DEPARTMENT OF
BANKING AND INSURANCE

FISCAL YEAR 2004 - 2005

ANALYSIS OF THE NEW JERSEY BUDGET

PREPARED BY OFFICE OF LEGISLATIVE SERVICES
NEW JERSEY LEGISLATURE • MAY 2004
NEW JERSEY STATE LEGISLATURE

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

Wayne R. Bryant (D), 5th District (Parts of Camden and Gloucester), Chairman
Sharpe James (D), 29th District (Parts of Essex and Union), Vice-Chairman
Martha W. Bark (R), 8th District (Part of Burlington)
Anthony R. Bucco (R), 25th District (Part of Morris)
Barbara Buono (D), 18th District (Part of Middlesex)
Joseph Coniglio (D), 38th District (Part of Bergen)
Glenn D. Cunningham (D), 31st District (Part of Hudson)
Walter J. Kavanaugh (R), 16th District (Parts of Morris and Somerset)
Thomas H. Kean, Jr. (R), 21st District (Parts of Essex, Morris, Somerset and Union)
Bernard F. Kenny, Jr. (D), 33rd District (Part of Hudson)
Leonard Lance (R), 23rd District (Warren and part of Hunterdon)
Robert E. Littell (R), 24th District (Sussex and parts of Hunterdon and Morris)
Paul A. Sarlo (D), 36th District (Parts of Bergen, Essex and Passaic)
Stephen M. Sweeney (D), 3rd District (Salem and parts of Cumberland and Gloucester)
Shirley K. Turner (D), 15th District (Part of Mercer)

GENERAL ASSEMBLY BUDGET COMMITTEE

Louis D. Greenwald (D), 6th District (Part of Camden), Chairman
William D. Payne (D), 29th District (Parts of Essex and Union), Vice-Chairman
Francis J. Blee (R), 2nd District (Part of Atlantic)
Joseph Cryan (D), 20th District (Part of Union)
Linda R. Greenstein (D), 14th District (Parts of Mercer and Middlesex)
Joseph R. Malone III (R), 30th District (Parts of Burlington, Mercer, Monmouth and Ocean)
Alison Littell McHose (R), 24th District (Sussex and parts of Hunterdon and Morris)
Kevin J. O'Toole (R), 40th District (Parts of Bergen, Essex and Passaic)
Joan M. Quigley (D), 32nd District (Parts of Bergen and Hudson)
Joseph Vas (D), 19th District (Part of Middlesex)
Bonnie Watson Coleman (D), 15th District (Part of Mercer)

OFFICE OF LEGISLATIVE SERVICES

David J. Rosen, Legislative Budget and Finance Officer
Frank W. Haines III, Assistant Legislative Budget and Finance Officer

Glenn E. Moore, III, Director, Central Staff
Thomas K. Musick, Section Chief, Commerce, Labor and Industry Section

This report was prepared by the Commerce, Labor and Industry Section of the Office of Legislative Services under the direction of the Legislative Budget and Finance Officer. The primary author was Sonya S. Davis. Mary C. Beaumont was the primary author of the background paper entitled “Automobile Insurance Marketplace Reforms-Will Insurers Be Encouraged to Return to New Jersey?”

Questions or comments may be directed to the OLS Commerce, Labor and Industry Section (609-984-0445) or the Legislative Budget and Finance Office (609-292-8030).
**Fiscal Summary ($000)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State Budgeted</td>
<td>$66,010</td>
<td>$68,589</td>
<td>$66,703</td>
<td>(2.8)%</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>2,356</td>
<td>8,188</td>
<td>8,338</td>
<td>1.8%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$68,366</td>
<td>$76,777</td>
<td>$75,041</td>
<td>(2.3)%</td>
</tr>
</tbody>
</table>

**Personnel Summary - Positions By Funding Source**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
<td>476</td>
<td>472</td>
<td>506</td>
<td>7.2%</td>
</tr>
<tr>
<td>Federal</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total Positions</td>
<td>479</td>
<td>476</td>
<td>510</td>
<td>7.1%</td>
</tr>
</tbody>
</table>

FY 2003 (as of December) and revised FY 2004 (as of September) personnel data reflect actual payroll counts. FY 2005 data reflect the number of positions funded.

