

17:37A-5

LEGISLATIVE HISTORY CHECKLIST

NJSA 17:37A-5 (Insurance underwriting association--Board of Directors--additional public members)

LAWS 1981 CHAPTER 232

Bill No. S1423

Sponsor(s) Bedell

Date Introduced July 28, 1980

Committee: Assembly Banking and Insurance

Senate Labor, Industry and Professions

Amended during passage Yes No Amendments during passage denoted by asterisks

Date of Passage: Assembly June 11, 1981

Senate Feb. 23, 1981

Date of approval July 27, 1981

Following statements are attached if available:

Sponsor statement Yes No

Committee Statement: Assembly Yes No

Senate Yes No

Fiscal Note Yes No

Veto Message Yes No

Message on signing Yes No

Following were printed:

Reports Yes No

Hearings Yes No

See attached: §307 of P.L. 95-557 (as mentioned in statements)

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SENATE, No. 1423

STATE OF NEW JERSEY

INTRODUCED JULY 28, 1980

By Senator BEDELL

Referred to Committee on Labor, Industry and Professions

AN ACT to amend "An act concerning insurance, creating the 'New Jersey Insurance Underwriting Association,' prescribing the powers, duties and functions thereof and supplementing Title 17 of the Revised Statutes," approved July 2, 1968 (P. L. 1968, c. 129).

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

1 1. Section 5 of P. L. 1968, c. 129 (C. 17:37A-5) is amended to
2 read as follows:

3 5. The association shall be governed by a board of **[13]** 21
4 directors, **[11]** 10 of whom shall be elected annually by the members
5 of the association, whose votes in such election shall be weighted in
6 accordance with each member's participation in the association pur-
7 suant to section 6 of this act. One of whom shall be appointed
8 annually by the commissioner from and among the officers of the
9 various domestic mutual insurance companies, and one of whom
10 shall be appointed annually by the commissioner from among the
11 officers of the various domestic stock insurance companies. **[The**
12 **first board shall be elected at a meeting of the members, or their**
13 **authorized representatives, which shall be held within 30 days after**
14 **the effective date of this act, at a time and place designated by the**
15 **commissioner.] Six of whom shall be appointed annually by the**
16 **commissioner from the public-at-large ***[not engaged in or having****
17 **regular dealings with the business of insurance]* *and who shall be**
18 **individuals who are not employed by, or otherwise affiliated with,**
19 **insurers, insurance agents, brokers, producers, or other entities of**
20 **the insurance industry*. In addition there will be three nonvoting**
21 **members, one from ***[each of the three principal professional in-****
21A **surance producer associations]* *the Independent Insurance**

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

21B *Agents Association, one from the Professional Insurance Agents*
21C *Association, and one from the Insurance Brokers' Association, or*
21D *their successor organizations, each of whom shall be* delegated by*
21E *their respective associations to serve annually.*

21F *Each of the six public members appointed by the commissioner*
22 *shall be entitled to a per diem stipend of \$100.00 for each day of*
23 *board business attended, to be paid by the association. In addition,*
24 *all board members, both voting and nonvoting shall be reimbursed*
25 *by the association for all reasonable travel expenses incurred in*
26 *connection with attendance at board meetings.*

1 2. This act shall take effect January 1, 1981 or the date upon
2 which the board of directors of the association is reconstituted,
3 whichever is first.

24 *all board members, both voting and nonvoting shall be reimbursed*
25 *by the association for all reasonable travel expenses incurred in*
26 *connection with attendance at board meetings.*

1 2. This act shall take effect January 1, 1981 or the date upon
2 which the board of directors of the association is reconstituted,
3 whichever is first.

STATEMENT

The purpose of this bill is to increase public representation on the Board of Directors of the New Jersey Insurance Underwriting Association and to comply with the provisions of Section 307 of the Housing and Community Development Act Amendments of 1978 (P. L. 95-557) which amends Section 1211 of the Housing and Urban Development Act of 1968 and thereby continue the eligibility of New Jersey insurers for the Federal Riot Reinsurance Program.

This act reconstitutes the board by adding six public members and increasing the board of directors from 13 to 21 members. Ten to be elected from among the insurance industry, a reduction from 11 to 10 so elected. Two to be appointed by the commissioner as representatives of domestic stock and mutual insurers, six appointed by the commissioner as public members and three non-voting members, one from each of the three principal professional insurance producer associations delegated by their respective association to serve annually.

