

INSURANCE
DEPARTMENT OF BANKING AND INSURANCE
DIVISION OF INSURANCE

New Jersey Commercial Automobile Insurance Plan New Jersey Personal Automobile Insurance Plan

Proposed Amendments: N.J.A.C. 11:3-1.4 and 2.5

Authorized By: Holly C. Bakke, Commissioner, Department of Banking and Insurance

Authority: N.J.S.A. 17:29D-1

Calendar Reference: See Summary below for explanation of exceptions to calendar requirement

Proposal: PRN 2003 - 467

Submit Comments by January 30, 2004 to:

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The agency proposal follows:

Summary

The Department of Banking and Insurance (Department) proposes to amend N.J.A.C. 11:3-1, dealing with the New Jersey Commercial Automobile Insurance Plan (CAIP) and N.J.A.C. 11:3-2, dealing with the New Jersey Personal Automobile Insurance Plan (PAIP). These rules provide that the CAIP and PAIP shall, respectively, be administered by Governing Committees consisting of 14 members, of which three members shall be licensed producers.

The Department proposes to increase from three to four the number of licensed producers on the Governing Committees, thereby also increasing the total membership on the Governing Committees for both the CAIP and PAIP to 15. The proposed amendments seek to broaden producer participation in the governance of the CAIP and PAIP. The proposed amendments to N.J.A.C. 11:3-1.4(d) and 2.5(c) would clarify that one additional producer member of the PAIP and CAIP is to be nominated by the New Jersey Auto Agents Alliance.

This rule proposal provides for a comment period of 60 days, and therefore, pursuant to N.J.A.C. 1:30-3.3(a)5, is not subject to the provisions of N.J.A.C. 1:30-2.1 and 3.2 governing rulemaking calendars.

Social Impact

The proposed amendments should have a positive impact on New Jersey licensed producers and consumers because the addition of a fourth producer member will broaden producer representation on the Governing Committees, thereby producing a more balanced membership to better ensure that the interests and concerns of producers and the public are given due consideration by the Governing Committees.

Economic Impact

The proposed amendments would have no economic impact on insurers, policyholders and the Department. The amendments will simply increase producer representation on the Governing Committees, which administer the Plans' operations.

Federal Standards Statement

A Federal standards analysis is required when any State agency proposes to adopt, readopt, or amend State regulations that exceed any Federal standards or requirements.

The proposed amendments deal with insurance related issues which are exclusively the subject of State law and are not subject to any Federal standards or requirements. Thus, no Federal standards analysis is required.

Jobs Impact

The Department has determined that no jobs will be generated or lost as a consequence of the proposed amendment.

Agriculture Statement

The Department does not anticipate any impact on agriculture from the proposed amendments.

Regulatory Flexibility Statement

A Regulatory flexibility analysis is not required because the proposed amendments do not impose reporting, recordkeeping or other compliance requirements on small businesses. The proposed amendment simply increases producer representation on the Governing Committees of the CAIP and PAIP Plan.

Smart Growth Impact

The proposed amendments have no impact on the achievement of smart growth and

implementation of the State Development and Redevelopment Plan.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

11: 3-1.4 Governing Committee

(a) CAIP shall be administered by a governing committee of [14] **15** members

1. (No change.)

2. [Three] **Four** members shall be licensed producers

3-5 (No change.)

(b) - (c) (No change.)

(d) The following organizations shall each nominate one member to represent producers:

1. Independent Insurance Agents of New Jersey;

2. Insurance Brokers Association of New Jersey; [and]

3. Professional Insurance Agents of New Jersey; **and**

4. New Jersey Auto Agents Alliance.

(e) – (h) (No change.)

11:3-2.5 Governing committee

(a) The PAIP shall be administered by a governing committee of [14] **15** members.

1. (No change.)

2. [Three] **Four** members shall be licensed producers

3 –5 (No change.)

(b) - (c) (No change.)

(d) The following organizations shall each nominate one member to represent producers:

1. Independent insurance Agents of New Jersey;
2. Insurance Brokers Association of New Jersey; [and]
3. Professional insurance Agents of New Jersey; **and**
- 4. New Jersey Auto Agents Alliance.**

(e) – (g) (No change.)

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