**Introduction**

The Department of Banking and Insurance is primarily responsible for the State's regulation and monitoring of the banking and insurance industries. The Division of Banking is charged with the chartering, licensing and supervision of banks, savings and loans, and a wide range of other financial institutions and firms responsible for consumer finance in this State. The Division of Insurance monitors and examines the policies, practices and financial condition of insurance companies, including the financial condition of health maintenance organizations, and licenses and regulates insurance producers. The division also monitors the business activities of real estate brokers and agents. The two divisions were formerly distinct departments, and were consolidated into the current Department of Banking and Insurance in FY 1997. The department is fully funded through fees and assessments on the industries it regulates.
Key Points

- The department's recommended General Fund appropriation is $66.7 million, which represents a decrease of 2.8 percent or $1.9 million below the FY 2004 adjusted appropriation. This reduction results from the $1.9 million transfer of functions, powers and duties of the Unsatisfied Claim and Judgment Fund to the New Jersey Property Liability Insurance Guaranty Association pursuant to P.L. 2003, c.89.

- Proposed budget language (page D-31) recommends $400,000 from unanticipated revenues for the Division of Banking, an increase of $150,000 from FY 2004. The additional funding will be utilized for equipment upgrades and staff training.

- While appropriations for Insurance Fraud Prevention and Insurance Fraud Prosecution remain within the department, the fraud prevention investigator functions were shifted to the Department of Law and Public Safety in FY 1999. These appropriations remain within the department's budget display because they are still funded through insurance industry assessments. However, all but $2.1 million of the $32 million recommended for this purpose will be expended by the Department of Law and Public Safety. The $2.1 million will be utilized to fund to the Anti-Fraud Compliance Unit within the Department of Banking and Insurance.

- The proposed FY 2005 budget recommends an increase of $72,000 under the department's Actuarial Services for 2 insurance analyst positions in the Office of Property and Casualty's Auto Unit. The unit regulates rates, rules and forms for property and casualty insurance. The unit also regulates personal, commercial and title insurance sold in New Jersey.

Background Paper:

- Automobile Insurance Marketplace Reforms - Will Insurers Be Encouraged to Return to New Jersey? p. 16
Program Description and Overview

The primary responsibilities of the Department of Banking and Insurance are the regulation and monitoring of the banking and insurance industries. The Division of Banking charters, licenses and supervises banks, savings and loans, and a wide range of other financial institutions and firms responsible for consumer finance in the State. The Division of Insurance monitors and examines policies, practices and the financial condition of insurance companies. The Division of Insurance also monitors the business activities of real estate brokers and agents. Two separate departments, the former Department of Banking and Department of Insurance, were merged by P.L. 1996, c.45 (C.17:1-13 et seq.) to form the current Department of Banking and Insurance. The department is fully funded through fees and assessments on the industries it regulates.

Division of Banking

The Division of Banking is responsible for chartering, licensing and supervising commercial and savings banks, savings and loan associations, limited trust companies and credit unions. The division is also responsible for licensing, examining and supervising a number of other financial service entities, including, but not limited to: licensed lenders (mortgage bankers and brokers, mortgage solicitors, consumer lenders, secondary mortgage lenders and sales finance companies); money transmitters and foreign money transmitters; insurance premium finance companies, pawnbrokers and check cashers.

The division consists of two offices, the Office of Depositories and the Office of Consumer Finance. The Office of Depositories conducts examinations of State-chartered banking and savings and loan institutions, and takes enforcement action if it discovers violations of banking statutes or regulations. In addition, the Office of Depositories processes and reviews applications by depository institutions for new charters, branches, relocations, plans of acquisition, mergers, bulk sales, stock conversions and auxiliary offices. The Office of Consumer Finance examines, and when appropriate, takes enforcement actions against, the other entities regulated by the division and also investigates complaints filed by consumers.