51423 (1980)

ASSEMBLY COUNTY GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1423

STATE OF NEW JERSEY

DATED: JUNE 9, 1980

This bill amends the law to remove the dollar limitation the governing body of a county may appropriate to aid children afflicted with Cooley's anemia and to counsel and advise prospective parents about this disease.

At present, the law limits the amount of money a governing body may appropriate for such purposes as follows: a county of the first class having a population in excess of 800,000 may appropriate no more than \$10,000.00 a year; all other counties may appropriate no more than \$5,000.00 a year.

SENATE LABOR, INDUSTRY AND PROFESSIONS
COMMITTEE

STATEMENT TO
SENATE, No. 1423

STATE OF NEW JERSEY

DATED: NOVEMBER 10, 1980

The purpose of this bill is to increase public representation on the Board of Directors of the New Jersey Insurance Underwriting Association and to comply with the provisions of Section 307 of the Housing and Community Development Act Amendments of 1978 (P. L. 95-557) which amends Section 1211 of the Housing and Urban Development Act of 1968 and thereby continue the eligibility of New Jersey insurers for the Federal Riot Reinsurance Program.

This act reconstitutes the board by adding six public members and increasing the board of directors from 13 to 21 members. Ten to be elected from among the insurance industry, a reduction from 11 to 10 so elected. Two to be appointed by the commissioner as representatives of domestic stock and mutual insurers, six appointed by the commissioner as public members and three nonvoting members, one from each of the three principal professional insurance producer associations delegated by their respective association to serve annually.

The bill goes into effect six months from today to give gas stations sufficient lead time to obtain the required signs.

S-1208, sponsored by Senator James Wallwork (R-Essex) designates the poppy as the souvenir of the veterans of all military conflicts.

Current law designates the flower as the souvenir of deceased veterans of the World Wars, thus excluding Korea and Vietnam veterans. Since the funds from the sale of the poppies is devoted to the benefit of veterans, Korea and Vietnam veterans may now also benefit from these funds.

The bill also clarifies the annual sales period as 10 days before Memorial Day and Memorial Day itself.

S-1423, sponsored by Senator Eugene Bedell (D-Monmouth) provides that one-third of the New Jersey Insurance Underwriting Association -- the FAIR Plan -- will be public members.

The Board will be expanded from 13 to 21 members, six of whom shall be public members. The bill also changes the composition of the board to provide that three members will be non-voting members, drawn from the Independent Insurance Agents Association, the Professional Insurance Associations and the Insurance Brokers Association.

Public members may not be employed by or be affiliated with insurers or insurance agents, brokers or producers.

The FAIR Plan is part of a federal program that assures the provision of theft and fire insurance to urban areas where there is no longer a viable voluntary market. The changes in the Board structure are being made to conform with amendments in the federal law.

S-3240, sponsored by Senator Francis X. Herbert (D-Bergen) eliminates the 6% interest rate ceiling on the Water Conservation Bonds if approval by referendum in November of this year is obtained.

(d) Section 701(m) of such Act is amended by adding at the end thereof the following:

40 USC 461.

"(5) The term 'Indian tribal group or body' means any Indian tribe, band, group, and nation, including Alaska Indians, Aleuts, and Eskimos, and any Alaskan Native Village, of the United States, which is considered an eligible recipient under the Indian Self-Determination and Education Assistance Act (Public Law 93-638) or under the State and Local Fiscal Assistance Act of 1972 (Public Law 92-512)."

"Indian tribal group or body."

25 USC 450 note.
31 USC 1221 note.

RESEARCH AUTHORIZATIONS

SEC. 305. (a) Title V of the Housing and Urban Development Act of 1970 is amended by striking out in the second sentence of section 501 "and not to exceed \$60,000,000 for the fiscal year 1978" and inserting in lieu thereof "not to exceed \$60,000,000 for the fiscal year 1978, and not to exceed \$62,000,000 for the fiscal year 1979".

12 USC 1701z-1.

(b) Such title is further amended by adding at the end thereof the following new section:

"CONVERSIONS

"Sec. 510. In carrying out activities under section 501, the Secretary is authorized to conduct demonstrations to determine the feasibility of expanding homeownership opportunities in urban areas and encouraging the creation and maintenance of decent, safe, and sanitary housing in such areas by utilizing techniques including, but not limited to, the conversion of multifamily housing properties to condominium or cooperative ownership by individuals and families."

Demonstration.
12 USC 1701z-9.

