

17:1C-1 et seq. December 11, 1970

LEGISLATIVE HISTORY OF R.S. 17:1C-1 et seq.
(Insurance Department separate)

Report on former Dept. of Banking & Insurance:

974.90 N.J. Commission on Efficiency and Economy.
R424 Report on the Dept. of Banking and
1968 Insurance. Feb. 1968.

L. 1970, Chapter 12 - S451

Introduced January 20 by White [and 7 others].
Feb. 16 - Passed Assembly amended (copy enclosed).
Feb. 16 - Assembly amendment passed Senate.
No statement.
Fiscal note (copy enclosed).

Newspaper clippings (V.F.--N.J.--Banking & Insurance Depts.) (copy enc)

"Split of Banking, Insurance sought" 5-29-69 Record
"Insurance Unit urged for N.J." 11-19-69
"Cahill urged to split bank, surety units" 11-13-69 C-P
"Cahill seeks to split Banking Dept." 1-30-70 PI
"Department split delayed" 1-30-70 NSL
"17th Cabinet post sent to Assembly" 2-3-70 TET
"State Senate votes to divide offices of Insur., Bank." 2-3-70 C-P
"Democrats oppose Department split" 2-3-70 NEN
"Banking split proper" 2-5-70 C-P
"Cahill signs bills splitting insurance control" 2-17-70 NSL

RSL/PC

DEPOSITORY COPY
Do Not Remove From Library

SENATE, No. 451

STATE OF NEW JERSEY

INTRODUCED JANUARY 20, 1970

By Senators WHITE, KAY, BATEMAN and SEARS

(Without Reference)

AN ACT establishing and concerning a Department of Insurance as a principal Department in the Executive Branch of the State Government, and making an appropriation.

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

1 1. This act shall be known and may be cited as the "Department
2 of Insurance Act of 1970."

1 2. There is hereby established in the Executive Branch of the
2 State Government a principal department which shall be known
3 as the Department of Insurance.

4 As used in this act, unless the context clearly indicates other-
5 wise, "department" means the Department of Insurance.

1 3. The head and chief executive officer of the department shall
2 be a commissioner, who shall be known as the Commissioner of
3 Insurance. The commissioner shall be appointed by the Governor,
4 with the advice and consent of the Senate, and shall serve at the
5 pleasure of the Governor during the Governor's term of office and
6 until the appointment and qualification of his successor. The com-
7 missioner shall receive such salary as shall be provided by law.

1 4. (a) The commissioner may appoint a deputy commissioner
2 to serve at the pleasure of the commissioner and who shall be au-
3 thorized to exercise the powers and duties of the commissioner in
4 his absence or disability and shall perform such other duties as
5 the commissioner shall prescribe.

6 (b) The commissioner shall have the authority to establish,
7 organize and maintain in his offices an administrative division to
8 perform all necessary personnel, budget and finance, facilities and
9 equipment services for the department and to assign such personnel
10 thereto as may be required.

1 5. Neither the commissioner nor any officer or employee of the

2 department shall have any interest in or any dealings or transac-
3 tions in any capacity with, any insurance company or other licensee
4 under the jurisdiction of the department save in the strict per-
5 formance of his duties; except that nothing in this section shall
6 preclude dealing or transacting business with any such insurance
7 company or licensee in connection with insurance or claims in-
8 volving the person or property of the commissioner or such officer
9 or employee.

10 Any violation of this section shall be cause for the dismissal of
11 the violator by the appointing authority having the power to re-
12 move the person involved.