In its oversight functions, the division works closely with the Federal Deposit Insurance Corporation (the FDIC insures the deposits of all chartered institutions); the Board of Governors of the Federal Reserve System, which oversees State-chartered banks that are members of the Federal Reserve System; and the federal Office of Thrift Supervision (OTS), which oversees savings and loan associations. The division and the Federal Reserve examine State-chartered commercial banks on an alternating basis. The division shares information with the OTS to decide whether State examinations of certain State-chartered savings and loan associations are necessary.

While the primary functions of the Division of Banking have not changed significantly in recent years, its responsibilities and workload have changed as a consequence of an increase in the number of new bank charters, the need to examine financial institutions, additional categories of licensure, and changes in State and federal laws and regulations.

The passage of various federal laws in the 1990's significantly increased the division's workload, as well as its staff training requirements. The passage of the Gramm-Leach-Bliley Act of 1999 (GLBA) repealed the last vestiges of the Glass Steagall Act of 1933, including the restrictions placed on cross-industry affiliations, and authorized the creation of a new entity, the financial holding company, permitted to engage in underwriting and selling insurance and securities. GLBA also confirms state regulation of insurance, while prohibiting states from discriminating against persons affiliated with a bank; permits national banks to engage in new financial activities through financial subsidiaries; initiates processes for creating uniform nationwide licensing of insurance agents and brokers; permits national bank subsidiaries and affiliates to sell all types of insurance,
Program Description and Overview (Cont'd)

including title insurance; preempts state laws that interfere with affiliations between banks and insurance companies; and requires every financial institution to disclose its policy regarding the sharing of "non-public personal information" with affiliates and with third parties and requires that consumers be given an opportunity to "opt out" of sharing their non-public personal information with nonaffiliated third parties.

Also included within the division is the Pinelands Development Credit Bank, which is empowered to purchase and sell development rights in the Pinelands region. The intent of the program is to simplify both the preservation of resources of the Pinelands area and the accommodation of regional growth influences in an orderly fashion.

Division of Insurance

The Division of Insurance monitors and examines the policies, practices and financial condition of insurance companies, including the financial condition of health maintenance organizations, and licenses and regulates insurance producers (brokers and agents). According to the department, the division has direct regulatory responsibility over approximately 108 domestic insurance companies, 162,000 licensed producers and 1,050 public adjusters. In addition, the division works in conjunction with the Department of Law and Public Safety to enforce insurance fraud laws, regulates the training and licensing of real estate agents and brokers and investigates consumer inquiries or complaints regarding these industries.

The "Automobile Insurance Cost Reduction Act," P.L. 1998, c.21 (AICRA) established the Office of Insurance Claims Ombudsman, which is charged with the responsibility to: investigate consumer complaints regarding insurance policies and the payment of claims; monitor the implementation of various insurance regulations; respond to consumer inquiries about policy provisions and coverage availability; and publish and distribute buyers' guides and comparative rates. Pursuant to AICRA, the fraud investigative functions of the former Division of Insurance Fraud Prevention were transferred to the newly created Office of the Insurance Fraud Prosecutor, housed within the Department of Law and Public Safety. At the same time, the Anti-Fraud Compliance Unit was established within the Department of Banking and Insurance. The Anti-Fraud Compliance Unit is charged with three primary functions: insurance industry compliance, collection of penalties and fines, and industry education. AICRA also established the Automobile Insurance Territorial Rating Plan Advisory Commission which is responsible for the revision of the current territorial rating plan, another aspect of automobile insurance reform. State law places a cap on the automobile insurance premiums that can be charged in certain areas of the State which are inadequate to cover the losses that are generated there and, in effect, shifts those costs to other New Jersey drivers to subsidize the rates. The law therefore mandates the commission to review and revise these geographic territories for the first time in over 50 years.

