

P.L. 2007, CHAPTER 72, *approved April 30, 2007*
Assembly, No. 2013 (*First Reprint*)

1 AN ACT concerning the membership of the New Jersey Automobile
2 Insurance Risk Exchange board and amending P.L.1983, c.362.

3

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

6

7 1. Section 15 of P.L.1983, c.362 (C.39:6A-21) is amended to
8 read as follows:

9 15. The New Jersey Automobile Insurance Risk Exchange:
10 membership, board of directors.

11 There shall be created, within 45 days of the operative date of
12 this act, an unincorporated association, to operate on a
13 nonprofit-nonloss basis, to be known as the New Jersey Automobile
14 Insurance Risk Exchange, with its headquarters to be located within
15 the State of New Jersey. Every insurer licensed to transact
16 private-passenger automobile insurance in this State shall be a
17 member of the exchange and shall be bound by the rules of the
18 exchange as a condition of the authority to transact insurance
19 business in this State. Any insurer which ceases to transact
20 automobile insurance business in this State shall remain liable for
21 any amounts due to the exchange for business transacted prior to the
22 effective date of its cessation of business in the State.

23 The exchange shall adopt a plan of operation which shall become
24 effective upon approval by the Commissioner of Banking and
25 Insurance. The business affairs of the exchange shall be governed
26 by a board of directors to be comprised of 12 members. Nine
27 members shall be appointed, from a list of names submitted by the
28 Commissioner of Banking and Insurance, by the Governor, with the
29 advice and consent of the Senate, of whom two shall represent the
30 **[Alliance of American Insurers]** Property Casualty Insurers
31 Association of America, or its successor organization; **[two shall**
32 **represent the National Association of Independent Insurers, or its**
33 **successor organization;]** two shall represent the American
34 Insurance Association, or its successor organization; two shall
35 represent the independent companies; two shall represent New
36 Jersey domiciled insurance companies ¹as nominated to the
37 commissioner by the exchange¹; and one shall be a public member.
38 ¹If no name is submitted by an aforementioned association or
39 company to serve as its representative on the board of the exchange,
40 the exchange shall submit to the commissioner the name of an
41 individual employed by an insurer transacting automobile insurance
42 in this State.¹ Additionally, the Governor, the Speaker of the
43 General Assembly and the President of the Senate shall each
44 appoint one public member. The board shall elect a chairman who

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AFI committee amendments adopted March 6, 2006.

1 shall be a representative of an insurer domiciled in New Jersey. No
2 insurer shall represent more than one organization on the board of
3 directors of the exchange.

4 All appointments made on or after the effective date of this
5 amendatory act shall be for five-year terms. A director shall serve
6 until his successor is appointed. Vacancies on the board of
7 directors of the exchange shall be filled for the remainders of the
8 terms in the same manner as the original appointments. Public
9 members shall be compensated in an amount to be determined by
10 the commissioner, and shall be reimbursed for necessary expenses
11 actually incurred in the performance of their duties. All expenses
12 incurred by the board shall be payable from moneys collected by
13 the exchange.

14 (cf: P.L.2000, c.66, s.1)

15

16 2. This act shall take effect immediately.

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21 _____
22 Revises membership of the New Jersey Automobile Insurance
Risk Exchange board.

ASSEMBLY, No. 2013

STATE OF NEW JERSEY
212th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2006 SESSION

Sponsored by:

Assemblyman CHRISTOPHER "KIP" BATEMAN

District 16 (Morris and Somerset)

SYNOPSIS

Revises membership of the New Jersey Automobile Insurance Risk Exchange board.

CURRENT VERSION OF TEXT

As introduced.



A2013 BATEMAN

2

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14 Insurance Risk Exchange, with its headquarters to be located within
15 the State of New Jersey. Every insurer licensed to transact
16 private-passenger automobile insurance in this State shall be a
17 member of the exchange and shall be bound by the rules of the
18 exchange as a condition of the authority to transact insurance
19 business in this State. Any insurer which ceases to transact
20 automobile insurance business in this State shall remain liable for
21 any amounts due to the exchange for business transacted prior to the
22 effective date of its cessation of business in the State.

