states that it intends to arrest the individual on the felony warrant or probation/parole violation within 30 days of the date of a request from a State agency about the individual.” This definition will now be included within the State rules.

Once the CSSA has confirmed there is an outstanding warrant and that law enforcement is actively seeking the fleeing felon, the individual’s SNAP benefits must be denied or terminated, after timely and adequate notice.

Pursuant to Federal regulations, two factors must be present for an individual to be considered a probation/parole violator: (1) pursuant to 7 CFR 273.11(n)(2), an “impartial party” must have determined that the individual actually violated a condition of their probation or parole; and (2) the CSSA must establish that Federal, state, or local law enforcement authorities are actively seeking the individual for violating the conditions of their probation or parole. This definition will now be included in the State rules.

Once the CSSA has confirmed a probation or parole violation occurred and established that law enforcement is actively seeking the probation or parole violator, the individual’s SNAP benefits must be denied or terminated after timely and adequate notice.

The proposed amendments at N.J.A.C. 10:87-3.17 update the section to reflect the current Federal legal standard as to whether or not an individual is a fleeing felon or a probation/parole violator and, therefore, ineligible to receive SNAP benefits. In addition, amendments will include information regarding response time for law enforcement to respond to the CSSA and documentation that the CSSA is responsible for within the case file.

The current text is being codified as subsection (a) with amendments. At amended paragraph (a)1, the criteria to define a fleeing felon, including the three National Crime Information Center (NCIC) Uniform Offense Classification Codes: (1) Escape (4901); (2) Flight to avoid (prosecution, confinement, etc.) (4902); or (3) Flight-Escape (4999) has been added. Further, paragraph (a)2 sets forth the definition for probation/parole violators.

New subsection (b) sets forth the two definitions for “actively seeking” within paragraphs (b)1 and 2 to align the State rulemaking with the Federal regulatory language at 7 CFR 273.11(n)(3)(i) or (ii). Paragraph (b)1 is focused upon law enforcement informing the CSSA of its intent to enforce an outstanding felony warrant or to arrest a probation or parole violator within 20 days of submission of a law enforcement request for information about the individual to the CSSA. Paragraph (b)2 is focused upon law enforcement informing the CSSA of its intent to enforce an outstanding felony warrant or arrest an individual for a probation or parole violation within thirty days of the date of request from the CSSA about a specific outstanding felony warrant or probation or parole violation.

New subsection (c) sets forth that the CSSA shall provide law enforcement with 20 days to respond to a request for information regarding the conditions of a felony arrest warrant or a probation or parole violation and information as to whether or not law enforcement intends to actively pursue the impacted individual. New paragraphs (c)1, 2, and 3 set forth the process and procedure for intaking and processing a response from law enforcement, the process and procedure to postpone an action on the case file by the CSSA, and the process and procedure to deny an applicant or terminate a participant who has been determined to be a fleeing felon or a probation or parole violator.

Finally, new subsection (d) sets forth the procedure whereby the CSSA shall continue to process SNAP applications, including applications requiring expedited service, while awaiting verification from law enforcement as to whether or not an individual is a fleeing felon or a probation or parole violator. New paragraphs (d)1, 2, and 3 set forth the handling of a SNAP application when the existence of an outstanding felony arrest warrant for a crime beyond those set forth at new N.J.A.C. 10:87-3.17(a)1, which is guided by applicable Federal regulation, is handled by the CSSA, the handling of a SNAP application when an individual self-declares they are a fleeing felon or a probation or parole

violiator, and the handling of a SNAP application when a warrant has been previously satisfied.

**Social Impact**

The proposed amendments are not anticipated to have a social impact as they govern client eligibility for SNAP and the eligibility of fleeing felons and probation or parole violators for SNAP benefits.

**Economic Impact**

The proposed amendments will have a limited economic impact only on applicants/recipients of SNAP funds as the handling of a fleeing felon or probation or parole violator may impact eligibility for SNAP benefits.

**Federal Standards Statement**

The Department has reviewed the applicable Federal laws and regulations governing the SNAP program. The proposed amendments set forth standards that do not exceed those included at 7 CFR 272 and 7 CFR 273, SNAP. Therefore, a Federal standards analysis is not required.

