

17:29D-1

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2007 **CHAPTER:** 37

NJSA: 17:29D-1 (Extends expiration date of automobile insurance urban enterprise zone program to April 1, 2009)

BILL NO: S2268 (Substituted for A3519)

SPONSOR(S) Gill and Others

DATE INTRODUCED: October 16, 2006

COMMITTEE: **ASSEMBLY:**

SENATE: Commerce

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** December 14, 2006

SENATE: December 4, 2006

DATE OF APPROVAL: January 29, 2007

FOLLOWING ARE ATTACHED IF AVAILABLE:

[FINAL TEXT OF BILL](#) (Original version of bill enacted)

S2268

[SPONSOR'S STATEMENT:](#) (Begins on page 5 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: [Yes](#)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL NOTE: No

A3519

[SPONSOR'S STATEMENT:](#) (Begins on page 5 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** [Yes](#)

SENATE: No

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext. 103 or <mailto:refdesk@njstatelib.org>.

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

"Preserve auto policy reform," The Star-Ledger, January 30, 2007, p.12

RWH 4/9/08

P.L. 2007, CHAPTER 37, *approved January 29, 2007*
Senate, No. 2268

1 **AN ACT** concerning automobile insurance urban enterprise zones
2 and amending P.L.1970, c.215.

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.1970, c.215 (C.17:29D-1) is amended to read
8 as follows:

9 1. The Commissioner of Banking and Insurance may adopt,
10 issue and promulgate rules and regulations establishing a plan for
11 the providing and apportionment of insurance coverage for
12 applicants therefor who are in good faith entitled to, but are unable
13 to procure the same, through ordinary methods. Every insurer
14 admitted to transact and transacting any line, or lines, of insurance
15 in the State of New Jersey shall participate in such plan and provide
16 insurance coverage to the extent required in such rules and
17 regulations.

18 The governing board of any plan established pursuant to the
19 commissioner's rules and regulations shall continue to exercise such
20 administrative authority, subject to the commissioner's oversight
21 and as provided in any rules and regulations promulgated pursuant
22 to this section, as is necessary to ensure the plan's efficient
23 operation, including, but not limited to, the authority to investigate
24 complaints and hear appeals from applicants, insureds, producers,
25 servicing carriers or participants about any matter pertaining to the
26 plan's proper administration, as well as the authority to appoint
27 subcommittees to hear such appeals. Any determination of an
28 appeal by a plan's governing board shall be subject to review by the
29 commissioner on the record below, and shall not be considered a
30 contested case under the "Administrative Procedure Act," P.L.1968,
31 c.410 (C.52:14B-1 et seq.). The commissioner's determination shall
32 be a final order and shall be subject to review by the Superior
33 Court.

34 Any plan established pursuant to this section to provide
35 insurance for automobiles, as defined in section 2 of P.L.1972, c.70
36 (C.39:6A-2), shall provide:

37 a. For a rating system which shall produce rates for each
38 coverage which are adequate for the safeness and soundness of the
39 plan, and are not excessive nor unfairly discriminatory with regard
40 to risks in the plan involving essentially the same hazards and
41 expense elements, which rates may be changed from time to time by
42 a filing with the commissioner in a manner and form approved by
43 the commissioner;

44 b. For rates charged to plan insureds which shall be sufficient
45 to meet the plan's expenses and the plan's losses on an incurred

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.

