

17:46C-4

LEGISLATIVE HISTORY CHECKLIST

NJSA: 17:46C-4

(Legal insurance - authorize hospital service corporations to transact business)

LAWS OF: 1983

CHAPTER: 342

Bill No: A3370

Sponsor(s): Lesniak and others

Date Introduced: April 25, 1983

Committee:

Assembly: Banking and Insurance

Senate: -----

Amended during passage:

No

Substituted for S3322 (not attached since identical to S3370)

Date of Passage:

Assembly: July 7, 1983

Senate: August 29, 1983

Date of Approval: September 8, 1983

Following statements are attached if available:

Sponsor statement:

Yes

Committee statement:

Assembly

Yes

Senate

No

Fiscal Note:

No

Veto Message:

No

Message on Signing:

~~No~~ Yes

Following were printed:

Reports:

No

Hearings:

No

ASSEMBLY, No. 3370

STATE OF NEW JERSEY

INTRODUCED APRIL 25, 1983

By Assemblymen LESNIAK, ROCCO, KELLY and DEVERIN

AN ACT to amend the "New Jersey Legal Services Insurance Act,"  
approved June 8, 1981 (P. L. 1981, c. 160).

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

1 1. Section 4 of P. L. 1981, c. 160 (C. 17:46C-4) is amended to read  
2 as follows:

3 4. a. (1) A person entitled to transact the business of insurance  
4 under Subtitle 3 of Title 17 of the Revised Statutes or Subtitle 3  
5 of Title 17B of the New Jersey Statutes may transact the business  
6 of legal insurance in this State without having to obtain a certificate  
7 of authority under this act. This paragraph shall not by itself en-  
8 large the powers of any corporation entitled to transact the busi-  
9 ness of insurance under Subtitle 3 of Title 17 of the Revised  
10 Statutes or Subtitle 3 of Title 17B of the New Jersey Statutes given  
11 by its articles of incorporation or charter, but shall authorize  
12 such a corporation formed under Title 14A of the New Jersey  
13 Statutes, Subtitle 3 of Title 17 of the Revised Statutes, Subtitle 3  
14 of Title 17B of the New Jersey Statutes, Title 15 of the Revised  
15 Statutes or Title 16 of the Revised Statutes, *including a hospital*  
16 *service corporation organized pursuant to P. L. 1938, c. 366 (C.*  
17 *17:48-1 et seq.)* to include in its powers the authority to transact  
18 the business of legal insurance.

19 (2) No other person may transact the business of legal insurance  
20 unless he applies for and obtains a certificate of authority to tran-  
21 sact the business of legal insurance in compliance with this act.

22 (3) An application for a certificate of authority to transact the

**Matter printed in italics thus is new matter.**

23 business of legal insurance shall be in a form prescribed by the  
24 commissioner and shall be accompanied by a fee of \$250.00. If the  
25 applicant is not domiciled in this State, the application shall be  
26 accompanied by a power of attorney duly executed by the applicant  
27 appointing the commissioner and his successors in office, and duly  
28 authorized deputies, as the true and lawful attorney of the applicant  
29 in and for this State, upon whom all lawful process in any legal  
30 action or proceeding against the applicant on a cause of action  
31 arising in this State shall be served.

32 b. Except for section 26 of this act, this act shall not apply to any  
33 person issuing group or blanket policies if fewer than 5% of the  
34 certificate holders of insureds reside in this State and the person  
35 is regulated to a comparable extent by another state in which a  
36 larger number of certificate holders or insureds reside. Any person  
37 exempt under this subsection shall file an annual report with the  
38 commissioner in accordance with the rules and regulations promul-  
39 gated by the commissioner.

1 2. This act shall take effect immediately.

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#### STATEMENT

This bill clarifies the legislative intent of the "New Jersey Legal Services Insurance Act," P. L. 1981, c. 160 to include specifically hospital service corporations within the category of persons authorized to transact the business of legal insurance, the original purpose of the New Jersey Legal Services Insurance Act having been to authorize a broad spectrum of carriers and other entities to enter this field including all corporations authorized to transact the business of insurance under Subtitle 3 of Title 17 of the Revised Statutes or Subtitle 3 of Title 17B of the New Jersey Statutes.

A3370(1983)

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3370**

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**STATE OF NEW JERSEY**

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DATED: JUNE 27, 1983

Assembly Bill No. 3370 authorizes a hospital service corporation, i.e. Blue Cross, to engage in the business of legal insurance in New Jersey.

THURSDAY, SEPTEMBER 8, 1983

<u>COUNTY</u>	<u>AMOUNT</u>
Monmouth	\$ 77,162.00
Morris	29,239.00
Ocean	57,194.00
Passaic	116,955.00
Salem	15,404.00
Somerset	15,689.00
Sussex	12,979.00
Union	77,875.00
Warren	11,125.00

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The Governor also signed:

A-3370, sponsored by Assemblyman Raymond Lesniak, D-Union, which amends the New Jersey Legal Services Insurance Act of 1981 to permit hospital service corporations to transact the business of legal insurance. The bill has the effect of allowing Blue Cross/Blue Shield to join other insurance carriers in offering legal services insurance.

A-3805, sponsored by Assemblyman Anthony M. Villane, Jr., R-Monmouth, which transfers the Marine Academy of Science and Technology to the Monmouth County Vocational Technical School from the Matawan-Aberdeen school district.

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