



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 <sup>1</sup>as nominated to the  
37 commissioner by the exchange<sup>1</sup>; and one shall be a public member.  
38 <sup>1</sup>If 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.<sup>1</sup> 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:

<sup>1</sup>Assembly 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)

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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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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

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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.