

ASSEMBLY, No. 1468

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 5, 1996

By Assemblyman GARCIA

1 ANACT concerning automobile insurance and supplementing P.L.1990,
2 c.8 (C.17:33B-1 et seq.)

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

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7 1. For purposes of this act:

8 "Insurer" means an insurance company authorized or admitted to
9 transact private passenger automobile insurance in this State.

10 "Market share" means the proportion that an insurer's written
11 premiums for New Jersey automobile insurance business in the voluntary
12 market during a calendar year bears to the total written premiums of all
13 insurers for New Jersey automobile insurance business in the voluntary
14 market during that same calendar year.

15 "Urban rating territory" means a rating territory in which at least one
16 municipality is located that:

17 (1) has a population density of 9,000 or more persons per square mile,
18 according to the latest published federal decennial census report; and

19 (2) has been designated as an "urban center" under the New Jersey
20 State Development and Redevelopment Plan adopted by the State
21 Planning Commission in June of 1992.

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23 2. a. Every insurer that has a market share in this State of 2% or more
24 in the immediately preceding calendar year shall have in each urban rating
25 territory, its employee or a resident producer licensed pursuant to
26 P.L.1987, c.293 (C.17:22A-1 et seq.) with casualty authority to act as its
27 agent to solicit, negotiate or effect automobile insurance contracts on its
28 behalf, including the authority to countersign automobile insurance
29 contracts on its behalf.

30 b. The employee or resident producer of the insurer shall be available
31 to transact business pursuant to subsection a. of this section during normal
32 business hours in an office that is located in geographic area within the
33 urban rating territory that is readily accessible to the public.

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35 3. The commissioner shall, pursuant to the "Administrative Procedure
36 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate rules and
37 regulations as may be necessary to effectuate the purposes of this act.

1 4. This act shall take effect 180 days after enactment, but the
2 commissioner may take such anticipatory action as may be necessary to
3 effectuate the purposes of the act.

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STATEMENT

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8 The bill requires automobile insurers with a market share of 2% or
9 more in this State to have an employee or resident producer available in
10 each urban rating territory to transact business during normal business
11 hours. The bill requires the office of the employee or resident employee
12 to be located in a geographic area, within the urban rating territory, that
13 is readily available to the public. The bill defines an "urban rating
14 territory" as a rating territory in which at least one municipality is located
15 which has a population density of 9,000 or more persons per square mile
16 and which has been designated as an "urban center" under the New Jersey
17 State Development and Redevelopment Plan adopted by the State
18 Planning Commission in June of 1992.

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24 Requires certain automobile insurers to maintain sales representation in
urban rating territories.