

# 17:23B-1

## LEGISLATIVE HISTORY CHECKLIST Compiled by the NJ State Law Library

**LAWS OF:** 1993 **CHAPTER:** 238  
**NJSA:** 17:23B-1 (Insurance Regulatory Information System)  
**BILL NO:** A79  
**SPONSOR(S):** Wright and others  
**DATE INTRODUCED:** February 1, 1993  
**COMMITTEE:** **ASSEMBLY:** Insurance  
**SENATE:** Commerce  
**AMENDED DURING PASSAGE:** No  
**DATE OF PASSAGE:** **ASSEMBLY:** May 13, 1993  
**SENATE:** June 28, 1993  
**DATE OF APPROVAL:** August 9, 1993

### FOLLOWING ARE ATTACHED IF AVAILABLE:

<b>SPONSORS STATEMENT:</b>		Yes
<b>COMMITTEE STATEMENT:</b>	<b>ASSEMBLY:</b>	Yes
	<b>SENATE:</b>	Yes
<b>FISCAL NOTE:</b>		No
<b>VETO MESSAGE:</b>		No
<b>MESSAGE ON SIGNING:</b>		Yes

### FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 633-2111 or [speccoll@njstatelib.org](mailto:speccoll@njstatelib.org)

<b>REPORTS:</b>	No
<b>HEARINGS:</b>	No
<b>NEWSPAPER ARTICLES:</b>	No

KBP:pp

Do Not Remove From File  
**DEPOSITORY COPY**

P.L.1993, CHAPTER 238, approved August 9, 1993  
1993 Assembly No. 79

1 AN ACT concerning the Insurance Regulatory Information System.

2

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

5 1. For purposes of this act:

6 "Commissioner" means the Commissioner of Insurance.

7 "Department" means the Department of Insurance.

8 "Insurer" means:

9 a. A corporation, association, partnership, reciprocal  
10 exchange, interinsurer, Lloyd's insurer, fraternal benefit society  
11 or other person engaged in the business of insurance pursuant to  
12 Subtitle 3 of Title 17 of the Revised Statutes (R.S.17:17-1 et  
13 seq.), or Subtitle 3 of Title 17B of the New Jersey Statutes  
14 (N.J.S.17B:17-1 et seq.);

15 b. Any medical service corporation operating pursuant to  
16 P.L.1940, c.74 (C.17:48A-1 et seq.);

17 c. Any hospital service corporation operating pursuant to  
18 P.L.1938, c.366 (C.17:48-1 et seq.);

19 d. Any health service corporation operating pursuant to  
20 P.L.1985, c.236 (C.17:48E-1 et seq.); and

21 e. Any dental service corporation operating pursuant to  
22 P.L.1968, c.305 (C.17:48C-1 et seq).

23 "NAIC" means the National Association of Insurance  
24 Commissioners.

25 2. a. Every insurer authorized to do business in this State shall  
26 annually, on or before March 1 of each year, file with the NAIC a  
27 copy of its annual statement of financial condition, along with  
28 such additional filings, as prescribed by the commissioner  
29 pursuant to law for the preceding year. The information filed  
30 with the NAIC shall be in the same form and detail as that  
31 required by the commissioner and shall include the signed jurat  
32 page and the actuarial certification. Any amendments and  
33 addendums to the annual statement of financial condition and any  
34 other financial information subsequently filed with the  
35 commissioner, including, but not limited to, quarterly financial  
36 statements, shall also be filed with the NAIC at the time this  
37 information is filed with the commissioner.

38 b. Foreign insurers that are domiciled in a state which has a  
39 law substantially similar to subsection a. of this section shall be  
40 deemed in compliance with this section.

41 c. The commissioner may require other entities which are  
42 required to file financial information with the commissioner to  
43 file such information with the NAIC.

44 3. Members of the NAIC, their duly authorized committees,  
45 subcommittees, and task forces, their delegates, NAIC

1 employees, and all others charged with the responsibility of  
2 collecting, reviewing, analyzing and disseminating the  
3 information developed from the filing of the annual statement of  
4 financial condition shall be acting as agents of the commissioner  
5 under the authority of this act, and in the absence of actual  
6 malice, shall not be subject to civil liability for libel, slander or  
7 any other cause of action by virtue of their collection, review,  
8 and analysis or dissemination of the data and information  
9 collected from the filings required hereunder. Nothing herein  
10 shall abrogate or lessen the common and statutory law privileges  
11 and immunities of an authorized governmental agency or any of  
12 its respective employees.

13 4. All financial analysis ratios and examination synopses  
14 concerning insurers that are submitted to the department by the  
15 NAIC Insurance Regulatory Information System are confidential  
16 and may not be disclosed by the department.

17 5. a. The commissioner may suspend, revoke or refuse to  
18 renew the certificate of authority of any insurer or other entity  
19 that fails to file information with the NAIC as required by this  
20 act when due or within any extension of time which the  
21 commissioner, for good cause, may have granted.