- 1 basis, including the establishment and maintenance of actuarially
2 sound loss reserves to cover all future costs associated with the
3 exposure;
- 4 c. For a limited assignment distribution system permitting
5 insurers to enter into agreements with other mutually agreeable
6 insurers or other qualified entities to transfer their applicants and
7 insureds under such plan to such insurers or other entities, including
8 applicants and insureds who may be covered by special automobile
9 insurance policies issued pursuant to section 45 of P.L.2003, c.89
10 (C.39:6A-3.3);
- 11 d. That it shall not provide insurance coverage for more than
12 10 percent of the aggregate number of private passenger automobile
13 non-fleet exposures being written in the total private passenger
14 automobile insurance market in this State. The plan shall provide
15 for the cessation of the acceptance of applications or the issuance of
16 new policies to eligible persons at any time it reaches 10 percent of
17 marketshare, as certified by the commissioner, until such time that
18 the commissioner certifies that the plan is insuring less than 10
19 percent of the aggregate number of private passenger automobile
20 non-fleet exposures being written in the total private passenger
21 automobile insurance market in this State;
- 22 e. Except for risks written in automobile insurance urban
23 enterprise zones pursuant to subsection i., or risks written pursuant
24 to subsection j. of this section, that it shall not provide coverage to
25 an eligible person as defined pursuant to section 25 of P.L.1990, c.8
26 (C.17:33B-13);
- 27 f. (Deleted by amendment, P.L.1997, c.151.)
- 28 g. That the plan shall not be subsidized by any source external
29 to the plan;
- 30 h. That a qualified insurer who writes automobile insurance
31 risks in those automobile insurance urban enterprise zones
32 designated by the commissioner pursuant to section 20 of P.L.1997,
33 c.151 (C.17:33C-2) shall receive assigned risk credits for voluntary
34 risks written in those designated automobile insurance urban
35 enterprise zones as a direct writer or through a UEZ agent or agents
36 or through any agent with whom the insurer has an in-force contract
37 as of the effective date of P.L.1997, c.151 (C.17:33B-64 et al.).
38 The commissioner shall establish by regulation the manner in which
39 any qualified automobile insurer may utilize the provisions of this
40 subsection. In no event shall that credit apply to reduce an insurer's
41 obligations under subsection i. of this section;
- 42 i. (1) For a voluntary rating tier to accommodate eligible
43 persons, as defined in section 25 of P.L.1990, c.8 (C.17:33B-13),
44 residing in automobile insurance urban enterprise zones, designated
45 by the commissioner pursuant to section 20 of P.L.1997, c.151
46 (C.17:33C-2), to provide increased availability and encourage the
47 voluntary writing of eligible persons residing in those zones;

1 (2) The rates utilized in this voluntary rating tier shall be the
2 voluntary market rates in use by the insurer to whom the risk is
3 assigned in that territory;

4 (3) The voluntary rating tier shall not provide insurance
5 coverage for more than five percent of the aggregate number of
6 private passenger automobile non-fleet exposures being written in
7 the total private passenger automobile insurance market in this
8 State, and the number of exposures written in the voluntary rating
9 tier shall be included for computing the maximum number of
10 exposures permitted to be written in the plan;

11 (4) The plan shall distribute risks submitted by qualified
12 producers to insurers authorized to write automobile insurance in
13 this State pursuant to a fair and nondiscriminatory formula
14 established by the commissioner. The formula shall provide that
15 insurers which have, and maintain, an aggregate voluntary
16 automobile insurance marketshare in automobile insurance urban
17 enterprise zones, which is reasonably equal to the insurer's
18 voluntary Statewide marketshare excluding risks written in
19 automobile insurance urban enterprise zones, shall be exempt from
20 these distributions;

21 (5) Qualified producers may submit eligible person risks from
22 automobile insurance urban enterprise zones to the plan for
23 coverage in the voluntary rating tier. As used in this subsection i.: a
24 "qualified producer" means a UEZ agent, as defined in section 19 of
25 P.L.1997, c.151 (C.17:33C-1), who has met any limit on exposures
26 that may be written in accordance with the UEZ agent's agreement
27 with the appointing insurer pursuant to section 22 of P.L.1997,
28 c.151 (C.17:33C-4); and a producer who: is duly licensed with
29 property/casualty authority for the three years immediately
30 preceding the effective date of P.L.1997, c.151 (C.17:33B-64 et
31 al.); has no affiliation with a voluntary market insurer for the
32 placement of automobile insurance; had an affiliation with a
33 voluntary market insurer for the placement of automobile insurance
34 that was terminated by the insurer in the last three years;
35 demonstrates to the plan his competency, efficiency and
36 effectiveness in the solicitation, negotiation and effectuation of
37 automobile insurance as evidenced by any history of disciplinary
38 actions or complaints against the producer, and other relevant
39 factors; conducts his business in an office in an automobile
40 insurance urban enterprise zone; and meets such other requirements
41 as may be established by the commissioner by regulation. For
42 purposes of this subsection i., **["insurer"]** "insurer" means an
43 insurer or group of affiliated insurers admitted or authorized to
44 transact the business of automobile insurance in this State;

