

39:6A-21

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2000 **CHAPTER:** 66
NJSA: 39:6A-21 (Auto Insurance Risk Exchange)
BILL NO: A881

SPONSOR(S): Bateman and Biondi

DATE INTRODUCED: Pre-filed

COMMITTEE: **ASSEMBLY:** Banking and Insurance

SENATE: Commerce

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** January 31, 2000

SENATE: May 18, 2000

DATE OF APPROVAL: July 13, 2000

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL Original version of bill enacted

SPONSORS STATEMENT: (Begins on page 3 of original bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: Yes

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

ASSEMBLY, No. 881

STATE OF NEW JERSEY 209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

Sponsored by:

Assemblyman CHRISTOPHER "KIP" BATEMAN

District 16 (Morris and Somerset)

Assemblyman PETER J. BIONDI

District 16 (Morris and Somerset)

SYNOPSIS

Revises membership and board of New Jersey Automobile Insurance Risk Exchange.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



A881 BATEMAN, BIONDI

2

1 AN ACT concerning the New Jersey Automobile Insurance Risk
2 Exchange and amending P.L.1983, c.362.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 15 of P.L.1983, c.362 (C.39:6A-21) is amended to read
8 as follows:

9 15. The New Jersey Automobile Insurance Risk Exchange:
10 membership, board of directors.

11 There shall be created, within 45 days of the operative date of this
12 act, an unincorporated association, to operate on a nonprofit-nonloss
13 basis, to be known as the New Jersey Automobile Insurance Risk
14 Exchange, with its headquarters to be located within the State of New
15 Jersey. Every insurer licensed to transact private-passenger
16 automobile insurance in this State shall be a member of the exchange
17 and shall be bound by the rules of the exchange as a condition of the
18 authority to transact insurance business in this State. **[The New**
19 **Jersey Automobile Full Insurance Underwriting Association created**
20 **pursuant to section 16 of P.L.1983, c.65 (C.17:30E-4) shall also be a**
21 **member of the exchange and shall be bound by the rules of the**
22 **exchange.]** Any insurer which ceases to transact automobile insurance
23 business in this State shall remain liable for any amounts due to the
24 exchange for business transacted prior to the effective date of its
25 cessation of business in the State.

26 The exchange shall adopt a plan of operation which shall become
27 effective upon approval by the Commissioner of Banking and
28 Insurance. The business affairs of the exchange shall be governed by
29 a board of directors to be comprised of 12 members. **[Ten] Nine**
30 **members shall be appointed, from a list of names submitted by the**
31 **Commissioner of Banking and Insurance, by the Governor, with the**
32 **advice and consent of the Senate, of whom two shall represent the**
33 **Alliance of American Insurers, or its successor organization; two shall**
34 **represent the National Association of Independent Insurers, or its**
35 **successor organization; two shall represent the American Insurance**
36 **Association, or its successor organization; two shall represent the**
37 **independent companies; [one shall be an insurer representative on the**
38 **board of directors of the New Jersey Automobile Full Insurance**
39 **Underwriting Association;]** and one shall be a public member. **[The]**
40 **Additionally, the Governor, the Speaker of the General Assembly and**
41 **the President of the Senate shall each appoint one public member. The**
42 **board shall elect a chairman who shall be a representative of an insurer**

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

Matter underlined thus is new matter.

1 domiciled in New Jersey. No insurer shall represent more than one
2 organization on the board of directors of the exchange.

3 All appointments made on or after the effective date of this
4 amendatory and supplementary act shall be [made] for [two] five
5 year terms [, except that of the directors first appointed, five of the
6 insurer representatives and one of the public members shall be
7 appointed for one year terms]. A director shall serve until his
8 successor is appointed. Vacancies on the board of directors of the
9 exchange shall be filled for the remainders of the terms in the same
10 manner as the original appointments. Public members shall be
11 compensated in an amount to be determined by the commissioner, and
12 shall be reimbursed for necessary expenses actually incurred in the
13 performance of their duties. All expenses incurred by the board shall
14 be payable from moneys collected by the exchange.