1 6. The commissioner, as administrator and chief executive officer
2 of the department, shall:

3 (a) Administer the work of the department;

4 (b) Appoint and remove officers and other personnel employed
5 within the department, subject to the provisions of Title 11 of the
6 Revised Statutes, Civil Service, and other applicable statutes,
7 except as herein otherwise specifically provided;

8 (c) Perform, exercise and discharge the functions, powers and
9 duties of the department through such divisions as may be estab-
10 lished by this act or otherwise by law;

11 (d) Organize the work of the department in such divisions, not
12 inconsistent with the provisions of this act, and in such bureaus
13 and other organizational units as he may determine to be necessary
14 for efficient and effective operation;

15 (e) Adopt, issue and promulgate, in the name of the department,
16 such rules and regulations as may be authorized by law;

17 (f) Formulate and adopt rules and regulations for the efficient
18 conduct of the work and general administration of the department,
19 its officers and employees;

20 (g) Institute or cause to be instituted such legal proceedings
21 or processes as may be necessary to enforce properly and give
22 effect to any of his powers or duties;

23 (h) Make a report in each year to the Governor and to the
24 Legislature of the department's operations for the preceding cal-
25 endar year, and render such other reports as the Governor shall
26 from time to time request or as may be required by law;

27 (i) Appoint such advisory committees as may be desirable to
28 advise and assist the department or a division in carrying out its
29 functions and duties;

30 (j) Maintain suitable headquarters for the department and such

31 other quarters as he shall deem necessary to the proper function-
32 ing of the department; and

33 (k) Perform such other functions as may be prescribed in this
34 act or by any other law.

1 7. The commissioner shall establish a seal of office of the com-
2 missioner and file same with the Secretary of State.

3 Every certificate, assignment, conveyance or other official paper
4 executed by the commissioner under authority of law and sealed
5 with the seal, shall be received as evidence and may be recorded
6 in proper recording offices in the same manner and with the
7 same effect as a deed duly acknowledged or proved before an
8 officer authorized by law to take proof or acknowledgment of deeds.
9 All copies of papers in the office of the commissioner, certified
10 by him and authenticated by the seal, shall be accepted as
11 evidence equally and in like manner as the original. An impression
12 of the seal directly on paper shall be as valid as if made on wax
13 or wafer.

1 8. All the functions, powers and duties of the existing Depart-
2 ment of Banking and Insurance, the commissioner thereof
3 and the actuarial bureau and the bureau of insurance of such de-
4 partment relative to the execution of the insurance laws of
5 this State are hereby transferred to the Department of Insurance
6 established hereunder; provided however that the grant of such
7 functions, powers and duties as are inconsistent with the specific
8 provisions of this act are hereby repealed.

1 9. The New Jersey Real Estate Commission, constituting the
2 Division of New Jersey Real Estate Commission in the Department
3 of Banking and Insurance, together with all of its functions, powers
4 and duties, is continued and transferred as the New Jersey Real
5 Estate Commission in the Department of Insurance. This act shall
6 not affect the terms of office of the present members of the com-
7 mission. The commission shall continue to be constituted and the
8 members thereof shall continue to be appointed as provided by
9 existing law.

1 10. All appropriations and other moneys available and to be-
2 come available to any department, division, bureau, board, com-
3 mission or other agency, the functions, powers and duties of
4 which have been herein assigned or transferred to the Department
5 of Insurance, are hereby transferred to the Department of Insur-
6 ance established hereunder, and shall be available for the objects
7 and purposes for which appropriated, subject to any terms, restric-
8 tions, limitations or other requirements imposed by State or Federal
9 law.

1 11. Such employees of any department, division, bureau,
2 board, commission or other agency, the functions, powers and
3 duties of which have been herein assigned or transferred to the
3A Department of Insurance or to any agency designated, continued
4 or constituted therein, as the Commissioner of Insurance may de-
5 termine are needed for the proper performance of the functions
6 and duties imposed upon the Department of Insurance, or agency
7 therein, are hereby transferred to the department or agency to
8 which such functions, powers and duties have been herein assigned
9 or transferred.

1 12. Nothing in this act shall be construed to deprive any per-
2 son of any tenure rights or of any right or protection provided
3 him by Title 11 of the Revised Statutes, Civil Service, or under
4 any pension law or retirement system.

1 13. All files, books, papers, records, equipment and other prop-
2 erty of any department, division, bureau, board, commission or
3 other agency, the functions, powers and duties of which have been
4 herein assigned or transferred to the Department of Insurance
5 or to any agency designated, continued or constituted hereunder,
6 shall upon the effective date of this act be transferred to the
7 department or agency to which such assignment or transfer has
8 been made hereunder.