45 (6) This subsection shall expire on **[the first day of the 97th**
46 **month after the first policy using the voluntary rating tier required**
47 **by this subsection was issued to a risk, as certified by the**
48 **commissioner]** April 1, 2009;

1 j. For a voluntary rating tier to accommodate eligible persons,
2 as defined in section 25 of P.L.1990, c.8 (C.17:33B-13), denied or
3 refused renewal of automobile insurance in a rating territory by an
4 insurer granted relief pursuant to subsection d. of section 27 of
5 P.L.1990, c.8 (C.17:33B-15);

6 k. That an insurer granted relief pursuant to subsection d. of
7 section 27 of P.L.1990, c.8 (C.17:33B-15) shall receive assigned
8 risk credits for voluntary risks written in excess of the percentage
9 growth standard established by that subsection d. The commissioner
10 shall establish by regulation the manner in which such an insurer
11 may utilize the provisions of this subsection. In no event shall that
12 credit apply to reduce an insurer's obligations under subsection i. of
13 this section; and

14 l. That an insurer granted relief pursuant to subsection d. of
15 section 27 of P.L.1990, c.8 (C.17:33B-15) shall also receive
16 assigned risk credits for the voluntary first renewal of an eligible
17 person written pursuant to subsection j. of this section.

18 Prior to the adoption or amendment of such rules and
19 regulations, the commissioner shall consult with such members of
20 the insurance industry as he deems appropriate. Such consultation
21 shall be in addition to any otherwise required public hearing or
22 notice with regard to the adoption or amendment of rules and
23 regulations.

24 The governing body administering the plan shall report annually
25 to the Legislature and the Governor on the activities of the plan.
26 The report shall contain an actuarial analysis regarding the
27 adequacy of the rates for each coverage for the safeness and
28 soundness of the plan.

29 (cf: P.L.2003, c.89, s.39)

30
31 2. This act shall take effect immediately.
32
33

34 STATEMENT

35
36 This bill extends the expiration date of the State's automobile
37 insurance urban enterprise zone program until April 1, 2009. The
38 program is set to expire in November, 2006.

39 The program, established pursuant to sections 19 through 23 of
40 P.L.1997, c.151 (C.17:33C-1 et seq.), is designed to make private
41 passenger automobile insurance more available in urban areas
42 where the Commissioner of Banking and Insurance has found that
43 consumers would benefit from increased access to automobile
44 insurance. In these designated automobile insurance urban
45 enterprise zones, private passenger automobile insurers must insure
46 risks in proportion to their Statewide marketshare in the voluntary
47 market.

S2268

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Extends expiration date of automobile insurance urban enterprise

4

zone program to April 1, 2009.

SENATE, No. 2268

STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED OCTOBER 16, 2006

Sponsored by:

Senator NIA H. GILL

District 34 (Essex and Passaic)

Senator RONALD L. RICE

District 28 (Essex)

Assemblyman NEIL M. COHEN

District 20 (Union)

Assemblyman LOUIS M. MANZO

District 31 (Hudson)

Assemblyman DOUGLAS H. FISHER

District 3 (Salem, Cumberland and Gloucester)

Co-Sponsored by:

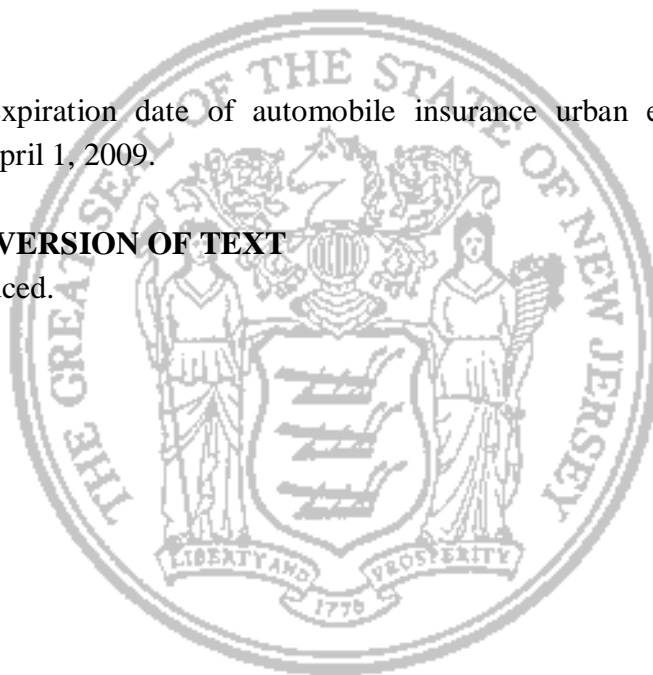
Assemblywoman Cruz-Perez

SYNOPSIS

Extends expiration date of automobile insurance urban enterprise zone program to April 1, 2009.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/15/2006)

