

CHAPTER 41

AN ACT concerning the New Jersey State Firemen's Association, amending and repealing various sections of the statutory law, and supplementing Title 54 of the Revised Statutes.

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

1. R.S.54:18-1 is amended to read as follows:

Annual reports, payments to New Jersey State Firemen's Association; effects of noncompliance.

54:18-1. Each insurer, not organized under the laws of the State of New Jersey, which takes fire insurance risks on property in this State, shall on or before March 1 in each year, for the period during the 12 months ending December 31 of the preceding year, cause to be made to the Treasurer of the New Jersey State Firemen's Association, on behalf of each municipality or fire district in this State, for any property on which the insurer has taken any fire insurance risk situate therein, a true return in writing, verified by the oath of an officer or representative of the insurer, showing the amount of all premiums received by or agreed to be paid to the insurer, for insurance underwritten by that insurer against loss or injury by fire upon real or personal property, except automobiles that are not stored for sale, including loss of use thereof in the municipality, or fire district. The return also shall contain the Insurance Services Office "ISO" numerical identification code or designation assigned by the New Jersey State Firemen's Association for such municipality or fire district. The insurer shall, on or before March 1 of each year, pay to the Treasurer of the New Jersey State Firemen's Association the sum of 2% upon the amount of all the premiums received or agreed to be paid during the 12 months ending December 31 of the preceding year.

If the insurer fails to comply herewith, and the failure is reported to the Commissioner of Banking and Insurance in writing, attested by the oath of the Treasurer of the New Jersey State Firemen's Association, then the commissioner shall forthwith revoke the certificate of authority issued to the insurer, and, until the provisions of this chapter have been complied with by the insurer, it shall not transact further business in this State.

2. R.S.54:18-2 is amended to read as follows:

Returns by agents, brokers, insurers; payments to association.

54:18-2. If any person residing or having an office or place of business in this State, in the capacity either of agent, broker, or insurer shall effect, or cause to be effected, any insurance, or shall receive any application for the effecting of insurance upon property in any municipality or fire district in this State, and shall directly or indirectly place the insurance or cause the same to be placed in an insurer not organized under the laws of this State, the agent, broker or insurer shall make a return to the Treasurer of the New Jersey State Firemen's Association on behalf of the municipality or fire district in which the property is situate, as set forth in R.S.54:18-1, on or before March 1 in each year. The return shall contain an account, under oath, of all premiums received by such agent, broker or insurer, or by any other person for him, or agreed to be paid, during the 12 months ending December 31 of the preceding year, for insurance against loss or injury by fire upon real or personal property, except automobiles that are not stored for sale, including loss of use thereof in the municipality or fire district. The return also shall contain the Insurance Services Office "ISO" numerical identification code or designation assigned by the New Jersey State Firemen's Association of such municipality or fire district. The agent, broker or insurer shall, on or before March 1 of each year, pay to the Treasurer of the New Jersey State Firemen's Association the sum of 2% upon the amount of all the premiums received or agreed to be paid as aforesaid within the 12 months ending December 31 of the preceding year. The Treasurer of the New Jersey State Firemen's Association shall allocate the tax monies received to the appropriate local firemen's relief association incorporated and affiliated with the State association, collected on behalf of the municipality or fire district under the control thereof, and to the Board of Managers of the New Jersey Firemen's Home. Any monies received, allocated or paid by any agent, broker or insurer pursuant to the provisions of this chapter on behalf of any municipality or fire district that does not have a local firemen's relief association affiliated with the New Jersey State Firemen's Association shall be allocated to the New Jersey Firemen's Home in accordance with the provisions of section 7 of P.L.1997, c.41 (C.54:18-8).

3. R.S.54:18-3 is amended to read as follows:

Account books.

54:18-3. Every agent, broker, or insurer residing or having an office or authorized or licensed to do business in this State shall make the return and payment as set forth in R.S.54:18-2 and shall keep accurate books of account of all business done by him. The agent, broker or insurer shall record the name of the insured, the date and expiration of the insurance, a description of the property insured, a statement of its location, including the Insurance Services Office "ISO" numerical identification code or designation of the municipality or fire district, the amount of the insurance and premiums paid therefor. If an agent, broker or insurer fails, neglects or refuses to comply with any provisions of this chapter, or if any fraud or dishonesty in the returns required pursuant to the provisions of this chapter is apparent or becomes known, the Treasurer of the New Jersey State Firemen's Association, on behalf of the municipality or fire district, may obtain from a judge of the Superior Court, in the county wherein the insured property is located, an order compelling the agent, broker or insurer to produce all books and records required to be kept by this chapter for an accounting and examination by the court.

4. R.S.54:18-4 is amended to read as follows:

Penalty for noncompliance by agent, broker, or insurer.