1 14. This act shall not affect the orders, rules and regulations
2 heretofore made or promulgated by any department, division,
3 bureau, board, commission or other agency, the functions, powers
4 and duties of which have been herein assigned or transferred
5 to the Department of Insurance or to any agency designated, con-
6 tinued or constituted hereunder; but such orders, rules and regu-
7 lations shall continue with full force and effect until amended or
8 repealed pursuant to law.

1 15. This act shall not affect actions or proceedings, civil or
2 criminal, brought by or against any department, division, bureau,
3 board, commission or other agency, the functions, powers and
4 duties of which have been herein assigned or transferred to the
5 Department of Insurance or to any agency designated, continued
6 or constituted hereunder, and pending on the effective date of this
7 act, but such actions or proceedings may be prosecuted or de-
8 fended in the same manner and to the same effect by the depart-
9 ment or agency to which such assignment or transfer has been
10 made hereunder, as if the foregoing provisions had not taken
11 effect; nor shall any of the foregoing provisions affect any order
12 or recommendation made by, or other matters or proceedings

13 before, any department, division, bureau, board, commission or
14 other agency, the functions, powers and duties of which have been
15 herein assigned or transferred to the Department of Insurance
16 or to any agency designated, continued or constituted hereunder,
17 and all such matters or proceedings pending before such depart-
18 ment, division, bureau, board, commission or other agency on the
19 effective date of this act shall be continued by the department or
20 agency to which such assignment or transfer has been made here-
21 under, as if the foregoing provisions had not taken effect.

1 16. Unless specifically otherwise provided in this act or by any
2 operative law, whenever, pursuant to existing law, reports, cer-
3 tifications, applications or requests are required or permitted to
4 be made to the department, division, bureau, board, commission
5 or other agency, whose powers and duties are herein assigned or
6 transferred, such reports and certifications shall hereafter be re-
7 quired to be filed with, and such applications or requests shall
8 hereafter be made to, the department or agency to which such
9 assignment or transfer has been made hereunder.

1 17. With respect to the functions, powers and duties hereby
2 transferred to the Department of Insurance, whenever in any law,
3 rule, regulation, judicial or administrative proceeding or other-
4 wise, reference is made to the Department of Banking and Insur-
5 ance or to the Commissioner of Banking and Insurance, the same
6 shall mean and refer to the Department of Insurance and the Com-
7 missioner of Insurance, respectively.

1 18. The salary of the commissioner which by the provisions of
2 this act is to be fixed by law, for the fiscal year ending June 30,
3 1970 or such portion thereof remaining following the appointment
4 and qualification of the appointee, shall be fixed by the Governor,
5 after consultation with the President of the Civil Service Com-
6 mission and the Director of the Division of Budget and Accounting,
7 with the approval of the Chairmen of the Senate and General As-
8 sembly Appropriation Committees.

1 19. There is hereby appropriated to the Department of Insur-
2 ance the sum of \$60,000.00 for the purposes of this act.

1 20. All acts and parts of acts inconsistent with any of the pro-
2 visions of this act are, to the extent of such inconsistency, super-
3 seded and repealed.

1 21. The provisions of this act shall become operative at the
2 beginning of the biweekly pay period next following enactment.
3 Anticipatory action to effect the establishment of the department
4 may be taken in advance thereof including the making of author-

5 ized appointments, and confirmation or approval thereof, and,
6 within the limits of appropriations to the department, the expendi-
7 ture of funds for payment of salaries and expenses incident
8 thereto.

1 22. This act shall take effect immediately.

ASSEMBLY AMENDMENTS TO
SENATE, No. 451

—◆—
STATE OF NEW JERSEY
—◆—

ADOPTED FEBRUARY 9, 1970

Amend page 5, section 18, line 4, after "shall be", insert "based pro rata on an annual rate of \$38,000.00".

Amend page 5, section 18, line 4, delete "fixed by the Governor,".

Amend page 8, section 18, lines 5 to 8, omit.