**Jobs Impact**

The proposed amendments will not result in the generation or loss of jobs.

**Agriculture Industry Impact**

The proposed amendments will not have an impact on the agriculture industry.

**Regulatory Flexibility Statement**

The proposed amendments have been reviewed with regard to the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The proposed amendments impose no reporting, recordkeeping, or other compliance requirements on small businesses and, thus, a regulatory flexibility analysis is not required. The proposed amendments govern client eligibility for SNAP.

**Housing Affordability Impact Analysis**

The proposed amendments will have no impact on the affordability of housing in New Jersey and there is an extreme unlikelihood that the rules would evoke a change in the average costs associated with housing because the rules govern eligibility for SNAP benefits.

**Smart Growth Development Impact Analysis**

The proposed amendments will have an insignificant impact on smart growth and there is an extreme unlikelihood that the rules would evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, pursuant to the State Development and Redevelopment Plan in New Jersey because the rules govern client eligibility for SNAP.

**Racial and Ethnic Community Criminal Justice and Public Safety Impact**

The Department of Human Services has evaluated this rulemaking and determined that it will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning adults and juveniles in the State. Accordingly, no further analysis is required.

**Full text** of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 3. ELIGIBILITY FACTORS OTHER THAN NEED

10:87-3.17 [Felons] **Fleeing felons** and **probation or parole violators**

(a) Individuals are ineligible for the NJ SNAP program benefits **and disqualified from participation in SNAP** while they are fleeing to avoid prosecution, custody, or confinement for a felony (**high misdemeanor**) or attempted felony (**attempted high misdemeanor**), or for violating a condition of probation or parole **pursuant to Federal or state law**. [If the CSSA determines that an individual has a warrant out for his or her arrest, the agency shall also verify that the individual has knowledge of the warrant. Once an individual has knowledge of the warrant, either by having received the warrant personally, or by being advised of its existence by the agency, he or she is technically at that time "fleeing" and ineligible for NJ SNAP benefits. Where the agency learns that an individual has a warrant out for his or her arrest during the application processing period, the worker is required to verify with the applicant

whether he or she has knowledge of the warrant. Furthermore, the individual shall be given the opportunity to submit documentation that a warrant has been satisfied, if that is what he or she states.] **The CSSA may only disqualify an individual from the SNAP program, and make such necessary adjustment to the household's benefits, if they are considered a fleeing felon or a probation or parole violator as defined in this section:**

1. **An individual is considered a fleeing felon when a Federal, state, or local law enforcement officer, acting in their official capacity, confirms that they are actively seeking the fleeing felon and presents to the CSSA an outstanding felony (high misdemeanor) arrest warrant that conforms to one of the following National Crime Information Center Uniform Offense Classification Codes:**

- i. **Escape (4901);**
- ii. **Flight to Avoid (prosecution, confinement, etc.) (4902); or**
- iii. **Flight-Escape (4999).**

2. **An individual is considered a probation or parole violator when an impartial party (such as, but not limited to, a court or parole board) has determined that the individual violated a condition of their probation or parole as imposed pursuant to Federal or state law and that Federal, state, or local law enforcement authorities are actively seeking the individual to enforce the conditions of their probation or parole.**

(b) **Actively seeking, as used at (a) above, shall mean:**

1. **A Federal, state, or local law enforcement agency informing the CSSA that it intends to enforce an outstanding felony (high misdemeanor) warrant or to arrest an individual for a probation or parole violation within 20 days of submitting a request for information about the individual to the CSSA; or**

2. **A Federal, state, or local law enforcement agency informing the CSSA that it intends to enforce an outstanding felony (high misdemeanor) warrant or to arrest an individual for a probation or parole violation within 30 days of the date of a request from the CSSA about a specific outstanding felony (high misdemeanor) warrant or probation or parole violation.**

(c) **The CSSA shall give a law enforcement agency 20 days to respond to a request for information about the conditions of a felony (high misdemeanor) warrant or a probation or parole violation and as to whether or not the law enforcement agency intends to actively pursue the individual.**

