	17:3	3 <i>B- 3/</i>		
		VE HISTORY CHECK The NJ State Law		
NJSA:	17:33B-31	(Rating organizations) :33B-31		
LAWS OF:	1995	CHAPTER:	261	
BILL NO:	A2668			
SPONSOR (S) :	Charles & Kramer	Charles & Kramer		
DATE INTRODUCED: March 23, 1995				
COMMITTEE:	ASSEMBLY	Insurance		
	SENATE:	Commerce		
AMENDED DURING PASSAGE:		No	No	
DATE OF PASSAGE: ASSEMBLY:		June 26, 1995	June 26, 1995	
	SENATE:	October 19, 1		
DATE OF APPROVAL: November 13, 1995				
FOLLOWING STATEMENTS ARE ATTACHED SPONSOR STATEMENT:		D IF AVAILABLE: Yes		
COMMITTEE STAT	TEMENT: ASSEMBLY	Y: Yes	Remove	
	SENATE:	Yes		
FISCAL NOTE:		No		
VETO MESSAGE:		No	5	
MESSAGE ON SIGNING:		Yes	O II L	
FOLLOWING WERE PRINTED:				
REPORTS:		No		
HEARINGS:		No	an a	
WD G				

e be

KBG:pp

P.L.1995, CHAPTER 261, approved November 13, 1995 1995 Assembly No. 2668

AN ACT concerning certain rating organizations and advisory 1 organizations and amending P.L.1990, c.8. 2 3 BE IT ENACTED by the Senate and General Assembly of the 4 5 State of New Jersey: 1. Section 69 of P.L.1990, c.8 (C.17:33B-31) is amended to 6 7 read as follows: 69. Notwithstanding the provisions of Subtitle 3 of Title 17 of 8 the Revised Statutes or any other provision of law to the 9 contrary, no [rating organization or advisory organization may be 10 used by an insurer in rate-making for private passenger 11 automobile insurance except as follows] insurer shall use 12 recommendations relating to private passenger automobile 13 insurance rates made by a rating organization or advisory 14 15 organization that include expenses, other than loss adjustment expenses, or profit. A rating organization or advisory 16 17 organization may: a. [for the purposes of the collection, compilation and 18 dissemination of] collect, compile and disseminate historical data 19 for two or more insurers[. As used in this subsection, the 20 "collection, compilation and dissemination of historical data" 21 shall not be deemed to include the trending of loss data for 22 23 claims]; 24 b. [to] develop [and], revise, disseminate and file: (1) model year, vehicle series[,] and symbol programs and 25 factors for comprehensive and collision coverages; 26 27 (2) policy forms and endorsements; (3) classifications, including, but not limited to, territorial 28 29 definitions; (4) policy writing rules and rating rules that include factors 30 31 and relativities, such as increased limits factors, classification and territorial relativities, deductible discounts and relativities 32 33 or similar factors; 34 (5) manuals; and (6) prospective loss costs, including trend, loss development 35 36 and all loss adjustment expenses; c. [to] participate in any study of the auto insurance system in 37 38 New Jersey; and d. [to develop and amend policy forms and endorsements and 39 necessary related rules as determined furnish any other services 40 41 approved or authorized ... the commissions 42 An insurer may use information provided by a rating organization or advisory organization pursuant to subsections a. 43 44 through d. of this section. If an insurer files to alter, supplement EXPLANATION--Matter enclosed in bold-faced brackets (thus) in the above bill is not enacted and is intended to be emitted in the law Matter underlined thus is new matter.

Ó

A STRANG A

or amend its rates or rating systems by incorporating, reference, prospective loss costs filed by a rating organization or advisory organization, the commissioner may require the insurer to furnish its loss experience. No rating organization[.] or 4 5 advisory organization shall require or make an agreement to require the use of any data, policy forms, rule, prospective loss 6 cost, manual, symbol or endorsement by any insurer. [The provisions of this section shall not apply to the plan

promulgated under subsection a. of section 1 of P.L.1970, c.215 (C.17:29D-1).]

(cf: P.L.1994, c.188, s.1) 11

1

2 3

7

8

9

10

12 13 14

15 16

2. This act shall take effect immediately.

STATEMENT

17 This bill permits rating organizations and advisory organizations to collect and develop for insurer use certain 18 19 information.

With respect to private passenger automobile insurance, under 20 current law, rating organizations and advisory organizations are 21 permitted to: collect, compile and disseminate historical data; 22 23 develop and disseminate model year, vehicle series and symbol 24 programs and factors; and develop and amend policy forms and necessary related rules as determined by the commissioner. 25

26 This bill provides that those organizations could provide 27 additional information, including prospective loss costs, manuals 28 and other supplementary information, such as classifications, policy writing rules and rating rules that include factors and 29 relativities (including territorial and classification relativities, 30 deductible discounts and relativities, increased limits factors or 31 32 similar factors).

Insurers would continue to be required to independently 33 determine their own private passenger automobile insurance rates 34 35 and file them for approval with the Commissioner of Insurance. 36 If an insurer files to alter or supplement its rates or rating systems by incorporating a rating or advisory organization's 37 38 prospective loss costs by reference, the bill provides that the 39 commissioner may require the insurer to furnish its loss 40 experience.

41 The bill would also permit rating organizations or advisory organizations to furnish other services that are approved or 42 43 authorized by the commissioner.

Permits rating organizations and advisory organizations to 48 49 perform certain functions.