12 2/16/70
[OFFICIAL COPY REPRINT]

SENATE, No. 451

STATE OF NEW JERSEY

INTRODUCED JANUARY 20, 1970

By Senators WHITE, KAY, BATEMAN and SEARS

(Without Reference)

AN ACT establishing and concerning a Department of Insurance as a principal Department in the Executive Branch of the State Government, and making an appropriation.

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

1 1. This act shall be known and may be cited as the "Department
2 of Insurance Act of 1970."

1 2. There is hereby established in the Executive Branch of the
2 State Government a principal department which shall be known
3 as the Department of Insurance.

4 As used in this act, unless the context clearly indicates other-
5 wise, "department" means the Department of Insurance.

1 3. The head and chief executive officer of the department shall
2 be a commissioner, who shall be known as the Commissioner of
3 Insurance. The commissioner shall be appointed by the Governor,
4 with the advice and consent of the Senate, and shall serve at the
5 pleasure of the Governor during the Governor's term of office and
6 until the appointment and qualification of his successor. The com-
7 missioner shall receive such salary as shall be provided by law.

1 4. (a) The commissioner may appoint a deputy commissioner
2 to serve at the pleasure of the commissioner and who shall be au-
3 thorized to exercise the powers and duties of the commissioner in
4 his absence or disability and shall perform such other duties as
5 the commissioner shall prescribe.

6 (b) The commissioner shall have the authority to establish,
7 organize and maintain in his offices an administrative division to
8 perform all necessary personnel, budget and finance, facilities and
9 equipment services for the department and to assign such personnel
10 thereto as may be required.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

1 5. Neither the commissioner nor any officer or employee of the
 2 department shall have any interest in or any dealings or transac-
 3 tions in any capacity with, any insurance company or other licensee
 4 under the jurisdiction of the department save in the strict per-
 5 formance of his duties; except that nothing in this section shall
 6 preclude dealing or transacting business with any such insurance
 7 company or licensee in connection with insurance or claims in-
 8 volving the person or property of the commissioner or such officer
 9 or employee.

10 Any violation of this section shall be cause for the dismissal of
 11 the violator by the appointing authority having the power to re-
 12 move the person involved.

1 6. The commissioner, as administrator and chief executive officer
 2 of the department, shall:

3 (a) Administer the work of the department;

4 (b) Appoint and remove officers and other personnel employed
 5 within the department, subject to the provisions of Title 11 of the
 6 Revised Statutes, Civil Service, and other applicable statutes,
 7 except as herein otherwise specifically provided;

8 (c) Perform, exercise and discharge the functions, powers and
 9 duties of the department through such divisions as may be estab-
 10 lished by this act or otherwise by law;

11 (d) Organize the work of the department in such divisions, not
 12 inconsistent with the provisions of this act, and in such bureaus
 13 and other organizational units as he may determine to be necessary
 14 for efficient and effective operation;

15 (e) Adopt, issue and promulgate, in the name of the department,
 16 such rules and regulations as may be authorized by law;

17 (f) Formulate and adopt rules and regulations for the efficient
 18 conduct of the work and general administration of the department,
 19 its officers and employees;

20 (g) Institute or cause to be instituted such legal proceedings
 21 or processes as may be necessary to enforce properly and give
 22 effect to any of his powers or duties;

23 (h) Make a report in each year to the Governor and to the
 24 Legislature of the department's operations for the preceding cal-
 25 endar year, and render such other reports as the Governor shall
 26 from time to time request or as may be required by law;

27 (i) Appoint such advisory committees as may be desirable to
 28 advise and assist the department or a division in carrying out its
 29 functions and duties;

30 (j) Maintain suitable headquarters for the department and such
 31 other quarters as he shall deem necessary to the proper function-
 32 ing of the department; and

33 (k) Perform such other functions as may be prescribed in this
 34 act or by any other law.

1 7. The commissioner shall establish a seal of office of the com-
 2 missioner and file same with the Secretary of State.

3 Every certificate, assignment, conveyance or other official paper
 4 executed by the commissioner under authority of law and sealed
 5 with the seal, shall be received as evidence and may be recorded
 6 in proper recording offices in the same manner and with the
 7 same effect as a deed duly acknowledged or proved before an
 8 officer authorized by law to take proof or acknowledgment of deeds.