(c) The Secretary of Housing and Urban Development shall conduct a study of the feasibility of underground construction of residential housing and changes in housing codes and financing which may be necessary as the result of the adoption of this construction method. The Secretary shall transmit a final report no later than one year after the date of enactment of this Act to the Congress containing the findings and conclusions made as a result of such study, along with any legislative recommendations which the Secretary determines should be enacted with respect to the subject of such study.

Study.
12 USC 17013-9 note.

Report to Congress.

NEW COMMUNITIES

SEC. 306. Section 720(a) of the Housing and Urban Development Act of 1970 is amended by striking out "November 1, 1978" and inserting in lieu thereof "October 1, 1979".

42 USC 4521.

EXTENSION OF CRIME INSURANCE AND RIOT REINSURANCE PROGRAMS

SEC. 307. (a) Section 1201 of the National Housing Act is amended—

12 USC 1749bbb.

(1) by striking out, in subsection (b) (1), "October 31, 1975" and inserting in lieu thereof "September 30, 1980";

(2) by striking out, in subsection (b) (1) (A), "October 31, 1981" and inserting in lieu thereof "September 30, 1983"; and

(3) by striking out, in subsection (b) (2), "October 31, 1978" and inserting in lieu thereof "September 30, 1981".

(b) Section 1211 of such Act is amended by adding the following new subsection at the end thereof:

12 USC 1749bbb-3.

"(c) At least one-third of the voting members of every board of directors, board of governors, advisory committee, and other governing or advisory board or committee for each plan described in subsec-

tion (b) shall be individuals who are not employed by, or otherwise affiliated with, insurers, insurance agents, brokers, producers, or other entities of the insurance industry.”

12 USC 1749bbb-3.

(c) Section 1211(b) of such Act is amended by striking out “and” at the end of paragraph (9), by striking out the period at the end of paragraph (10) and inserting in lieu thereof “; and”, and by adding the following new paragraph at the end thereof:

“(11) Notwithstanding any other provision of this section, on and after January 31, 1979, no risk within the plan shall be insured at a rate higher than the rates or advisory rates set by the principal State-licensed rating organization for essential property insurance in the voluntary market: except that this provision shall not be deemed to prohibit the application to any such risk, on a nondiscriminatory basis, of condition charges for substandard physical conditions within the control of the applicant for insurance as set by the principal State-licensed rating organization for the voluntary market.”

EXTENSION OF NATIONAL FLOOD INSURANCE PROGRAM

42 USC 4026.

SEC. 308. (a) Section 1319 of the National Flood Insurance Act of 1968 is amended by striking out “October 31, 1978” and inserting in lieu thereof “September 30, 1980”.

42 USC 4056.

(b) Section 1336(a) of such Act is amended by striking out “October 31, 1978” and inserting in lieu thereof “September 30, 1980”.

FLOOD INSURANCE STUDIES

42 USC 4127.

SEC. 309. Section 1376(c) of the National Flood Insurance Act of 1968 is amended by striking out “and not to exceed \$108,000,000 for the fiscal year 1978” and inserting in lieu thereof the following: “, not to exceed \$108,000,000 for the fiscal year 1978, and not to exceed \$114,000,000 for the fiscal year 1979.”

FEDERAL HOUSING ADMINISTRATION GENERAL INSURANCE FUND

12 USC 1735c.

SEC. 310. Section 519(f) of the National Housing Act is amended by inserting the following before the period: “, which amount shall be increased by \$165,000,000 on October 1, 1978”.

MULTIFAMILY MORTGAGE INSURANCE

12 USC 1713.

SEC. 311. (a) The last sentence of section 207(c) of the National Housing Act is amended by striking out “eight” and inserting in lieu thereof “five”.

12 USC 1715z-6.

(b) Section 241(d) of such Act is amended by adding at the end thereof the following: “At any sale under foreclosure of a mortgage on a project or facility which is not insured under this Act but which is senior to a loan assigned to the Secretary pursuant to subsection (c), the Secretary is authorized to bid, in addition to amounts authorized under section 207(k), any sum up to but not in excess of the total unpaid indebtedness secured by such senior mortgage, plus taxes, insurance, foreclosure costs, fees, and other expenses. In the event that, pursuant to subsection (c), the Secretary acquires title to, or is assigned, a loan covering a project or facility which is subject to a mortgage which is not insured under this Act, the Secretary is authorized to make payments from the General Insurance Fund on the debt secured by such mortgage, and to take such other steps as the Secretary may