15 [The term of office of any person appointed to the board of
16 directors prior to the effective date of this amendatory and
17 supplementary act shall be deemed to begin on that date.]

18 (cf: P.L.1985, c.520, s.10)

19

20 2. This act shall take effect immediately.

21

22

23

STATEMENT

24

25 This bill expands the term of members of the New Jersey
26 Automobile Insurance Risk Exchange board of directors from two
27 years to five years and requires a director to serve until a successor is
28 appointed. In addition, the bill eliminates a member representative
29 from the New Jersey Automobile Full Insurance Underwriting
30 Association or JUA, which is no longer in existence; and provides that
31 the Governor shall appoint one additional public member to the board
32 along with the Speaker of the General Assembly and the President of
33 the Senate.

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 881

STATE OF NEW JERSEY

DATED: JANUARY 20, 2000

The Assembly Banking and Insurance Committee reports favorably Assembly Bill No. 881.

This bill expands the term of members of the New Jersey Automobile Insurance Risk Exchange board of directors from two years to five years and requires a director to serve until a successor is appointed. In addition, the bill eliminates a member representative from the New Jersey Automobile Full Insurance Underwriting Association or JUA, which is no longer in existence; and provides that the Governor shall appoint an additional public member to the board.

This bill was pre-filed for introduction in the 2000 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

ASSEMBLY, No. 881

STATE OF NEW JERSEY 209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

Sponsored by:

Assemblyman CHRISTOPHER "KIP" BATEMAN

District 16 (Morris and Somerset)

Assemblyman PETER J. BIONDI

District 16 (Morris and Somerset)

SYNOPSIS

Revises membership and board of New Jersey Automobile Insurance Risk Exchange.

CURRENT VERSION OF TEXT

As reported by the Assembly Banking and Insurance Committee with technical review.



A881 BATEMAN, BIONDI

2

1 AN ACT concerning the New Jersey Automobile Insurance Risk
2 Exchange and amending P.L.1983, c.362.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 15 of P.L.1983, c.362 (C.39:6A-21) is amended to read
8 as follows:

9 15. The New Jersey Automobile Insurance Risk Exchange:
10 membership, board of directors.

11 There shall be created, within 45 days of the operative date of this
12 act, an unincorporated association, to operate on a nonprofit-nonloss
13 basis, to be known as the New Jersey Automobile Insurance Risk
14 Exchange, with its headquarters to be located within the State of New
15 Jersey. Every insurer licensed to transact private-passenger
16 automobile insurance in this State shall be a member of the exchange
17 and shall be bound by the rules of the exchange as a condition of the
18 authority to transact insurance business in this State. **[The New**
19 **Jersey Automobile Full Insurance Underwriting Association created**
20 **pursuant to section 16 of P.L.1983, c.65 (C.17:30E-4) shall also be a**
21 **member of the exchange and shall be bound by the rules of the**
22 **exchange.]** Any insurer which ceases to transact automobile insurance
23 business in this State shall remain liable for any amounts due to the
24 exchange for business transacted prior to the effective date of its
25 cessation of business in the State.

26 The exchange shall adopt a plan of operation which shall become
27 effective upon approval by the Commissioner of Banking and
28 Insurance. The business affairs of the exchange shall be governed by
29 a board of directors to be comprised of 12 members. **[Ten] Nine**
30 **members shall be appointed, from a list of names submitted by the**
31 **Commissioner of Banking and Insurance, by the Governor, with the**
32 **advice and consent of the Senate, of whom two shall represent the**
33 **Alliance of American Insurers, or its successor organization; two shall**
34 **represent the National Association of Independent Insurers, or its**
35 **successor organization; two shall represent the American Insurance**
36 **Association, or its successor organization; two shall represent the**
37 **independent companies; [one shall be an insurer representative on the**
38 **board of directors of the New Jersey Automobile Full Insurance**
39 **Underwriting Association;]** and one shall be a public member. **[The]**
40 **Additionally, the Governor, the Speaker of the General Assembly and**
41 **the President of the Senate shall each appoint one public member. The**
42 **board shall elect a chairman who shall be a representative of an insurer**

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

Matter underlined thus is new matter.

