

17:24-12

LEGISLATIVE HISTORY CHECKLIST

(Excludes certain insurance companies from being required to keep investment securities on deposit in NJ)

NJSA 17:24-12

Laws of 1977 Chapter 351

Bill No. A2388

Sponsor(s) Bornheimer

Date Introduced Dec. 20, 1976

Committee: Assembly Commerce, Banking, Insurance

Senate Labor, Industry & Professions

Amended during passage ~~YES~~ No

Date of passage: Assembly May 2, 1977

Senate Nov. 21, 1977

Date of approval January 30, 1978

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

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10/4/76

ASSEMBLY, No. 2388

STATE OF NEW JERSEY

INTRODUCED DECEMBER 20, 1976

By Assemblyman BORNHEIMER

Referred to Committee on Commerce, Banking and Insurance

AN ACT concerning investments by insurance companies and amending R. S. 17:24-12.

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

1 1. R. S. 17:24-12 is amended to read as follows:

2 17:24-12. All securities acquired pursuant to the provisions of  
3 this chapter by any insurance company, *except those securities*  
4 *which are issued or guaranteed by the United States, or by any*  
5 *department or instrumentality thereof*, shall be held for safekeep-  
6 ing within the geographical limits of the State of New Jersey;  
7 provided, that any insurance company may make and maintain  
8 such deposits of securities with public officials of other states, the  
9 United States government, and foreign countries to such extent  
10 as may be required by the laws of such jurisdictions as a condition  
11 for authority to transact business therein. This section shall not  
12 prohibit the deposit of such securities under agreements as pro-  
13 vided in section 17:24-3 of this Title, or the transmission of such  
14 securities outside the state for the purpose of securing or recording  
15 title to such securities or to property, or for the purpose of the  
16 sale, exchange or alteration of the provisions of such securities,  
17 or for the collection of any payment due thereon, nor shall this  
18 section prohibit the deposit of such securities as collateral for loans  
19 or as security for the performance of contracts.

1 2. This act shall take effect immediately.

STATEMENT

Insurance companies which are subject to subtitle 3 of Title 17B of the New Jersey Statutes ("Life and Health Insurance Code") are not required to keep on deposit in New Jersey, investment securities which are issued or guaranteed by the United States, or by any department or instrumentality of the United States. (See N. J. S. 17B:20-7 as amended by P. L. 1976, c. 74.) This bill would make a similar exception in respect to such securities held by insurance companies which are not subject to the "Life and Health Insurance Code."

ASSEMBLY COMMERCE, BANKING AND  
INSURANCE COMMITTEE

STATEMENT TO  
ASSEMBLY, No. 2388

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STATE OF NEW JERSEY

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DATED: FEBRUARY 10, 1977

This bill provides that securities issued or guaranteed by the United States would be exempted from the requirement in R. S. 17:24-12 that property and casualty companies hold certain items on deposit in New Jersey.

Normally, when certain kinds of government securities are sold, they do not physically change hands, but remain at the Federal Reserve bank, credited by serial number to the account of the bank which holds the insurer's deposits. This bill makes existing law compatible with the ordinary method of holding these securities.