9 All copies of papers in the office of the commissioner, certified
 10 by him and authenticated by the seal, shall be accepted as
 11 evidence equally and in like manner as the original. An impression
 12 of the seal directly on paper shall be as valid as if made on wax
 13 or wafer.

1 8. All the functions, powers and duties of the existing Depart-
 2 ment of Banking and Insurance, the commissioner thereof
 3 and the actuarial bureau and the bureau of insurance of such de-
 4 partment relative to the execution of the insurance laws of
 5 this State are hereby transferred to the Department of Insurance
 6 established hereunder; provided however that the grant of such
 7 functions, powers and duties as are inconsistent with the specific
 8 provisions of this act are hereby repealed.

1 9. The New Jersey Real Estate Commission, constituting the
 2 Division of New Jersey Real Estate Commission in the Department
 3 of Banking and Insurance, together with all of its functions, powers
 4 and duties, is continued and transferred as the New Jersey Real
 5 Estate Commission in the Department of Insurance. This act shall
 6 not affect the terms of office of the present members of the com-
 7 mission. The commission shall continue to be constituted and the
 8 members thereof shall continue to be appointed as provided by
 9 existing law.

1 10. All appropriations and other moneys available and to be-
 2 come available to any department, division, bureau, board, com-
 3 mission or other agency, the functions, powers and duties of
 4 which have been herein assigned or transferred to the Department
 5 of Insurance, are hereby transferred to the Department of Insur-
 6 ance established hereunder, and shall be available for the objects
 7 and purposes for which appropriated, subject to any terms, restric-
 8 tions, limitations or other requirements imposed by State or Federal
 9 law.

1 11. Such employees of any department, division, bureau,
 2 board, commission or other agency, the functions, powers and
 3 duties of which have been herein assigned or transferred to the
 3A Department of Insurance or to any agency designated, continued
 4 or constituted therein, as the Commissioner of Insurance may de-
 5 termine are needed for the proper performance of the functions
 6 and duties imposed upon the Department of Insurance, or agency
 7 therein, are hereby transferred to the department or agency to
 8 which such functions, powers and duties have been herein assigned
 9 or transferred.

1 12. Nothing in this act shall be construed to deprive any per-
 2 son of any tenure rights or of any right or protection provided
 3 him by Title 11 of the Revised Statutes, Civil Service, or under
 4 any pension law or retirement system.

1 13. All files, books, papers, records, equipment and other prop-
 2 erty of any department, division, bureau, board, commission or
 3 other agency, the functions, powers and duties of which have been
 4 herein assigned or transferred to the Department of Insurance
 5 or to any agency designated, continued or constituted hereunder,
 6 shall upon the effective date of this act be transferred to the
 7 department or agency to which such assignment or transfer has
 8 been made hereunder.

1 14. This act shall not affect the orders, rules and regulations
 2 heretofore made or promulgated by any department, division,
 3 bureau, board, commission or other agency, the functions, powers
 4 and duties of which have been herein assigned or transferred
 5 to the Department of Insurance or to any agency designated, con-
 6 tinued or constituted hereunder; but such orders, rules and regu-
 7 lations shall continue with full force and effect until amended or
 8 repealed pursuant to law.

1 15. This act shall not affect actions or proceedings, civil or
 2 criminal, brought by or against any department, division, bureau,
 3 board, commission or other agency, the functions, powers and
 4 duties of which have been herein assigned or transferred to the
 5 Department of Insurance or to any agency designated, continued
 6 or constituted hereunder, and pending on the effective date of this
 7 act, but such actions or proceedings may be prosecuted or de-
 8 fended in the same manner and to the same effect by the depart-
 9 ment or agency to which such assignment or transfer has been
 10 made hereunder, as if the foregoing provisions had not taken
 11 effect; nor shall any of the foregoing provisions affect any order
 12 or recommendation made by, or other matters or proceedings

13 before, any department, division, bureau, board, commission or
14 other agency, the functions, powers and duties of which have been
15 herein assigned or transferred to the Department of Insurance
16 or to any agency designated, continued or constituted hereunder,
17 and all such matters or proceedings pending before such depart-
18 ment, division, bureau, board, commission or other agency on the
19 effective date of this act shall be continued by the department or
20 agency to which such assignment or transfer has been made here-
21 under, as if the foregoing provisions had not taken effect.

