

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 96

STATE OF NEW JERSEY

DATED: JUNE 20, 1996

The Assembly Appropriations Committee reports favorably the Assembly Committee Substitute for Assembly Bill No. 96.

This Assembly Committee Substitute merges the Department of Banking and the Department of Insurance into one Department of Banking and Insurance. The substitute provides that the person in the office as the Commissioner of Insurance on June 30, 1996, shall at the pleasure of the Governor, hold the office of the Commissioner of Banking and Insurance for the unexpired term for which the commissioner was appointed, and until a successor is appointed and qualified. The substitute creates two new divisions within the Department of Banking and Insurance: a Division of Banking and a Division of Insurance. Each division is under the immediate supervision of a director who is appointed by the Governor, with the advice and consent of the Senate, and who serves at the pleasure of the Governor. The substitute also provides that the person currently in office as Deputy and Acting Commissioner of Banking shall, at the pleasure of the Governor, hold the office of the Director of the Division of Banking and that the person currently in office as the Deputy Commissioner of Insurance for Property and Casualty shall, at the pleasure of the Governor, hold the office of Director of the Division of Insurance.

Under the substitute, the Department of Banking and Insurance shall be organized so that, subject to the supervision of the commissioner, the Director of the Division of Banking shall be in charge of the functions and duties that relate to banking and supervise and regulate those entities previously supervised and regulated by the Department of Banking, and the Director of the Division of Insurance shall be in charge of the functions and duties that relate to insurance and supervise and regulate those entities previously supervised and regulated by the Department of Insurance. The substitute provides that in the absence of the commissioner, the Director of the Division of Banking will be acting commissioner for all matters relating to banking and the Director of the Division of Insurance will be acting commissioner for all matters relating to insurance.

Under the substitute, a Department of Banking and Insurance

Study Commission is established to be convened by the commissioner no later than January 2, 2001. The commission will examine the effects of the merger of the two departments. Membership on the commission includes representatives from the executive and legislative branches as well as members from the banking, insurance and real estate industries and the public. The commission must complete its review and report its findings and recommendations to the Governor and the Legislature no later than 12 months after January 2, 2001.

The Assembly Committee Substitute for Assembly Bill No. 96 is identical to Senate Bill No. 1363 (1R).