1. **If the law enforcement agency does not indicate it intends to enforce the felony (high misdemeanor) warrant or arrest the individual for the probation or parole violation within 30 days of the date of the CSSA's request for information about the warrant, the CSSA shall determine that the individual is not a fleeing felon or a probation or parole violator and update the case file accordingly.**

2. **If the law enforcement agency does intend to enforce the felony (high misdemeanor) warrant or arrest the individual for the probation or parole violation within 30 days of the CSSA's request for information, the CSSA will postpone any action on the case file until the 30-day time period has expired.**

3. **At the conclusion of 30 days, the CSSA shall verify with the law enforcement agency whether it has attempted to execute the felony (high misdemeanor) warrant or arrest the probation or parole violator. If the law enforcement agency has taken such action, the CSSA shall deny an applicant or terminate a participant who has been determined to be a fleeing felon or probation or parole violator. If the law enforcement agency has not taken such action, the CSSA shall not consider the individual to be a fleeing felon or probation or parole violator, shall document the case accordingly, and shall take no further action.**

(d) **The CSSA shall continue the processing of any SNAP application while awaiting verification from a law enforcement agency that an individual is a fleeing felon or probation or parole violator. If program timeframes, including timeframes for expedited service pursuant to N.J.A.C. 10:87-2.28 through 2.30, require the CSSA to process the application before verification of fleeing felon or probation or parole violator status can be determined, the CSSA should process the application without consideration of the individual's status.**

1. The existence of an outstanding felony (high misdemeanor) arrest warrant for any crime not set forth at (a)1 above shall not be sufficient to deny SNAP benefits based upon fleeing felon status, even if the individual is aware of an outstanding warrant.

2. If an individual self-declares that they are a fleeing felon or a probation or parole violator, the CSSA must verify such information from an independent source before accepting any self-declaration as true.

3. If an individual declares that a warrant has been satisfied, the individual shall be given the opportunity to submit documentation of such warrant having been satisfied.

## INSURANCE

### (a)

#### OFFICE OF SOLVENCY REGULATION

#### Term and Universal Life Insurance Reserve Financing

#### Proposed New Rules: N.J.A.C. 11:2-30

Authorized By: Justin Zimmerman, Commissioner, Department of Banking and Insurance.

Authority: N.J.S.A. 17:1-8.1, 17:1-15.e, and 17:51B-4.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2025-025.

Submit comments by May 16, 2025, to:

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New Jersey Department of Banking and Insurance  
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The agency proposal follows:

#### Summary

The Department of Banking and Insurance (Department) proposes new rules at N.J.A.C. 11:2-30, regarding term and universal life insurance reserve financing, to reflect the National Association of Insurance Commissioners (NAIC) Term and Universal Life Insurance Reserve Financing Model Regulation #787 (Model Regulation #787). The proposed new rules conform New Jersey law to established uniform national standards governing reserve financing arrangements pertaining to term life and universal life insurance policies with secondary guarantees and ensure that funds consisting of primary security and other security are held in the forms and amounts required. State adoption of Model Regulation #787 is a standard for accreditation pursuant to the NAIC Financial Regulation Standards and Accreditation Program (Accreditation).

The proposed new rules codify “Actuarial Guideline XLVIII Actuarial Opinion and Memorandum Requirements for the Reinsurance of Policies Required to be Valued under Sections 6 and 7 of the NAIC Valuation of Life Insurance Policies Model Regulation” (AG 48). AG 48, which is included in the NAIC Accounting Practices and Procedures Manual, addresses the standards for reserve financing arrangements pertaining to term life insurance and universal life insurance policies (known as “XXX reserves” for term life insurance policies and “AXXX reserves” for universal life insurance policies). New Jersey has adopted AG 48 through its adoption of the NAIC Accounting Practices and Procedures Manual pursuant to N.J.S.A. 17:23-1, which requires all insurers transacting business in the State to file annual financial statements prepared in accordance with the manual.