1 16. Unless specifically otherwise provided in this act or by any
2 operative law, whenever, pursuant to existing law, reports, cer-
3 tifications, applications or requests are required or permitted to
4 be made to the department, division, bureau, board, commission
5 or other agency, whose powers and duties are herein assigned or
6 transferred, such reports and certifications shall hereafter be re-
7 quired to be filed with, and such applications or requests shall
8 hereafter be made to, the department or agency to which such
9 assignment or transfer has been made hereunder.

1 17. With respect to the functions, powers and duties hereby
2 transferred to the Department of Insurance, whenever in any law,
3 rule, regulation, judicial or administrative proceeding or other-
4 wise, reference is made to the Department of Banking and Insur-
5 ance or to the Commissioner of Banking and Insurance, the same
6 shall mean and refer to the Department of Insurance and the Com-
7 missioner of Insurance, respectively.

1 18. The salary of the commissioner which by the provisions of
2 this act is to be fixed by law, for the fiscal year ending June 30,
3 1970 or such portion thereof remaining following the appointment
4 and qualification of the appointee, shall **based pro rata on an an-*
5 *annual rate of \$38,000.00** ***fixed by the Governor, after consultation**
6 **with the President of the Civil Service Commission and the Direc-**
7 **tor of the Division of Budget and Accounting, with the approval**
8 **of the Chairmen of the Senate and General Assembly appropriation**
9 **Committees].***

1 19. There is hereby appropriated to the Department of Insur-
2 ance the sum of \$60,000.00 for the purposes of this act.

1 20. All acts and parts of acts inconsistent with any of the pro-
2 visions of this act are, to the extent of such inconsistency, super-
3 seded and repealed.

1 21. The provisions of this act shall become operative at the
2 beginning of the biweekly pay period next following enactment.
3 Anticipatory action to effect the establishment of the department
4 may be taken in advance thereof including the making of author-

5 ized appointments, and confirmation or approval thereof, and,
6 within the limits of appropriations to the department, the expendi-
7 ture of funds for payment of salaries and expenses incident
8 thereto.

1 22. This act shall take effect immediately.

[The remainder of the page contains extremely faint and illegible text, likely bleed-through from the reverse side of the document. The text is too light to transcribe accurately.]

FISCAL NOTE TO
SENATE, No. 451

STATE OF NEW JERSEY

DATED: JANUARY 29, 1970

Senate Bill No. 451 creates a principal department in the Executive Branch of the State government, to be known as the Department of Insurance, and transfers all the functions, powers and duties of the existing Department of Banking and Insurance, the Commissioner thereof and the actuarial bureau and the Bureau of Insurance relative to the execution of the insurance law of this State, to said new department of Insurance.

The New Jersey Real Estate Commission, presently constituting the Division of New Jersey Real Estate Commission in the Department of Banking and Insurance, together with all its functions, powers and duties further continued and transferred as the New Jersey Real Estate Commission to the Department of Insurance.

This bill also provides that all appropriations and other monies available and to become available to any department, division, bureau, board, commission or other agency, the functions, powers and duties of which have been herein assigned or transferred to the Department of Insurance, are hereby transferred to the Department of Insurance established hereunder, and shall be available for the objects and purposes for which appropriated, subject to any terms, restrictions, limitations or other requirements imposed by State or Federal law.

It is estimated by the administrative section, Department of Banking and Insurance, that enactment of this bill will involve the expenditure of \$102,552.00 in the current fiscal year; \$191,542.00 for fiscal year 1971 and \$198,649.00 for fiscal year 1972.

It will be noted that Senate Bill No. 451 contains an appropriation of \$60,000.00 to the Department of Insurance for the purposes of this act.

In compliance with written request received, there is hereby submitted a fiscal estimate for the above bill, pursuant to P. L. 1962, c. 27.