

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF THE TRANSFER OF)
THE MANAGEMENT, ADMINISTRATIVE)
AND CLAIM FUNCTIONS OF THE NEW)
JERSEY AUTOMOBILE FULL INSURANCE) ORDER
UNDERWRITING ASSOCIATION, THE)
MARKET TRANSITION FACILITY AND)
THE NEW JERSEY AUTOMOBILE)
INSURANCE GUARANTY FUND TO THE)
NEW JERSEY PROPERTY LIABILITY)
INSURANCE GUARANTY ASSOCIATION)

This matter having been opened by the Commissioner of Banking and Insurance (“Commissioner”) pursuant to the authority of N.J.S.A. 17:1-8.1, 17:1-15e and P.L. 2003, c. 89 and all powers expressed and implied therein; and

IT APPEARING that, pursuant to P.L. 2003, c. 89 (“the Act”), enacted on June 9, 2003, the New Jersey Automobile Full Insurance Underwriting Association (“NJAFIUA”) and the Market Transition Facility (“MTF”) and all of their functions, powers and duties, assets, liabilities and balances are to be transferred from the Department of Banking and Insurance (“Department”) to the Property-Liability Insurance Guaranty Association (PLIGA); and

IT FURTHER APPEARING that, pursuant to Section 6e of the Act, codified at N.J.S.A. 17:30A-6.1e, the Commissioner may in his discretion by order determine when the status as separate legal entities of the NJAFIUA and the MTF may be terminated; and

IF FURTHER APPEARING that the New Jersey Automobile Insurance Guaranty Fund (“NJAIGF”), was created pursuant to P.L. 1990, c. 8, as amended, and was utilized for the

purpose of satisfying the financial obligations of the NJAFIUA and MTF; and, pursuant to the Act, all balances in the NJAIGF were transferred to the PLIGA; and

IT FURTHER APPEARING that the Act empowers the Commissioner to provide for an orderly transition of the operations, functions, powers and duties of the NJAFIUA, the MTF and the NJAIGF to the PLIGA; and

IT FURTHER APPEARING that the public interest requires that the orderly transition provide for the uninterrupted processing of claims and the timely payment of obligations as they come due by the NJAFIUA and the MTF; and

IT FURTHER APPEARING that, in the Department's Order No. A03-150, the Commissioner ordered that the transfer of the NJAFIUA, the MTF and the NJAIGF to the PLIGA commence effective on September 15, 2003, with the transfer of certain claim files of the NJAFIUA and the MTF to the PLIGA; and

IT FURTHER APPEARING that on June 17, 2005 PLIGA submitted its Plan of Operation to the Department for review and approval; and

IT FURTHER APPEARING that the Department reviewed and approved the June 27, 2005 revised PLIGA Plan of Operation, by letter dated June 28, 2005, and

IT FURTHER APPEARING that the transfer of the functions of the NJAFIUA and the MTF to the PLIGA will be complete on June 30, 2005 and thereafter PLIGA will assume full responsibility for all management, administrative, and claim functions of the NJAFIUA and the MTF;

THEREFORE IT IS on this 28th day of June, 2005 ORDERED that:

1. Effective July 1, 2005 the NJAFIUA and the MTF shall cease to function as separate entities.
2. On and after that date their (NJAFIUA and MTF) operations, including the payment of their obligations, shall be the responsibility of the New Jersey Property-Liability Guaranty Association.

/s/ Donald Bryan
Donald Bryan
Acting Commissioner

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