1 AN ACT concerning automobile insurance urban enterprise zones
2 and amending P.L.1970, c.215.

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4 **BE IT ENACTED** by the Senate and General Assembly of the State
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7 1. Section 1 of P.L.1970, c.215 (C.17:29D-1) is amended to read
8 as follows:

9 1. The Commissioner of Banking and Insurance may adopt,
10 issue and promulgate rules and regulations establishing a plan for
11 the providing and apportionment of insurance coverage for
12 applicants therefor who are in good faith entitled to, but are unable
13 to procure the same, through ordinary methods. Every insurer
14 admitted to transact and transacting any line, or lines, of insurance
15 in the State of New Jersey shall participate in such plan and provide
16 insurance coverage to the extent required in such rules and
17 regulations.

18 The governing board of any plan established pursuant to the
19 commissioner's rules and regulations shall continue to exercise such
20 administrative authority, subject to the commissioner's oversight
21 and as provided in any rules and regulations promulgated pursuant
22 to this section, as is necessary to ensure the plan's efficient
23 operation, including, but not limited to, the authority to investigate
24 complaints and hear appeals from applicants, insureds, producers,
25 servicing carriers or participants about any matter pertaining to the
26 plan's proper administration, as well as the authority to appoint
27 subcommittees to hear such appeals. Any determination of an
28 appeal by a plan's governing board shall be subject to review by the
29 commissioner on the record below, and shall not be considered a
30 contested case under the "Administrative Procedure Act," P.L.1968,
31 c.410 (C.52:14B-1 et seq.). The commissioner's determination shall
32 be a final order and shall be subject to review by the Superior
33 Court.

34 Any plan established pursuant to this section to provide
35 insurance for automobiles, as defined in section 2 of P.L.1972, c.70
36 (C.39:6A-2), shall provide:

37 a. For a rating system which shall produce rates for each
38 coverage which are adequate for the safeness and soundness of the
39 plan, and are not excessive nor unfairly discriminatory with regard
40 to risks in the plan involving essentially the same hazards and
41 expense elements, which rates may be changed from time to time by
42 a filing with the commissioner in a manner and form approved by
43 the commissioner;

44 b. For rates charged to plan insureds which shall be sufficient
45 to meet the plan's expenses and the plan's losses on an incurred
46 basis, including the establishment and maintenance of actuarially

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.

- 1 sound loss reserves to cover all future costs associated with the
2 exposure;
- 3 c. For a limited assignment distribution system permitting
4 insurers to enter into agreements with other mutually agreeable
5 insurers or other qualified entities to transfer their applicants and
6 insureds under such plan to such insurers or other entities, including
7 applicants and insureds who may be covered by special automobile
8 insurance policies issued pursuant to section 45 of P.L.2003, c.89
9 (C.39:6A-3.3);
- 10 d. That it shall not provide insurance coverage for more than
11 10 percent of the aggregate number of private passenger automobile
12 non-fleet exposures being written in the total private passenger
13 automobile insurance market in this State. The plan shall provide
14 for the cessation of the acceptance of applications or the issuance of
15 new policies to eligible persons at any time it reaches 10 percent of
16 marketshare, as certified by the commissioner, until such time that
17 the commissioner certifies that the plan is insuring less than 10
18 percent of the aggregate number of private passenger automobile
19 non-fleet exposures being written in the total private passenger
20 automobile insurance market in this State;
- 21 e. Except for risks written in automobile insurance urban
22 enterprise zones pursuant to subsection i., or risks written pursuant
23 to subsection j. of this section, that it shall not provide coverage to
24 an eligible person as defined pursuant to section 25 of P.L.1990, c.8
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- 26 f. (Deleted by amendment, P.L.1997, c.151.)
- 27 g. That the plan shall not be subsidized by any source external
28 to the plan;
- 29 h. That a qualified insurer who writes automobile insurance
30 risks in those automobile insurance urban enterprise zones
31 designated by the commissioner pursuant to section 20 of P.L.1997,
32 c.151 (C.17:33C-2) shall receive assigned risk credits for voluntary
33 risks written in those designated automobile insurance urban
34 enterprise zones as a direct writer or through a UEZ agent or agents
35 or through any agent with whom the insurer has an in-force contract
36 as of the effective date of P.L.1997, c.151 (C.17:33B-64 et al.).
37 The commissioner shall establish by regulation the manner in which
38 any qualified automobile insurer may utilize the provisions of this
39 subsection. In no event shall that credit apply to reduce an insurer's
40 obligations under subsection i. of this section;
- 41 i. (1) For a voluntary rating tier to accommodate eligible
42 persons, as defined in section 25 of P.L.1990, c.8 (C.17:33B-13),
43 residing in automobile insurance urban enterprise zones, designated
44 by the commissioner pursuant to section 20 of P.L.1997, c.151
45 (C.17:33C-2), to provide increased availability and encourage the
46 voluntary writing of eligible persons residing in those zones;

