

LEGISLATIVE HISTORY CHECKLIST
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(Insurance cancellation)

NJSA: 17:29C-4.1

LAWS OF: 1973 **CHAPTER:** 252

BILL NO: S964

SPONSOR(S) Lazzara and others

DATE INTRODUCED:

COMMITTEE: **ASSEMBLY:** Insurance
SENATE: Labor, Industry

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** April 9, 1973
SENATE: November 20, 1972

DATE OF APPROVAL: November 26, 1973

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: No

COMMITTEE STATEMENT: **ASSEMBLY:** No
SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBG:pp

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[OFFICIAL COPY REPRINT]

SENATE, No. 964

STATE OF NEW JERSEY

INTRODUCED MAY 1, 1972

By Senators LAZZARA, SCHIAFFO, GIULIANO, HAGEDORN and TANZMAN

Referred to Committee on Labor, Industry and Professions

AN ACT concerning the return of unearned premiums upon cancellation of insurance, amending the "Insurance Premium Finance Company Act," approved June 30, 1968 (P. L. 1968, c. 221) and supplementing subtitle 3 of 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. Whenever an insurance policy or contract is canceled, the
2 insurer on notice thereof shall return to the insured, within a
3 reasonable time not to exceed 60 days of cancellation or notice
4 whichever occurs last, on a short rate basis the amount of gross
5 unearned premiums paid.

1 2. Section 14 of P. L. 1968, c. 221 (C. 17:16D-14) is amended to
2 read as follows:

3 14. Application of unearned premiums. (a) Whenever a financed
4 insurance contract is canceled, the insurer on notice of such financ-
5 ing shall return whatever gross unearned premiums are due under
6 the insurance contract to the premium finance company for the
7 account of the insured or insureds *within a reasonable time, not to*
8 *exceed 60 days after the effective date of cancellation * [or notice*
9 *whichever occurs last] * *, or 60 days after the completion of any*
9A *payroll audit necessary to determine the amount of premium earned*
9B *while the policy was in force. Such audit shall be performed within*
9C *30 days after the effective date of cancellation*.*

10 (b) In the event that the crediting of return premiums to the
11 account of the insured results in a surplus over the amount due
12 from the insured, the premium finance company shall refund such
13 excess to the insured provided that no such refund shall be required
14 if it amounts to less than \$1.00.

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.

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SENATE LABOR, INDUSTRY AND PROFESSIONS
COMMITTEE

STATEMENT TO
SENATE, No. 964

—♦—
STATE OF NEW JERSEY
—♦—

DATED: NOVEMBER 13, 1972

This bill would supplement the State insurance law and amend the Insurance Premium Finance Company Act to provide that when an insurance policy is canceled, the amount of gross unearned premiums shall be returned to the insured within a reasonable time not to exceed 60 days. In the case of insurance premium finance companies, the unearned premiums would be required to be returned to the finance company for the account of the insured within the same time limit.

ASSEMBLY COMMITTEE AMENDMENTS TO

SENATE, No. 964

STATE OF NEW JERSEY

ADOPTED MARCH 26, 1973

Amend page 1, section 2, line 8, omit "or notice".

Amend page 1, section 2, line 9, omit "whichever occurs last", insert
", or 60 days after the completion of any payroll audit necessary to
determine the amount of premium earned while the policy was in force.
Such audit shall be performed within 30 days after the effective date
of cancellation".

ASSEMBLY REPRINT
SENATE, No. 964

With Assembly committee amendments adopted March 26, 1973

STATE OF NEW JERSEY

INTRODUCED MAY 1, 1972

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