

17:33B-31

LEGISLATIVE HISTORY CHECKLIST
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(Rating organizations)

NJSA: 17:33B-31

LAWS OF: 1995 CHAPTER: 261

BILL NO: A2668

SPONSOR(S): Charles & Kramer

DATE INTRODUCED: March 23, 1995

COMMITTEE: ASSEMBLY Insurance

SENATE: Commerce

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: June 26, 1995

SENATE: October 19, 1995

DATE OF APPROVAL: November 13, 1995

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes

SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBG:pp

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LEGISLATIVE HISTORY

ASSEMBLY INSURANCE COMMITTEE

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.

SENATE COMMERCE COMMITTEE

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.
