

17:18-17 and 17:18-18

LEGISLATIVE HISTORY CHECKLIST

NJSA 17:18-17 and 17:18-18

Laws of 1975 Chapter 274

Bill No. S 459

Sponsor(s) Lipman

Date Introduced Pre-filed

Committee: Assembly Commerce, Industry & Professions

Senate Labor, Industry and Professions

Amended during passage Yes  Amendments during passage denoted by asterisks

Date of passage: Assembly June 16, 1975; re-enacted Dec. 15, 1975

Senate February 13, 1975; re-enacted Dec. 1, 1975

Date of approval January 12, 1976

Following statements are attached if available:

Sponsor statement  No

Committee Statement: Assembly Yes

Senate Yes

Fiscal Note  No

Veto message Yes

Message on signing  No

Following were printed:

Reports  No

Hearings  No

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10/4/76  
MAR 1977

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SENATE, No. 459

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1974 SESSION

By Senator LIPMAN

AN ACT concerning insurance and supplementing Title 17 of the Revised Statutes.

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

1 1. The provisions of any other law to the contrary notwith-  
2 standing, every insurance company when **\*\*\*[compensating]\*\*\***  
3 **\*\*\*making compensation to or on behalf of\*\*\*** the holder of any  
4 insurance policy issued by such company for any loss incurred by  
5 **\*\*\*or on behalf of\*\*\*** such holder pursuant to the terms of such  
6 policy, shall *upon request* furnish such holder a complete account-  
7 ing record of the transaction resulting in such compensation. Such  
8 record shall contain dollar amounts for each specific item in the  
9 transaction, including, but not limited to, attorneys fees, court  
10 costs, any amount deductible from the insured value of any such  
11 loss pursuant to the terms of such policy and the amount of com-  
12 pensation actually received by **\*\*\*or on behalf of\*\*\*** such holder.

13 Such record shall be **[sent]** *mailed* to the policyholder **[by**  
14 **registered mail]**, or furnished him by his agent, at his last known  
15 address.

1 2. Any insurance company violating an provision of this act  
2 shall be liable to **\*\*\*[pay to]\*\*\*** the policyholder **\*\*\*[in an**  
3 amount equal to the total amount of compensation actually received  
4 by the holder for the loss incurred by such holder]\*\*\* **\*\*\*a**  
5 **\*\*\*[sum]\*\*\*** **\*\*\*penalty\*\*\*** of \$200.00 for each violation\*\*  
6 **\*\*\*which shall be collected pursuant to the penalty enforcement law**  
7 **(N. J. S. 2A:58-1 et seq.)\*\*\*.**

1 3. This act shall take effect immediately.

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

LAW OFFICE  
OF  
SENATOR  
JAMES  
M. COOPER

ASSEMBLY COMMERCE, INDUSTRY, AND  
PROFESSIONS COMMITTEE

STATEMENT TO

**SENATE, No. 459**

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**STATE OF NEW JERSEY**

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DATED: APRIL 17, 1975

This bill provides that every insurance company when compensating the holder of any insurance policy issued by such company for any loss incurred by such holder pursuant to the terms of such policy shall, upon request, furnish such holder a complete accounting record of the transaction resulting in such compensation. Such record shall be mailed to the policyholder, or furnished him by his agent, at his last known address. Any insurance company violating any provision of this act shall be liable to pay to the policyholder a sum of \$200.00 for each violation.

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SENATE LABOR, INDUSTRY AND  
PROFESSIONS COMMITTEE

STATEMENT TO

**SENATE, No. 459**

—◆—  
**STATE OF NEW JERSEY**  
—◆—

DATED: JANUARY 20, 1975

This bill would require insurance companies to give their policy holders a complete accounting record with respect to any loss for which the policy holder is compensated under the policy. Such accounting would have to be sent to the policy holder by registered mail.

The committee amended the bill to require such an accounting only when requested by a policy holder and to permit its transmission to policy holders by regular mail.

STATE OF NEW JERSEY  
EXECUTIVE DEPARTMENT

November 17, 1975

SENATE BILL NO. 459 (2nd OCR)

To the Senate:

Pursuant to Article V, Section 1, Paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 459 (2nd OCR) with my objections, for reconsideration.

Senate Bill No. 459 (2nd OCR) amends the present law governing property-liability insurance companies to provide that every such insurance company must provide a complete accounting record of transactions to a policyholder when he receives payment for a loss incurred, if the policyholder so requests. The accounting must include dollar amounts for each specific item in the transaction, including attorney's fees, court costs and deductibles.

I fully support this action which shall make it possible for every citizen to know exactly what financial transactions have transpired which directly affect his interests. Each citizen is entitled to no less. However, the purpose of the bill would be furthered if accountings were required when requested where payments are made to third parties on behalf of a policyholder since the policyholder's interests are no less in this circumstance. I therefore recommend that the bill be amended to include language to require accountings under these circumstances.

In addition to the foregoing, Senate Bill No. 459 (2nd OCR) provides that any company which violates the provisions of the bill would be liable to pay the policyholder a sum of \$200 per violation. While it is appropriate that a company which fails to comply with the terms of a statute should be penalized, I feel that it is more appropriate that any fine which is levied should be paid to the State whose law has been violated.

Accordingly, I herewith return Senate Bill No. 459 (2nd OCR) with my recommendations for reconsideration and recommend that it be amended as follows:

Page 1, Section 1, line 2: delete "compensating" insert "making compensation to or on behalf of"

STATE OF NEW JERSEY  
EXECUTIVE DEPARTMENT

Page 1, Section 1, line 4: after "by" insert "or on behalf of"

Page 1, Section 1, line 11, after "by" insert "or on behalf of"

Page 1, Section 2, line 2: delete "pay to the policyholder"

Page 1, Section 2, line 4: delete "sum" insert "penalty"

Page 1, Section 2, line 5: after "violation" insert "which shall be  
collected pursuant to the Penalty Enforcement Act, P.L. 1948, c. 253  
(c. N.J.S. 2A:58-1 et seq.)

Respectfully,

/s/ Brendan Byrne

GOVERNOR

[seal]

Attest:

/s/ Charles C. Carella  
Executive Secretary to the Governor