1 (2) The rates utilized in this voluntary rating tier shall be the
2 voluntary market rates in use by the insurer to whom the risk is
3 assigned in that territory;

4 (3) The voluntary rating tier shall not provide insurance
5 coverage for more than five percent of the aggregate number of
6 private passenger automobile non-fleet exposures being written in
7 the total private passenger automobile insurance market in this
8 State, and the number of exposures written in the voluntary rating
9 tier shall be included for computing the maximum number of
10 exposures permitted to be written in the plan;

11 (4) The plan shall distribute risks submitted by qualified
12 producers to insurers authorized to write automobile insurance in
13 this State pursuant to a fair and nondiscriminatory formula
14 established by the commissioner. The formula shall provide that
15 insurers which have, and maintain, an aggregate voluntary
16 automobile insurance marketshare in automobile insurance urban
17 enterprise zones, which is reasonably equal to the insurer's
18 voluntary Statewide marketshare excluding risks written in
19 automobile insurance urban enterprise zones, shall be exempt from
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24 "qualified producer" means a UEZ agent, as defined in section 19 of
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26 that may be written in accordance with the UEZ agent's agreement
27 with the appointing insurer pursuant to section 22 of P.L.1997,
28 c.151 (C.17:33C-4); and a producer who: is duly licensed with
29 property/casualty authority for the three years immediately
30 preceding the effective date of P.L.1997, c.151 (C.17:33B-64 et
31 al.); has no affiliation with a voluntary market insurer for the
32 placement of automobile insurance; had an affiliation with a
33 voluntary market insurer for the placement of automobile insurance
34 that was terminated by the insurer in the last three years;
35 demonstrates to the plan his competency, efficiency and
36 effectiveness in the solicitation, negotiation and effectuation of
37 automobile insurance as evidenced by any history of disciplinary
38 actions or complaints against the producer, and other relevant
39 factors; conducts his business in an office in an automobile
40 insurance urban enterprise zone; and meets such other requirements
41 as may be established by the commissioner by regulation. For
42 purposes of this subsection i., **["insurer"]** "insurer" means an
43 insurer or group of affiliated insurers admitted or authorized to
44 transact the business of automobile insurance in this State;

45 (6) This subsection shall expire on **[the first day of the 97th**
46 **month after the first policy using the voluntary rating tier required**
47 **by this subsection was issued to a risk, as certified by the**
48 **commissioner]** April 1, 2009;

1 j. For a voluntary rating tier to accommodate eligible persons,
2 as defined in section 25 of P.L.1990, c.8 (C.17:33B-13), denied or
3 refused renewal of automobile insurance in a rating territory by an
4 insurer granted relief pursuant to subsection d. of section 27 of
5 P.L.1990, c.8 (C.17:33B-15);

6 k. That an insurer granted relief pursuant to subsection d. of
7 section 27 of P.L.1990, c.8 (C.17:33B-15) shall receive assigned
8 risk credits for voluntary risks written in excess of the percentage
9 growth standard established by that subsection d. The commissioner
10 shall establish by regulation the manner in which such an insurer
11 may utilize the provisions of this subsection. In no event shall that
12 credit apply to reduce an insurer's obligations under subsection i. of
13 this section; and

14 l. That an insurer granted relief pursuant to subsection d. of
15 section 27 of P.L.1990, c.8 (C.17:33B-15) shall also receive
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21 shall be in addition to any otherwise required public hearing or
22 notice with regard to the adoption or amendment of rules and
23 regulations.