54:18-4. Any such agent, broker or insurer who fails, neglects or refuses to keep books of account as required, or to produce them in the Superior Court upon an order of the court, or to make proper and accurate returns as hereinbefore provided, or to pay over the percentage due upon any premium as required, at the time and in the manner specified in this chapter, or who is found, upon examination by the court, to have made a false return of the business done by him, shall, for each offense, be guilty of a crime of the fourth degree and forfeit and pay the amount owed to the Treasurer of the New Jersey State Firemen's Association.

5. R.S.54:18-5 is amended to read as follows:

Revocation of authority of agent, broker, or insurer.

54:18-5. If any such agent, broker or insurer fails, neglects or refuses to pay any percentage herein provided for, or to pay and satisfy any forfeiture or penalty adjudged to be due under the provisions of this chapter, and that fact is reported to the Commissioner of Banking and Insurance in writing, attested by the oath of the Treasurer of the New Jersey State Firemen's Association, the commissioner shall forthwith revoke any certificate of authority previously issued under which the failure has occurred. The revocation of a certificate shall not release any penalty or forfeiture previously incurred.

6. R.S.54:18-7 is amended to read as follows:

Effect of chapter on reciprocal legislation.

54:18-7. This chapter shall not alter or abridge any reciprocal legislation existing between different states of the United States, in regard to the percentage of taxes collected and received for this State. The amount of premiums paid by any insurance company pursuant to this chapter shall be deemed part of the reciprocal tax to be collected for this State. The Commissioner of Banking and Insurance, in consultation with the Treasurer of the State of New Jersey, shall enforce the provisions of this chapter and shall require the Treasurer of the New Jersey State Firemen's Association to provide a certified annual accounting of the monies received and allocated under the provisions of this chapter and R.S.43:17-1 et seq., and shall hold the treasurer and officers accountable and subject to the penalties provided herein.

C.54:18-8 Use of monies.

7. All monies received by the Treasurer of the New Jersey State Firemen's Association from

the 2% tax on fire insurance premiums paid by insurance companies not organized in this State, on behalf of municipalities or fire districts which do not have a duly incorporated local firemen's relief association affiliated with the State Association under R.S.43:17-2 et seq., shall be dedicated to the New Jersey Firemen's Home. Upon adoption of the budget, subject to the approval of the Governor, in accordance with R.S.30:7-1 et seq., these funds shall be allocated to the Board of Managers for the operation of the New Jersey Firemen's Home. A certified copy of the budget approved by the Governor shall be filed immediately with the Treasurer of the New Jersey State Firemen's Association.

The Treasurer of the New Jersey State Firemen's Association shall return to the general fund of the State Association the balance of the monies not required for the annual operation of the New Jersey Firemen's Home.

If there are not sufficient funds in the account for the annual operating expenses of the New Jersey Firemen's Home in accordance with R.S.30:7-1 et seq., the Board of Managers of the New Jersey Firemen's Home shall certify the amount of the deficiency to the Treasurer of the New Jersey State Firemen's Association. The certification shall be filed before the fiscal year for the New Jersey Firemen's Home commences. The certification shall set forth the specific sum necessary to fund the operational expenses of the New Jersey Firemen's Home. The operational budget shall include all necessary costs for the maintenance and operation of the home, including purchase of equipment. Upon receipt of the certification, the Treasurer of the New Jersey State Firemen's Association shall pay the certified amount to the New Jersey Firemen's Home no later than May 1 of each year.

The procedure set forth below shall be followed if the Board of Managers proposes a capital project consisting of a building addition to the New Jersey Firemen's Home or the construction of a new facility:

a. At least 30 days before the capital project is submitted to the Governor, the Board of Managers of the New Jersey Firemen's Home shall submit to the officers and executive committee of the New Jersey State Firemen's Association, a description of the proposed project, and costs thereof, including future operational costs. Within 30 days of receipt of the notice the officers of the New Jersey Firemen's Home and New Jersey State Firemen's Association shall approve or disapprove the funding necessary therefor. After the project has been approved or disapproved, the executive committee shall meet in a special executive session to confirm the action of the officers.

b. If the officers or the executive committee disapproves the proposed capital project, the board of managers or the officers may appeal to the Commissioner of Banking and Insurance who shall issue a final decision within 30 days, but in any event not later than November 1 of any year. The budget then shall be submitted to the Governor for approval pursuant to law.

Repealer.

8. The following are hereby repealed:
N.J.S.54:17-4 through 54:17-5;
N.J.S.54:18-6;
Section 6 of P.L.1955, c.204 (C.54:18-1.1).

9. This act shall take effect on July 1, 1997.

Approved March 27, 1997.