22 b. In addition, or as an alternative to any other penalty, the  
23 commissioner may impose a fine of up to \$5,000 for the first  
24 violation of any provision of this act, and up to \$10,000 for each  
25 subsequent violation. Each day of delay in filing information as  
26 required by this act shall constitute a separate violation.

27 6. This act shall take effect immediately.

28

29

#### 30 STATEMENT

31

32 This bill would provide that insurers who are authorized to  
33 transact business in this State shall participate in the National  
34 Association of Insurance Commissioners (NAIC) Insurance  
35 Regulatory Information System (IRIS). Through the IRIS the  
36 NAIC conducts a review of the financial condition and methods of  
37 operation of insurers. The results of this review enables both the  
38 NAIC and state insurance departments to focus on potential  
39 problems with insurers.

40 In order to conduct its review, the NAIC must receive copies of  
41 an insurer's financial statement filed with the New Jersey  
42 Department of Insurance on an annual basis, and any other  
43 information required by the State. This bill would require all  
44 domestic, foreign and alien insurers authorized to transact  
45 business in this State to file with the NAIC a copy of its annual  
46 statement and such other information required to be filed with  
47 the commissioner. A foreign insurer that is domiciled in a state  
48 which imposes requirements substantially similar to those  
49 imposed by this bill, would be deemed to be in compliance with  
50 this bill. The bill further authorizes the commissioner to require  
51 other entities, which are required to file financial information  
52 with the department, to file this information with the NAIC.

53 The bill relieves the NAIC from civil liability for any cause of  
54 action by virtue of the collection, review, analysis or

1 dissemination of data required by this bill, except in cases of  
2 actual malice.

3 In addition, the bill provides that all financial analysis ratios  
4 and examination synopses concerning insurers subject to this bill  
5 are confidential. Finally, the bill provides that the commissioner  
6 may suspend, revoke or refuse to renew the certificate of  
7 authority of any insurer that fails to file required information  
8 with the NAIC and impose civil monetary penalties.

9

10

11

12

13 Provides for participation in Insurance Regulatory Information  
14 System.

(1993)

1 employees, and all others charged with the responsibility of  
2 collecting, reviewing, analyzing and disseminating the  
3 information developed from the filing of the annual statement of  
4 financial condition shall be acting as agents of the commissioner  
5 under the authority of this act, and in the absence of actual  
6 malice, shall not be subject to civil liability for libel, slander or  
7 any other cause of action by virtue of their collection, review,  
8 and analysis or dissemination of the data and information  
9 collected from the filings required hereunder. Nothing herein  
10 shall abrogate or lessen the common and statutory law privileges  
11 and immunities of an authorized governmental agency or any of  
12 its respective employees.

13 4. All financial analysis ratios and examination synopses  
14 concerning insurers that are submitted to the department by the  
15 NAIC Insurance Regulatory Information System are confidential  
16 and may not be disclosed by the department.

17 5. a. The commissioner may suspend, revoke or refuse to  
18 renew the certificate of authority of any insurer or other entity  
19 that fails to file information with the NAIC as required by this  
20 act when due or within any extension of time which the  
21 commissioner, for good cause, may have granted.

22 b. In addition, or as an alternative to any other penalty, the  
23 commissioner may impose a fine of up to \$5,000 for the first  
24 violation of any provision of this act, and up to \$10,000 for each  
25 subsequent violation. Each day of delay in filing information as  
26 required by this act shall constitute a separate violation.

27 6. This act shall take effect immediately.

28

29

30 *SPONSORS'* STATEMENT

31

32 This bill would provide that insurers who are authorized to  
33 transact business in this State shall participate in the National  
34 Association of Insurance Commissioners (NAIC) Insurance  
35 Regulatory Information System (IRIS). Through the IRIS the  
36 NAIC conducts a review of the financial condition and methods of  
37 operation of insurers. The results of this review enables both the  
38 NAIC and state insurance departments to focus on potential  
39 problems with insurers.

40 In order to conduct its review, the NAIC must receive copies of  
41 an insurer's financial statement filed with the New Jersey  
42 Department of Insurance on an annual basis, and any other  
43 information required by the State. This bill would require all  
44 domestic, foreign and alien insurers authorized to transact  
45 business in this State to file with the NAIC a copy of its annual  
46 statement and such other information required to be filed with  
47 the commissioner. A foreign insurer that is domiciled in a state  
48 which imposes requirements substantially similar to those  
49 imposed by this bill, would be deemed to be in compliance with  
50 this bill. The bill further authorizes the commissioner to require  
51 other entities, which are required to file financial information  
52 with the department, to file this information with the NAIC.

53 The bill relieves the NAIC from civil liability for any cause of  
54 action by virtue of the collection, review, analysis or

1 dissemination of data required by this bill, except in cases of  
2 actual malice.

3 In addition, the bill provides that all financial analysis ratios  
4 and examination synopses concerning insurers subject to this bill  
5 are confidential. Finally, the bill provides that the commissioner  
6 may suspend, revoke or refuse to renew the certificate of  
7 authority of any insurer that fails to file required information  
8 with the NAIC and impose civil monetary penalties.