1 domiciled in New Jersey. No insurer shall represent more than one
2 organization on the board of directors of the exchange.

3 All appointments made on or after the effective date of this
4 amendatory act shall be [made] for [two] five year terms [, except
5 that of the directors first appointed, five of the insurer representatives
6 and one of the public members shall be appointed for one year terms].
7 A director shall serve until his successor is appointed. Vacancies on
8 the board of directors of the exchange shall be filled for the remainders
9 of the terms in the same manner as the original appointments. Public
10 members shall be compensated in an amount to be determined by the
11 commissioner, and shall be reimbursed for necessary expenses actually
12 incurred in the performance of their duties. All expenses incurred by
13 the board shall be payable from moneys collected by the exchange.

14 [The term of office of any person appointed to the board of
15 directors prior to the effective date of this amendatory and
16 supplementary act shall be deemed to begin on that date.]

17 (cf: P.L.1985, c.520, s.10)

18

19 2. This act shall take effect immediately.

SENATE COMMERCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 881

STATE OF NEW JERSEY

DATED: MAY 4, 2000

The Senate Commerce Committee reports favorably Assembly Bill No. 881.

This bill expands the term of members of the New Jersey Automobile Insurance Risk Exchange board of directors from two years to five years and requires a director to serve until a successor is appointed. In addition, the bill eliminates a member representative from the New Jersey Automobile Full Insurance Underwriting Association or JUA, which is no longer in existence; and provides that the Governor shall appoint an additional public member to the board.

P.L. 2000, CHAPTER 66, *approved July 13, 2000*

Assembly, No. 881

1 **AN ACT** concerning the New Jersey Automobile Insurance Risk
2 Exchange and amending P.L.1983, c.362.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. Section 15 of P.L.1983, c.362 (C.39:6A-21) is amended to read
8 as follows:

9 15. The New Jersey Automobile Insurance Risk Exchange:
10 membership, board of directors.

11 There shall be created, within 45 days of the operative date of this
12 act, an unincorporated association, to operate on a nonprofit-nonloss
13 basis, to be known as the New Jersey Automobile Insurance Risk
14 Exchange, with its headquarters to be located within the State of New
15 Jersey. Every insurer licensed to transact private-passenger
16 automobile insurance in this State shall be a member of the exchange
17 and shall be bound by the rules of the exchange as a condition of the
18 authority to transact insurance business in this State. **[The New**
19 **Jersey Automobile Full Insurance Underwriting Association created**
20 **pursuant to section 16 of P.L.1983, c.65 (C.17:30E-4) shall also be a**
21 **member of the exchange and shall be bound by the rules of the**
22 **exchange.]** Any insurer which ceases to transact automobile insurance
23 business in this State shall remain liable for any amounts due to the
24 exchange for business transacted prior to the effective date of its
25 cessation of business in the State.

26 The exchange shall adopt a plan of operation which shall become
27 effective upon approval by the Commissioner of Banking and
28 Insurance. The business affairs of the exchange shall be governed by
29 a board of directors to be comprised of 12 members. **[Ten] Nine**
30 members shall be appointed, from a list of names submitted by the
31 Commissioner of Banking and Insurance, by the Governor, with the
32 advice and consent of the Senate, of whom two shall represent the
33 Alliance of American Insurers, or its successor organization; two shall
34 represent the National Association of Independent Insurers, or its
35 successor organization; two shall represent the American Insurance
36 Association, or its successor organization; two shall represent the
37 independent companies; **[one shall be an insurer representative on the**
38 **board of directors of the New Jersey Automobile Full Insurance**
39 **Underwriting Association;]** and one shall be a public member. **[The]**
40 **Additionally, the Governor, the Speaker of the General Assembly and**
41 **the President of the Senate shall each appoint one public member. The**

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

Matter underlined thus is new matter.

1 board shall elect a chairman who shall be a representative of an insurer
2 domiciled in New Jersey. No insurer shall represent more than one
3 organization on the board of directors of the exchange.