Commonly known as the Auto Reform Law of 2003, P.L. 2003, c. 89 represents a recent major overhaul of the automobile insurance regulatory structure designed to make the marketplace more competitive (for a more complete discussion of this law see pp. 16-20). Key marketplace improvements in the reform law include: phase-out and eventual elimination of the "take-all-comers" provisions; a time-line for regulatory action on rate requests and expedited rate filings; modification of "tier rating" with respect to the standard tier; and simplification of the procedures an insurer may use to withdraw from selling a particular type of insurance or to withdraw from the State. In addition, the reform law includes initiatives to combat insurance fraud, reduce the ranks of the uninsured and provide for consumer protection and education.
Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS ($000)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct State Services</td>
<td>$66,010</td>
<td>$68,589</td>
<td>$66,703</td>
<td>1.1%</td>
<td>(2.8)%</td>
</tr>
<tr>
<td>Grants-In-Aid</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>State Aid</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Capital Construction</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Debt Service</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td><strong>$66,010</strong></td>
<td><strong>$68,589</strong></td>
<td><strong>$66,703</strong></td>
<td><strong>1.1%</strong></td>
<td><strong>(2.8)%</strong></td>
</tr>
<tr>
<td>Property Tax Relief Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct State Services</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Grants-In-Aid</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>State Aid</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td><strong>$0</strong></td>
<td><strong>$0</strong></td>
<td><strong>$0</strong></td>
<td><strong>0.0%</strong></td>
<td><strong>0.0%</strong></td>
</tr>
<tr>
<td>Casino Revenue Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct State Services</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Grants-In-Aid</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>State Aid</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td><strong>$0</strong></td>
<td><strong>$0</strong></td>
<td><strong>$0</strong></td>
<td><strong>0.0%</strong></td>
<td><strong>0.0%</strong></td>
</tr>
<tr>
<td>Casino Control Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Total</td>
<td>$66,010</td>
<td>$68,589</td>
<td>$66,703</td>
<td>1.1%</td>
<td>(2.8)%</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Other Funds</td>
<td>$2,356</td>
<td>$8,188</td>
<td>$8,338</td>
<td>253.9%</td>
<td>1.8%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$68,366</strong></td>
<td><strong>$76,777</strong></td>
<td><strong>$75,041</strong></td>
<td><strong>9.8%</strong></td>
<td><strong>(2.3)%</strong></td>
</tr>
</tbody>
</table>

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
<td>476</td>
<td>472</td>
<td>506</td>
<td>6.3%</td>
<td>7.2%</td>
</tr>
<tr>
<td>Federal</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>All Other</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>33.3%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total Positions</strong></td>
<td><strong>479</strong></td>
<td><strong>476</strong></td>
<td><strong>510</strong></td>
<td><strong>6.5%</strong></td>
<td><strong>7.1%</strong></td>
</tr>
</tbody>
</table>

FY 2003 (as of December) and revised FY 2004 (as of September) personnel data reflect actual payroll counts. FY 2005 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

| Total Minority Percent | 29.6% | 30.5% | 28.8% | ---- | ---- |
### Significant Changes/New Programs ($000)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ECONOMIC REGULATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>DIRECT STATE SERVICES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsatisfied Claims and Judgement Fund</td>
<td>$1,958</td>
<td>$0</td>
<td>($1,958)</td>
<td>(100.0)%</td>
<td>D-30</td>
</tr>
</tbody>
</table>

The elimination in funding for the Unsatisfied Claims and Judgement Fund (UCJF) reflects the elimination of the UCJF pursuant to P.L. 2003, c. 89. All of the functions, powers and duties of UCJF were transferred to the New Jersey Property-Liability Insurance Guaranty Association. Specifically, the elimination includes a reduction in Salaries and Wages ($1,449 million); Materials and Supplies ($25,000); Services Other Than Personal ($459,000); Maintenance ($5,000); and Additions, Improvements and Equipment ($20,000).

| Salaries and Wages: Division of Actuarial Services | $4,684               | $4,756          | $72           | 1.5%           | D-30        |

According to the department, this increase represents two additional insurance analyst positions within the Office of Property and Casualty's Auto Unit. The unit regulates rates, rules and forms for property and casualty insurance. The unit also regulates personal, commercial and title insurance sold in New Jersey.
Language Provisions

2004 Appropriations Handbook

Receipts in excess of anticipated revenues from examination and licensing fees, bank assessments, fines and penalties and the unexpended balances as of June 30, 2003, not to exceed $250,000 are appropriated to the Division of Banking, subject to the approval of the Director of the Division of Budget and Accounting.