The proposed new rules reflect Model Regulation #787, commonly known as the XXX/AXXX Model Regulation, which was adopted by the

NAIC on December 13, 2016. As with AG 48, Model Regulation #787 provides standardized tools and processes to be used by all regulators when reviewing such transactions. Prior to the adoption of AG 48, insurers would enter into various captive reinsurance transactions to “finance” different portions of the statutory reserve using different kinds of assets, based on what insurers believed to be a better correlation between the kind of asset used and the probability that it would be needed. While many state regulators were comfortable with these transactions in theory, there was significant unease regarding how these transactions were being implemented, specifically related to the lack of consistency from insurer to insurer and regulator to regulator regarding key aspects as to how these transactions may have been approved. Model Regulation #787 permits such transactions and provides a clear and consistent process to ensure that the proper amount and type of assets have been applied with respect to these transactions to meet appropriate financial solvency standards.

On January 10, 2022, New Jersey enacted P.L. 2021, c. 354, amending N.J.S.A. 17:51B-1 et seq., to incorporate amendments made to the NAIC Credit for Reinsurance Model Law. Language was added at N.J.S.A. 17:51B-4.b, granting specific authority for the Commissioner of Banking and Insurance (Commissioner) to issue regulations codifying AG 48 and the XXX/AXXX reinsurance framework. The proposed new rules, which reflect Model Regulation #787, therefore, serve to implement P.L. 2021, c. 354, conforming New Jersey law with the national standard.

In December 2019, the NAIC adopted Model Regulation #787 as an accreditation standard effective September 1, 2022, with enforcement to begin on January 1, 2023. However, the NAIC deemed AG 48 substantially similar to the required elements of Model Regulation #787, which, therefore, satisfies the accreditation standard. New Jersey has satisfied the standard by its adoption of the NAIC Accounting Practices and Procedures Manual, which includes AG 48, pursuant to N.J.S.A. 17:23-1. The Department now seeks to formalize these standards through the proposed new rules, which reflect Model Regulation #787.

A summary of the proposed new rules follows:

Proposed new N.J.A.C. 11:2-30.1 sets forth the purpose and scope of the subchapter. Proposed new N.J.A.C. 11:2-30.1 also describes characteristics of reinsurance ceded for reserve financing purposes.

Proposed new N.J.A.C. 11:2-30.2 lists exemptions to the requirements of the subchapter. The exemptions include reinsurance of policies that meet the criteria for exemption pursuant to N.J.A.C. 11:4-32.4(f) or (g) that are issued after the effective date of the proposed new rules; portions of policies that meet the criteria for exemption pursuant to N.J.A.C. 11:4-32.4(e) that are issued after the effective date of the proposed new rules; universal life policies that meet certain requirements concerning secondary guarantee periods; credit life insurance; variable life insurance policies with benefit amounts or durations that vary according to the investment experience separate accounts; and group life insurance certificates, except those subject to maximum gross premium requirements. Proposed new N.J.A.C. 11:2-30.2 also exempts reinsurance ceded to an assuming insurer that meets the applicable requirements for reinsurance credit pursuant to N.J.S.A. 17:51B-2.a through 2.d, subject to certain limitations and requirements. Finally, reinsurance not otherwise exempt pursuant to proposed new N.J.A.C. 11:2-30.2, may be exempted upon a determination by the Commissioner, after consultation with the NAIC or other designated group of regulators, regarding certain risk assessment factors.

Proposed new N.J.A.C. 11:2-30.3 sets forth definitions applicable to the subchapter.

Proposed new N.J.A.C. 11:2-30.4 provides the actuarial method that must be used to establish the required level of primary security for each reinsurance treaty subject to the proposed new rules. Proposed new N.J.A.C. 11:2-30.4 sets forth requirements applicable to the valuation used for purposes of both calculating the required level of primary security pursuant to the actuarial method and determining the amount of primary security and other security, as applicable, held by or on behalf of the ceding insurer.

Proposed new N.J.A.C. 11:2-30.5 lists certain requirements applicable to covered policies to obtain credit for reinsurance and provides the criteria for insurers to remedy deficiencies and receive reinsurance credit.