9

10

11

12

13 Provides for participation in Insurance Regulatory Information  
14 System.

ASSEMBLY INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 79

STATE OF NEW JERSEY

DATED: MARCH 29, 1993

The Assembly Insurance Committee reports favorably Assembly Bill No. 79.

This bill would provide that insurers who are authorized to transact business in this State shall participate in the National Association of Insurance Commissioners (NAIC) Insurance Regulatory Information System (IRIS). Through the IRIS, the NAIC conducts a review of the financial condition and methods of operation of insurers. The results of this review enables both the NAIC and state insurance departments to focus on potential problems with insurers.

In order to conduct its review, the NAIC must receive copies of an insurer's financial statement filed with the New Jersey Department of Insurance on an annual basis, and any other information required by the State. This bill would require all domestic, foreign and alien insurers authorized to transact business in this State to file with the NAIC a copy of its annual statement and such other information required to be filed with the commissioner. A foreign insurer that is domiciled in a state which imposes requirements substantially similar to those imposed by this bill would be deemed to be in compliance with this bill. The bill further authorizes the commissioner to require other entities, which are required to file financial information with the department, to file this information with the NAIC.

The bill relieves the NAIC from civil liability for any cause of action by virtue of the collection, review, analysis or dissemination of data required by this bill, except in cases of actual malice.

In addition, the bill provides that all financial analysis ratios and examination synopses concerning insurers subject to this bill are confidential. Finally, the bill provides that the commissioner may suspend, revoke or refuse to renew the certificate of authority of any insurer that fails to file required information with the NAIC and impose civil monetary penalties.

SENATE COMMERCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 79

STATE OF NEW JERSEY

DATED: MAY 27, 1993

The Senate Commerce Committee reports favorably Assembly Bill No. 79.

This bill would provide that insurers who are authorized to transact business in this State shall participate in the National Association of Insurance Commissioners (NAIC) Insurance Regulatory Information System (IRIS). Through the IRIS, the NAIC conducts a review of the financial condition and methods of operation of insurers. The results of this review enables both the NAIC and state insurance departments to focus on potential problems with insurers.

In order to conduct its review, the NAIC must receive copies of an insurer's financial statement filed with the New Jersey Department of Insurance on an annual basis, and any other information required by the State. This bill would require all domestic, foreign and alien insurers authorized to transact business in this State to file with the NAIC a copy of its annual statement and such other information required to be filed with the commissioner. A foreign insurer that is domiciled in a state which imposes requirements substantially similar to those imposed by this bill would be deemed to be in compliance with this bill. The bill further authorizes the commissioner to require other entities, which are required to file financial information with the department, to file this information with the NAIC.

The bill relieves the NAIC from civil liability for any cause of action by virtue of the collection, review, analysis or dissemination of data required by this bill, except in cases of actual malice.

In addition, the bill provides that all financial analysis ratios and examination synopses concerning insurers subject to this bill are confidential. Finally, the bill provides that the commissioner may suspend, revoke or refuse to renew the certificate of authority of any insurer that fails to file required information with the NAIC and impose civil monetary penalties.



974.901  
G61



# OFFICE OF THE GOVERNOR NEWS RELEASE

GN-001

TRENTON, N.J. 08625

FOR RELEASE: August 9, 1993

CONTACT: Jon Shure  
(609) 777-2600

Peter Cammarano  
(609) 633-3955

## GOVERNOR FLORIO SIGNS FINANCIAL SOLVENCY LEGISLATION

Governor Jim Florio today signed legislation that will increase the New Jersey Insurance Department's effectiveness in monitoring the industry's financial activities.

The 12-bill package adopts the insurer solvency standards recommended by the National Association of Insurance Commissioners (NAIC).

Under the NAIC Accreditation Program, state insurance departments must be accredited by January 1, 1994. Accredited states will not be permitted to accept financial examinations of domestic insurance companies by non-accredited states. An independent audit team will review New Jersey's standards to ensure their compliance with the program.

"This legislation will strengthen the Insurance Department's ability to regulate the industry and to take preventive measures if companies experience financial difficulties," Governor Florio said. "The citizens of New Jersey can rest assured that the NAIC Accreditation Program will enhance the capabilities of a department which already is one of the most proactive consumer protection agencies in the country."

Insurance Commissioner Samuel F. Fortunato praised the efforts of Governor Florio and several members of the State Legislature in adopting the legislation.

"We are grateful to the Governor and members of the Legislature for acting quickly on these bills," Fortunato stated. "Their support and sponsorship of vital elements of this package have shown that great things may be accomplished through a true team effort."

Failure to receive accreditation could have affected New Jersey's 27 domestic property and casualty companies and 12 life and health insurers. These companies would be subject to accredited state insurance departments' audits at the companies' expense. These additional costs ultimately would be passed on to policyholders.

The NAIC accreditation audit team is tentatively scheduled to review the state's financial solvency standards in October.

####