24 The governing body administering the plan shall report annually
25 to the Legislature and the Governor on the activities of the plan.
26 The report shall contain an actuarial analysis regarding the
27 adequacy of the rates for each coverage for the safeness and
28 soundness of the plan.

29 (cf: P.L.2003, c.89, s.39)

30

31 2. This act shall take effect immediately.

32

33

34

STATEMENT

35

36 This bill extends the expiration date of the State's automobile
37 insurance urban enterprise zone program until April 1, 2009. The
38 program is set to expire in November, 2006.

39 The program, established pursuant to sections 19 through 23 of
40 P.L.1997, c.151 (C.17:33C-1 et seq.), is designed to make private
41 passenger automobile insurance more available in urban areas
42 where the Commissioner of Banking and Insurance has found that
43 consumers would benefit from increased access to automobile
44 insurance. In these designated automobile insurance urban
45 enterprise zones, private passenger automobile insurers must insure
46 risks in proportion to their Statewide marketshare in the voluntary
47 market.

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 2268

STATE OF NEW JERSEY

DATED: OCTOBER 23, 2006

The Senate Commerce Committee reports favorably Senate Bill No. 2268.

This bill extends the expiration date of the State's automobile insurance urban enterprise zone program until April 1, 2009. The program is set to expire in November, 2006.

The program, established pursuant to sections 19 through 23 of P.L.1997, c.151 (C.17:33C-1 et seq.), is designed to make private passenger automobile insurance more available in urban areas where the Commissioner of Banking and Insurance has found that consumers would benefit from increased access to automobile insurance. In these designated automobile insurance urban enterprise zones, private passenger automobile insurers must insure risks in proportion to their Statewide marketshare in the voluntary market.

ASSEMBLY, No. 3519

STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED OCTOBER 19, 2006

Sponsored by:

Assemblyman NEIL M. COHEN

District 20 (Union)

Assemblyman LOUIS M. MANZO

District 31 (Hudson)

Assemblyman DOUGLAS H. FISHER

District 3 (Salem, Cumberland and Gloucester)

Co-Sponsored by:

Assemblywoman Cruz-Perez

SYNOPSIS

Extends expiration date of automobile insurance urban enterprise zone program to April 1, 2009.

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As introduced.



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- 41 i. (1) For a voluntary rating tier to accommodate eligible persons,
42 as defined in section 25 of P.L.1990, c.8 (C.17:33B-13), residing in
43 automobile insurance urban enterprise zones, designated by the
44 commissioner pursuant to section 20 of P.L.1997, c.151 (C.17:33C-
45 2), to provide increased availability and encourage the voluntary
46 writing of eligible persons residing in those zones;

1 (2) The rates utilized in this voluntary rating tier shall be the
2 voluntary market rates in use by the insurer to whom the risk is
3 assigned in that territory;

4 (3) The voluntary rating tier shall not provide insurance
5 coverage for more than five percent of the aggregate number of
6 private passenger automobile non-fleet exposures being written in
7 the total private passenger automobile insurance market in this
8 State, and the number of exposures written in the voluntary rating
9 tier shall be included for computing the maximum number of
10 exposures permitted to be written in the plan;

11 (4) The plan shall distribute risks submitted by qualified
12 producers to insurers authorized to write automobile insurance in
13 this State pursuant to a fair and nondiscriminatory formula
14 established by the commissioner. The formula shall provide that
15 insurers which have, and maintain, an aggregate voluntary
16 automobile insurance marketshare in automobile insurance urban
17 enterprise zones, which is reasonably equal to the insurer's
18 voluntary Statewide marketshare excluding risks written in
19 automobile insurance urban enterprise zones, shall be exempt from
20 these distributions;