4 All appointments made on or after the effective date of this
5 amendatory act shall be [made] for [two] five year terms [, except
6 that of the directors first appointed, five of the insurer representatives
7 and one of the public members shall be appointed for one year terms].
8 A director shall serve until his successor is appointed. Vacancies on
9 the board of directors of the exchange shall be filled for the remainders
10 of the terms in the same manner as the original appointments. Public
11 members shall be compensated in an amount to be determined by the
12 commissioner, and shall be reimbursed for necessary expenses actually
13 incurred in the performance of their duties. All expenses incurred by
14 the board shall be payable from moneys collected by the exchange.

15 [The term of office of any person appointed to the board of
16 directors prior to the effective date of this amendatory and
17 supplementary act shall be deemed to begin on that date.]

18 (cf: P.L.1985, c.520, s.10)

19

20 2. This act shall take effect immediately.

21

22

23

24

25 Revises membership and board of New Jersey Automobile Insurance
26 Risk Exchange.

CHAPTER 66

AN ACT concerning the New Jersey Automobile Insurance Risk Exchange and amending P.L.1983, c.362.

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

1. Section 15 of P.L.1983, c.362 (C.39:6A-21) is amended to read as follows:

C.39:6A-21 The New Jersey Automobile Insurance Risk Exchange; membership, board of directors.

15. The New Jersey Automobile Insurance Risk Exchange: membership, board of directors.

There shall be created, within 45 days of the operative date of this act, an unincorporated association, to operate on a nonprofit-nonloss basis, to be known as the New Jersey Automobile Insurance Risk Exchange, with its headquarters to be located within the State of New Jersey. Every insurer licensed to transact private-passenger automobile insurance in this State shall be a member of the exchange and shall be bound by the rules of the exchange as a condition of the authority to transact insurance business in this State. Any insurer which ceases to transact automobile insurance business in this State shall remain liable for any amounts due to the exchange for business transacted prior to the effective date of its cessation of business in the State.

The exchange shall adopt a plan of operation which shall become effective upon approval by the Commissioner of Banking and Insurance. The business affairs of the exchange shall be governed by a board of directors to be comprised of 12 members. Nine members shall be appointed, from a list of names submitted by the Commissioner of Banking and Insurance, by the Governor, with the advice and consent of the Senate, of whom two shall represent the Alliance of American Insurers, or its successor organization; two shall represent the National Association of Independent Insurers, or its successor organization; two shall represent the American Insurance Association, or its successor organization; two shall represent the independent companies; and one shall be a public member. Additionally, the Governor, the Speaker of the General Assembly and the President of the Senate shall each appoint one public member. The board shall elect a chairman who shall be a representative of an insurer domiciled in New Jersey. No insurer shall represent more than one organization on the board of directors of the exchange.

All appointments made on or after the effective date of this amendatory act shall be for five-year terms. A director shall serve until his successor is appointed. Vacancies on the board of directors of the exchange shall be filled for the remainders of the terms in the same manner as the original appointments. Public members shall be compensated in an amount to be determined by the commissioner, and shall be reimbursed for necessary expenses actually incurred in the performance of their duties. All expenses incurred by the board shall be payable from moneys collected by the exchange.

2. This act shall take effect immediately.

Approved July 13, 2000.

Office of the Governor
NEWS RELEASE

PO BOX 004
TRENTON, NJ 08625

CONTACT: Jayne O'Connor
609-777-2600

RELEASE: July 13, 2000

Gov. Christie Whitman today signed the following legislation:

A-881, sponsored by Assemblymen Christopher Bateman (R-Morris/Somerset) and Peter J. Biondi (R-Morris/Somerset), expands the term of service for members of the New Jersey Automobile Insurance Risk Exchange board of directors from two years to five years and requires a director to serve until a successor is appointed. In addition, the bill eliminates a position on the board of directors for a representative from the New Jersey Automobile Full Insurance Underwriting Association or JUA, which is no longer in existence, and provides instead that the Governor shall appoint one additional public member to the board.