

17:29A-4

LEGISLATIVE HISTORY CHECKLIST

NJSA 17:29A-4 (Fire insurance - require rate reductions for smoke detectors)

LAWS OF 1979 CHAPTER 149

Bill No. A471

Sponsor(s) Rand and others

Date Introduced Pre-filed

Committee: Assembly Banking and Insurance

Senate Labor, Industry and Professions

Amended during passage Yes Amendments during passage denoted by asterisks

Date of Passage: Assembly April 17, 1978

Senate Feb. 20, 1979

Date of approval July 16, 1979

Following statements are attached if available:

Sponsor statement Yes (Below)

Committee Statement: Assembly Yes

Senate No

Fiscal Note No

Veto message No

Message on signing Yes

Following were printed:

Reports No

Hearings No

Sponsor's statement:

This bill requires insurance rating organizations, and every insurer making its own rates, to reduce the rate for fire insurance on structures in which smoke detection devices are installed.

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9/1/78

CHAPTER 149
7-16-79

[OFFICIAL COPY REPRINT]
ASSEMBLY, No. 471

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1978 SESSION

By Assemblyman RAND, Assemblywomen SZABO, CROCE, Assemblymen STEWART, GORMAN, MARTIN, BURNS, ADUBATO, CALI, SHAPIRO, VAN WAGNER, KAVANAUGH, SAXTON and CHINNICI

AN ACT to amend "An act concerning insurance, regulating the making and applying of insurance rates, and providing for the licensing of rating organizations, and repealing sections 17:29-1, 17:29-2, 17:29-3, 17:29-4, 17:29-5, 17:29-6, 17:29-8 and 17:29-9 of the Revised Statutes," approved March 9, 1944 (P. L. 1944, c. 27).

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

1 1. Section 4 of P. L. 1944, c. 27 (C. 17:29A-4) is amended to read
2 as follows:

3 4. Every rating organization, and every insurer which makes its
4 own rates, shall make rates that are not unreasonably high or
5 inadequate for the safety and soundness of the insurer, and which
6 do not unfairly discriminate between risks in this State involving
7 essentially the same hazards and expense elements, and shall, in
8 rate-making, and in making rating systems:

9 (a) Adopt basic classifications, which shall be used as the basis
10 of all manual, minimum, class, schedule, experience or merit rates;

11 (b) Adopt reasonable standards for construction, for protective
12 facilities, and for other conditions that materially affect the hazard
13 or peril, which shall be applied in the determination or fixing of
14 rates;

15 (c) Give consideration to past and prospective loss experience,
16 including where pertinent, the conflagration and catastrophe
17 hazards, if any, both within and without the State; to all factors
18 reasonably related to the kind of insurance involved; to a reason-
19 able profit for the insurer; and, in the case of participating insurers,

ASSEMBLY BANKING AND INSURANCE COMMITTEE
STATEMENT TO
ASSEMBLY, No. 471

STATE OF NEW JERSEY

DATED: MARCH 2, 1978

This bill would require fire insurance rate reductions on structure equipped with operative smoke detection devices of a design approved by the Commissioner of Insurance.

Recently, the Insurance Services Office, which compiles rates for the industry and which files homeowners' rates for 50% of the homeowners' policies sold in New Jersey, has filed with the Commissioner of Insurance a request for varying rate discounts on homeowners' policies for those homes which have smoke detectors installed, effective March 1. This does not make this legislation unnecessary, however; the bill applies to all insurers selling homeowners' policies in the State, including the ones which file their own rates.

The committee has amended the legislation to provide that all such rate reductions be approved by the Commissioner of Insurance.

FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

JULY 17, 1979

KATHRYN FORSYTH

Governor Brendan Byrne has signed a bill requiring insurance companies to give a reduction in rates on buildings equipped with operative smoke detection devices.

The bill, A-471, was sponsored by Assemblyman Walter Rand (D-Camden).

The amount of the rate reduction and the eligibility of smoke detection devices would be subject to the approval of the Commissioner of Insurance, although many companies currently offer this type of discount voluntarily.

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