

17:29C-4.1

LEGISLATIVE HISTORY CHECK
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LAWS OF: 1999 **CHAPTER:** 344
NJSA: 17:29C-4.1 (Required return of unearned premium)
BILL NO: A2943 (Substituted for S1908)

SPONSOR(S): Collins and Bateman

DATE INTRODUCED: March 11, 1999

COMMITTEE: **ASSEMBLY:** Banking & Insurance
SENATE: Commerce

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** March 29, 1999
SENATE: December 13, 1999

DATE OF APPROVAL: January 10, 2000

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL:
(Amendments during passage denoted by superscript numbers)

A2943

SPONSORS STATEMENT: (Begins on page 2 of original bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: Yes

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: No

S1908

SPONSORS STATEMENT: (Begins on page 2 of original bill) Yes
Bill and Sponsors statement identical to A2943

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: Yes
Identical to Assembly Statement for A2943

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

(continued)

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No

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No

P.L. 1999, CHAPTER 344, *approved January 10, 2000*
Assembly, No. 2943

1 AN ACT concerning automobile insurance and amending P.L.1973,
2 c.252.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 1 of P.L.1973, c.252 (C.17:29C-4.1) is amended to read
8 as follows:

9 1. Whenever an insurance policy or contract is canceled, the
10 insurer on notice thereof shall return to the insured, within a
11 reasonable time not to exceed 60 days of cancellation or notice,
12 whichever occurs last, or 60 days after the completion of any payroll
13 audit necessary to determine the amount of premium earned while the
14 policy was in force, on a short rate basis the amount of gross unearned
15 premiums paid ; except for a policy or contract for private passenger
16 automobile insurance, which amount of gross unearned premium shall
17 be determined on a pro rata basis. In the event that the insurer fails to
18 return the gross unearned premiums to the insured within the period
19 provided for herein, the insurer shall, as a penalty, in addition to the
20 gross unearned premium, return to the insured an additional amount
21 equal to 5% of the gross unearned premium computed on a monthly
22 basis for each month or part thereof past the final date on which the
23 refund was due.

24 (cf: P.L.1979, c.299, s.2)

25
26 2. This act shall take effect on the 60th day after enactment.

27
28

29 STATEMENT

30

31 This bill provides that whenever a policy or contract for private
32 passenger automobile insurance is canceled, the insurer shall return to
33 the insured the amount of gross unearned premiums paid, on a pro rata
34 basis, rather than the short rate basis currently used. Using the pro
35 rata basis will increase the amount of unearned premium returned to
36 a former insured.

37
38

39
40 Requires return of unearned premium on pro rata basis for canceled
41 automobile insurance policies.

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

Matter underlined thus is new matter.

ASSEMBLY, No. 2943

STATE OF NEW JERSEY
208th LEGISLATURE

INTRODUCED MARCH 11, 1999

Sponsored by:

Assemblyman JACK COLLINS

District 3 (Salem, Cumberland and Gloucester)

Assemblyman CHRISTOPHER "KIP" BATEMAN

District 16 (Morris and Somerset)

Co-Sponsored by:

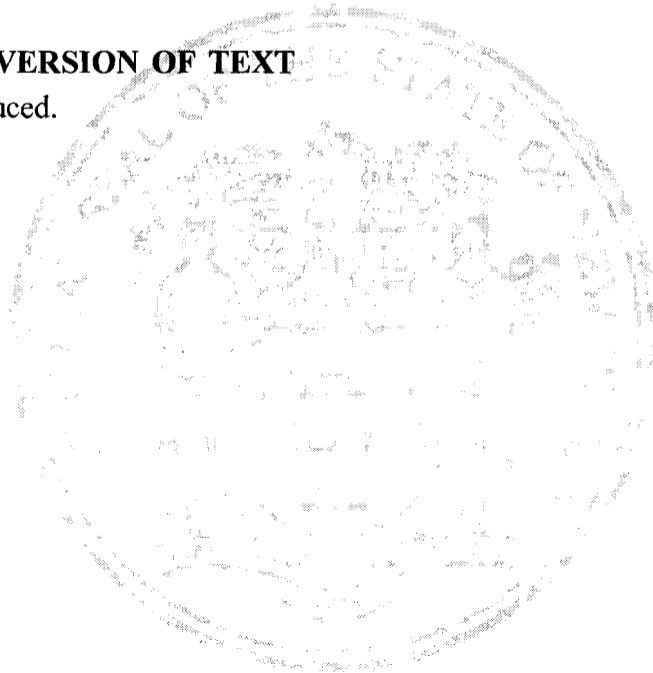
Assemblymen Corodemus, Gregg, Luongo, Senators Singer, Allen and Matheussen

SYNOPSIS

Requires return of unearned premium on pro rata basis for canceled automobile insurance policies.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/14/1999)

A2943 COLLINS, BATEMAN

2

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ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2943

STATE OF NEW JERSEY

DATED: MARCH 18, 1999

The Assembly Banking and Insurance Committee reports favorably Assembly Bill No. 2943.

This bill provides that whenever a policy or contract for private passenger automobile insurance is canceled, the insurer shall return to the insured the amount of gross unearned premiums paid, on a pro rata basis, rather than the short rate basis currently used. Using the pro rata basis will increase the amount of unearned premium returned to a former insured.

SENATE COMMERCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2943

STATE OF NEW JERSEY

DATED: DECEMBER 2, 1999

The Senate Commerce Committee reports favorably Assembly Bill No. 2943.

This bill provides that whenever a policy or contract for private passenger automobile insurance is canceled, the insurer shall return to the insured the amount of gross unearned premiums paid, on a pro rata basis, rather than the short rate basis currently used. Using the pro rata basis will increase the amount of unearned premium returned to a former insured.