2005 Budget Recommendations

Receipts in excess of anticipated revenues from examination and licensing fees, bank assessments, fines and penalties, and the unexpended balances as of June 30, 2004, not to exceed $400,000, are appropriated to the Division of Banking, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

The proposed budget language would allow the department to retain receipts in excess of the amount anticipated for general program support. The FY 2005 budget language would impose a cap of $400,000, an increase of $150,000 or 60 percent over FY 2005. The department intends to use these increased revenues for equipment upgrades and staff training.

2004 Appropriations Handbook

Pursuant to P.L. 2003, c.89, there is no comparable language.

2005 Budget Recommendations

No comparable language.

Explanation

This language provision is no longer necessary because the New Jersey Auto Insurance Guaranty Fund and the Unsatisfied Claims and Judgment Fund functions, powers and duties were transferred to the New Jersey Property Liability Insurance Guaranty Association in FY 2004 pursuant to P.L. 2003, c.89.
Language Provisions (cont’d)

2004 Appropriations Handbook

Amounts on deposit in the New Jersey Full Insurance Underwriting Association and Market Transition Facility Auxiliary Fund are transferred to the General Fund as State Revenue.

2005 Budget Recommendations

No comparable language.

Explanation

This language is no longer necessary because pursuant to the New Jersey Auto Reform Law of 2003 (P.L. 2003, c.89) management, administration, claims, powers, assets, liabilities and balances of the New Jersey Automobile Full Insurance Underwriting Association and Market Transition Facility Auxiliary Fund were transferred to the New Jersey Property-Liability Insurance Guaranty Association. As a result of this action and budget language, approximately $2 million in fraud fines was transferred to the General Fund in FY 2004 rather than to the Market Transition Facility. The budget anticipates that fraud fine revenues totaling $2 million in FY 2005 will go directly to the General Fund (page C-13).
Discussion Points

1. The Governor’s proposed budget recommends funding a total of 510 positions for the Department of Banking and Insurance. The department currently has 476 filled full-time positions. The proposed FY 2005 budget would thus provide funding for 34 additional positions.

   Question: Please provide a detailed summary of how many new employees the department expects to hire, where these employees will be allocated within the department, and when it is expected these positions will be filled. Please specify the types of positions needed throughout the department, such as actuaries, real estate investigators and clerical staff. In addition, please detail any position transfers of employees as a result of the elimination of the responsibility of the Unsatisfied Claims and Judgment Fund (UCJF) pursuant to P.L. 2003, c.89 and assumption of the management, administrative and claims functions of the UCJF by the New Jersey Property-Liability Insurance Guaranty Association (PLIGA).

   How many positions does the recommended budget of the department support within other departments? For example, how many positions in the Department of Law and Public Safety for the Insurance Fraud Prosecutor’s Office are recommended to be funded through the Department of Banking and Insurance?

2. The Stock Workers’ Compensation Security Fund (SWCSF) provides payment for persons entitled to receive workers’ compensation when a stock workers’ compensation insurance carrier is determined to be insolvent pursuant to P.L. 1987, c.250. The SWCSF is funded through assessments levied against stock insurance carriers writing workers’ compensation business in the State. The FY 2002 Appropriations Act included a transfer of $10 million from the SWCSF to the General Fund. In addition, the FY 2004 Appropriations Act authorizes a transfer of $15 million, which has not been implemented to date. The SWCSF year end FY 2004 balance is estimated to be $30 million. The FY 2005 recommended budget (p. H-31) estimates the SWCSF fund balance will decrease to $15 million by the end of FY 2005.

   Question: Please provide an analysis of SWCSF expected revenue and expenditures for FY 2005. Please include the amount estimated to be paid from the SWCSF for claims in FY 2005 and the number of insolvent stock insurance companies with outstanding claims and the value of those claims.

