

NJ PURE STATEMENT REGARDING MARKETING MATERIALS

HISTORY

As you may know, NJ PURE was created during the medical malpractice insurance crisis in 2002 when nearly 50% of New Jersey physicians were insured with MIIX and unaware of its deteriorating financial condition prior to its eventual insolvency. As a result, NJ PURE's mission has included an effort to provide physicians in the marketplace with current, factual and public financial information about the insurance industry in order for them to avoid being surprised by similar events in the future.

DISTRIBUTION OF FACTUAL INFORMATION

NJ PURE's decision to share with physicians, through its marketing materials, AM Best® financial strength ratings, and other factual and public financial information about the marketplace, along with the disclosure of commissions paid to agents in its marketing material has resulted in a recent notice provided by the New Jersey Department of Banking and Insurance ("Department") requiring NJ PURE to show cause as to why it should not cease including such information in its marketing material, information which the Department has characterized as "derogatory" or otherwise in violation of N.J.S.A. 17:29B-1 et seq.

NJ PURE'S DEDICATION TO KEEP PHYSICIANS INFORMED

In NJ PURE's recent Answer to the Order to Show Cause, N.J. PURE has refuted the assertions that it had violated the provisions of N.J.S.A. 17:29B-1 et seq. and has demanded a hearing before an Administrative Law Judge so that we may appear and establish evidence refuting the Department's allegations that NJ PURE is in violation with any laws with respect to its marketing efforts.

NJ PURE stands by its decision to distribute to physicians accurate and truthful information that are publically available. NJ PURE further believes New Jersey physicians, as consumers of insurance products, find it in their interest to be kept informed of the marketplace by receiving this type of information, particularly when it is conveyed through articles authored and published by independent publications which discuss the financial resources, stability and soundness of medical malpractice insurance carriers.

NJ PURE asserts that its right to disseminate truthful information regarding the condition of a medical malpractice insurance carrier(s) is a protection afforded under its free speech rights guaranteed not only under the First Amendment of the U.S. Constitution, but also under the New Jersey State Constitution. Therefore, contained in our Answer, NJ PURE has asserted its belief that the statute is on its face unconstitutional and/or unconstitutional in its application by the Department.

NJ PURE has also objected to the Department's refusal to provide NJ PURE with the identity of the parties that have filed complaints against it. While we are confident that all of our actions were lawful and not in violation of State Law, we are concerned this matter may be used by competitors in an inappropriate manner in order to harm our reputation.

While we would like to provide the marketing materials in dispute here we are concerned that it could be viewed as another infraction. NJ PURE's full Answer which addresses and includes the marketing materials upon which the Department bases its order to show cause are on file with the Department. You may contact the Department and request a copy under your rights in accordance with the Open Public Records Act (OPRA).