A2668 2

or amend its rates or rating systems by incorporating, by

reference, prospective loss costs filed by a rating organization or

advisory organization. the commissioner may require the insurer

to furnish its loss experience. No rating organization[,] or

advisory organization shall require or make an agreement to

1 2

3

4

5

6 require the use of any data, policy forms, rule, prospective loss cost, manual, symbol or endorsement by any insurer. 7 [The provisions of this section shall not apply to the plan 8 promulgated under subsection a. of section 1 of P.L.1970, c.215 9 10 (C.17:29D-1).] (cf: P.L.1994, c.188, s.1) 11 12 2. This act shall take effect immediately. 13 14 STATEMENT 15 16 bill 17 This perinits rating organizations and advisory organizations to collect and develop for insurer use certain 18 19 information. 20 With respect to private passenger automobile insurance, under current law, rating organizations and advisory organizations are 21 22 permitted to: collect, compile and disseminate historical data; 23 develop and disseminate model year, vehicle series and symbol 24 programs and factors; and develop and amend policy forms and 25 necessary related rules as determined by the commissioner. 26 This bill provides that those organizations could provide 27 additional information, including prospective loss costs, manuals 28 and other supplementary information, such as classifications, 29 policy writing rules and rating rules that include factors and 30 relativities (including territorial and classification relativities, deductible discounts and relativities, increased limits factors or 31 32 similar factors). 33 Insurers would continue to be required to independently determine their own private passenger automobile insurance rates 34 35 and file them for approval with the Commissioner of Insurance. 36 If an insurer files to alter or supplement its rates or rating systems by incorporating a rating or advisory organization's 37 38 prospective loss costs by reference, the bill provides that the commissioner may require the insurer to furnish its loss 39 40 experience. 41 The bill would also permit rating organizations or advisory organizations to furnish other services that are approved or 42 43 authorized by the commissioner. 44 45 46 47 Permits rating organizations and advisory organizations to 48 49 perform certain functions.

STATEMENT TO

ASSEMBLY, No. 2668

STATE OF NEW JERSEY

DATED: MARCH 23, 1995

The Assembly Insurance Committee reports favorably Assembly, No. 2668.

This bill permits rating organizations and advisory organizations to collect and develop for insurer use, certain information.

With respect to private passenger automobile insurance, under current law, rating organizations and advisory organizations are permitted to: collect, compile and disseminate historical data; develop and disseminate model year, vehicle series and symbol programs and factors; and develop and amend policy forms and necessary related rules as determined by the commissioner.

This bill provides that those organizations could provide additional information, including prospective loss costs, manuals and other supplementary information, such as classifications. policy writing rules and rating rules that include factors and relativities (including territorial and classification relativities, deductible discounts and relativities, increased limits factors or similar factors).

Insurers would continue to be required to independently determine their own private passenger automobile insurance rates and file them for approval with the Commissioner of Insurance. If an insurer files to alter or supplement its rates or rating systems by incorporating a rating or advisory organization's prospective loss costs by reference, the bill provides that the commissioner may require the insurer to furnish its loss experience.

The bill would also permit rating organizations or advisory organizations to furnish other services that are approved or authorized by the commissioner.

STATEMENT TO

ASSEMBLY, No. 2668

STATE OF NEW JERSEY

DATED: SEPTEMBER 28, 1995

The Senate Commerce Committee reports favorably Assembly Bill No. 2668.

This bill permits rating organizations and advisory organizations to collect and develop certain information for use by insurers.

With respect to private passenger automobile insurance, under current law, rating organizations and advisory organizations are permitted to: collect, compile and disseminate historical data; develop and disseminate model year, vehicle series and symbol programs and factors; and develop and amend policy forms and necessary related rules as determined by the Commissioner of Insurance.

This bill permits these organizations to provide additional information, including prospective loss costs (including trend, loss development and all loss adjustment expenses), manuals and other supplementary information, such as classifications, policy writing rules and rating rules that include factors and relativities (including increased limits factors, territorial and classification relativities, and deductible discounts and relativities). The bill also allows these organizations to furnish any other services approved or authorized by the commissioner.

Insurers would continue to be required to independently determine their own private passenger automobile insurance rates and file them for approval with the commissioner. If an insurer files to alter or supplement its rates or rating systems by incorporating a rating or advisory organization's prospective loss costs by reference, the bill provides that the commissioner may require the insurer to furnish its loss experience. Gov. Whitman conditionally vetoed this legislation in September to address constitutional and public safety concerns.

Other legislation the Governor signed includes:

. . .

. `

A2668, sponsored by Assemblymen Joseph Charles Jr. (D-Hudson) and Paul Kramer (R-Mercer/Middlesex). This bill will promote efficiency in the insurance industry and will make small companies more competitive by permitting insurers to use information provided by insurance rating organizations for private passenger automobile insurance ratemaking.

The bill broadens the scope of information that rating organizations and advisory organizations may collect and develop for insurer use. In addition to the information currently collected and disseminated, the bill allows the rating organizations to provide prospective loss costs, manuals, and other supplementary information including classifications, policy writing rules and rating rules.

The bill is intended to benefit small and medium sized insurers by making participation in New Jersey's market easier. It will allow the companies to sell insurance without incurring the cost of developing certain ratemaking information on their own.

Car insurance companies which use the pooled information will still be required to determine their own final rates independently and to file them for approval with the Commissioner of Insurance.

A2440/S1848, sponsored by Assemblywoman Charlotte Vandervalk (R-Bergen) and Senators Gerald Cardinale (R-Bergen) and Henry P. McNamara (R-Bergen/Passaic). This legislation creates the nine-member Historic New Bridge Landing Park Commission within the Department of Environmental Protection. The commission will coordinate activities for various organizations that own and operate properties and structures in the historic community of New Bridge Landing in Bergen County for the purpose of creating an historic, cultural and educational park.