23 The exchange shall adopt a plan of operation which shall become
24 effective upon approval by the Commissioner of Banking and
25 Insurance. The business affairs of the exchange shall be governed
26 by a board of directors to be comprised of 12 members. Nine
27 members shall be appointed, from a list of names submitted by the
28 Commissioner of Banking and Insurance, by the Governor, with the
29 advice and consent of the Senate, of whom two shall represent the
30 [Alliance of American Insurers] Property Casualty Insurers
31 Association of America, or its successor organization; [two shall
32 represent the National Association of Independent Insurers, or its
33 successor organization;] two shall represent the American Insurance
34 Association, or its successor organization; two shall represent the
35 independent companies; two shall represent New Jersey domiciled
36 insurance companies; and one shall be a public member.
37 Additionally, the Governor, the Speaker of the General Assembly
38 and the President of the Senate shall each appoint one public
39 member. The board shall elect a chairman who shall be a
40 representative of an insurer domiciled in New Jersey. No insurer
41 shall represent more than one organization on the board of directors
42 of the exchange.

43 All appointments made on or after the effective date of this
44 amendatory act shall be for five-year terms. A director shall serve

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Matter underlined thus is new matter.

1 until his successor is appointed. Vacancies on the board of
2 directors of the exchange shall be filled for the remainders of the
3 terms in the same manner as the original appointments. Public
4 members shall be compensated in an amount to be determined by
5 the commissioner, and shall be reimbursed for necessary expenses
6 actually incurred in the performance of their duties. All expenses
7 incurred by the board shall be payable from moneys collected by
8 the exchange.
9 (cf: P.L.2000, c.66, s.1)

10

11 2. This act shall take effect immediately.

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STATEMENT

15

16 This bill revises the membership of the board of directors of the
17 New Jersey Automobile Insurance Risk Exchange to reflect the
18 January 2004 merger of the Alliance of American Insurers and the
19 National Association of Independent Insurers, forming the Property
20 Casualty Insurers Association of America. The bill eliminates
21 reference to those industry trade organizations and provides that
22 two representatives shall be appointed from the newly formed
23 Property Casualty Insurers Association of America. In addition, the
24 bill provides that two board representatives shall be from insurance
25 companies domiciled in the State of New Jersey thereby supporting
26 the long-standing requirement that the Chairman of the Board be a
27 representative of an insurer domiciled in New Jersey.

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2013

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 6, 2006

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments Assembly Bill No. 2013.

This bill revises the membership of the board of directors of the New Jersey Automobile Insurance Risk Exchange to reflect the January 2004 merger of the Alliance of American Insurers and the National Association of Independent Insurers, forming the Property Casualty Insurers Association of America. The bill eliminates reference to those industry trade organizations and provides that two representatives shall be appointed from the newly formed Property Casualty Insurers Association of America.

As amended, the bill provides that two board members shall represent insurance companies domiciled in the State of New Jersey, as nominated to the commissioner by the exchange. The bill also provides that if no name is submitted by an aforementioned association or company to serve as its representative on the board of the exchange, the exchange shall submit to the commissioner the name of an individual employed by an insurer transacting automobile insurance in the State.

COMMITTEE AMENDMENTS:

The committee amended the bill to provide that: (1) two board representatives from insurance companies domiciled in the State are to be nominated to the commissioner by the exchange; and (2) the exchange shall submit to the commissioner the name of an individual employed by an insurer transacting automobile insurance in the State, if no name is submitted by an association or company to serve as its representative on the board of exchange.

SENATE COMMERCE COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 2013

STATE OF NEW JERSEY

DATED: FEBRUARY 8, 2007

The Senate Commerce Committee reports favorably Assembly Bill No. 2013 (1R).

This bill revises the membership of the board of directors of the New Jersey Automobile Insurance Risk Exchange (NJAIRE) to reflect the January 2004 merger of the Alliance of American Insurers and the National Association of Independent Insurers, forming the Property Casualty Insurers Association of America. The bill, in addition to eliminating the references to the two merged industry trade organizations, also replaces the four NJAIRE board members which represented these merged organizations with:

-two members representing the newly formed Property Casualty Insurers Association of America; and

-two members representing New Jersey domiciled insurance companies, as nominated to the Commissioner of Banking and Insurance by the exchange.

The bill further provides, regarding any of NJAIRE's 12 board of director positions, that if any association or company required by law to be represented on the board fails to submit a name to the commissioner for consideration as its representative, the exchange shall submit to the commissioner the name of an individual employed by an insurer transacting automobile insurance in the State for consideration instead.