21 (5) Qualified producers may submit eligible person risks from
22 automobile insurance urban enterprise zones to the plan for
23 coverage in the voluntary rating tier. As used in this subsection i.: a
24 "qualified producer" means a UEZ agent, as defined in section 19 of
25 P.L.1997, c.151 (C.17:33C-1), who has met any limit on exposures
26 that may be written in accordance with the UEZ agent's agreement
27 with the appointing insurer pursuant to section 22 of P.L.1997,
28 c.151 (C.17:33C-4); and a producer who: is duly licensed with
29 property/casualty authority for the three years immediately
30 preceding the effective date of P.L.1997, c.151 (C.17:33B-64 et
31 al.); has no affiliation with a voluntary market insurer for the
32 placement of automobile insurance; had an affiliation with a
33 voluntary market insurer for the placement of automobile insurance
34 that was terminated by the insurer in the last three years;
35 demonstrates to the plan his competency, efficiency and
36 effectiveness in the solicitation, negotiation and effectuation of
37 automobile insurance as evidenced by any history of disciplinary
38 actions or complaints against the producer, and other relevant
39 factors; conducts his business in an office in an automobile
40 insurance urban enterprise zone; and meets such other requirements
41 as may be established by the commissioner by regulation. For
42 purposes of this subsection i., **["insurer"]** "insurer" means an
43 insurer or group of affiliated insurers admitted or authorized to
44 transact the business of automobile insurance in this State;

45 (6) This subsection shall expire on **[the first day of the 97th**
46 **month after the first policy using the voluntary rating tier required**
47 **by this subsection was issued to a risk, as certified by the**
48 **commissioner]** April 1, 2009;

1 j. For a voluntary rating tier to accommodate eligible persons,
2 as defined in section 25 of P.L.1990, c.8 (C.17:33B-13), denied or
3 refused renewal of automobile insurance in a rating territory by an
4 insurer granted relief pursuant to subsection d. of section 27 of
5 P.L.1990, c.8 (C.17:33B-15);

6 k. That an insurer granted relief pursuant to subsection d. of
7 section 27 of P.L.1990, c.8 (C.17:33B-15) shall receive assigned
8 risk credits for voluntary risks written in excess of the percentage
9 growth standard established by that subsection d. The commissioner
10 shall establish by regulation the manner in which such an insurer
11 may utilize the provisions of this subsection. In no event shall that
12 credit apply to reduce an insurer's obligations under subsection i. of
13 this section; and

14 l. That an insurer granted relief pursuant to subsection d. of
15 section 27 of P.L.1990, c.8 (C.17:33B-15) shall also receive
16 assigned risk credits for the voluntary first renewal of an eligible
17 person written pursuant to subsection j. of this section.

18 Prior to the adoption or amendment of such rules and
19 regulations, the commissioner shall consult with such members of
20 the insurance industry as he deems appropriate. Such consultation
21 shall be in addition to any otherwise required public hearing or
22 notice with regard to the adoption or amendment of rules and
23 regulations.

24 The governing body administering the plan shall report annually
25 to the Legislature and the Governor on the activities of the plan.
26 The report shall contain an actuarial analysis regarding the
27 adequacy of the rates for each coverage for the safeness and
28 soundness of the plan.

29 (cf: P.L.2003, c.89, s.39)

30

31 2. This act shall take effect immediately.

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STATEMENT

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36 This bill extends the expiration date of the State's automobile
37 insurance urban enterprise zone program until April 1, 2009. The
38 program is set to expire in November, 2006.

39 The program, established pursuant to sections 19 through 23 of
40 P.L.1997, c.151 (C.17:33C-1 et seq.), is designed to make private
41 passenger automobile insurance more available in urban areas
42 where the Commissioner of Banking and Insurance has found that
43 consumers would benefit from increased access to automobile
44 insurance. In these designated automobile insurance urban
45 enterprise zones, private passenger automobile insurers must insure
46 risks in proportion to their Statewide marketshare in the voluntary
47 market.

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3519

STATE OF NEW JERSEY

DATED: OCTOBER 19, 2006

The Assembly Financial Institutions and Insurance Committee reports favorably Assembly Bill No. 3519.

This bill extends the expiration date of the State's automobile insurance urban enterprise zone program until April 1, 2009. The program is set to expire in November, 2006.

The program, established pursuant to sections 19 through 23 of P.L.1997, c.151 (C.17:33C-1 et seq.), is designed to make private passenger automobile insurance more available in urban areas where the Commissioner of Banking and Insurance has found that consumers would benefit from increased access to automobile insurance. In these designated automobile insurance urban enterprise zones, private passenger automobile insurers must insure risks in proportion to their Statewide marketshare in the voluntary market.