   Given the declining balance in the SWCSF, does the department expect to execute an assessment for insurers? When did the department last assess insurers for the SWCSF?

3. The Mutual Workers’ Compensation Security Fund (MWCSF) provides payment for persons entitled to receive workers’ compensation when a mutual carrier is determined to be insolvent pursuant to P.L. 1987, c.250. The MWCSF is funded through assessments levied against mutual insurance carriers writing workers’ compensation business in the State. The MWCSF balance for year end FY 2004 is estimated to be $10 million. The FY 2005 recommended budget (p. H-19) estimates the MWCSF balance will remain relatively stable at $9.4 million at the end of FY 2005.

   Question: Please provide an analysis of expected MWCSF revenue and expenditures for FY 2005. Please include the amount estimated to be paid from the MWCSF for claims in FY 2005 and the number of insolvent mutual insurance companies with outstanding claims and the value of those claims.

4a. In recent years, the availability and affordability of medical malpractice liability insurance has become a significant public issue in this State. Physicians in certain high-risk specialties, such
as radiology, neurosurgery, orthopedics and obstetrics and gynecology, have experienced rapidly escalating rates and increased premiums.

In response, the Legislature is considering an omnibus reform bill, the "New Jersey Medical Care Access and Responsibility and Patients First Act." That legislation provides for a comprehensive set of reforms affecting the State's tort liability system, health care system and medical malpractice liability insurance carriers intended to ensure that health care services continue to be available and accessible to residents of the State.

In addition, the legislation establishes the Medical Malpractice Liability Insurance Premium Assistance Fund (MMLIPA), the purpose of which is to provide medical malpractice liability insurance premium relief to certain health care providers in the State who have experienced or are experiencing a liability insurance premium increase in an amount as established by the Commissioner of Banking and Insurance by regulation. The fund will be administered by the Department of Banking and Insurance, and will expire in three years. As presently proposed, the MMLIPA fund over that three year period will allocate the following amounts annually: $17 million for premium relief to eligible health care providers who have experienced or are experiencing a premium increase; $6.9 million for the Health Care Subsidy Fund; $1 million for a student loan expense reimbursement program for obstetrician/gynecologists who agree to practice in medically underserved areas of the State for a minimum of four years; and $1.2 million for the NJ FamilyCare program to enroll new mothers with income up to 100% of the federal poverty level whose postpartum eligibility for Medicaid has expired.

Question: How will the Commissioner of Banking and Insurance allocate the premium relief funds? Does the department estimate that $17 million will be sufficient to provide physician medical malpractice liability insurance premium relief? Approximately what number of physicians will be eligible for reimbursement? What will be the average amount of reimbursement per physician? Please categorize these numbers by specialty.

4b. In response to one of last year's discussion points, the department indicated that reactivation of the Medical Malpractice Reinsurance Association (MMRA) was unnecessary. Specifically, the department stated that at the time, New Jersey was not experiencing a medical malpractice insurance availability problem. On September 10, 2003, the department reactivated the MMRA to provide greater access to reinsurance coverage.

Question: a. Please describe the factors surrounding the department's determination to reactivate the MMRA. What additional costs does the department foresee associated with reactivating the MMRA? What amount of funding is currently available through MMRA?

b. Please detail the names and number of medical malpractice liability insurers currently doing business in New Jersey. How many such insurers have ceased doing business in this State in the past year? How many people had they insured? Have any other insurers, reciprocals or self-funded plans applied to provide medical malpractice liability insurance in New Jersey? What is their potential capacity for insuring physicians in this State?

5a. Pursuant to the provisions of P.L.2003, c.89, several administrative functions relative to automobile insurance claims which were handled separately within the New Jersey Property-Liability Insurance Guaranty Association (PLIGA) were consolidated to eliminate redundancies and inefficiencies. The legislation eliminated the Unsatisfied Claim and Judgment Fund and transferred all of its functions, powers and duties, to PLIGA. Additionally, the administration of the claims
runoffs of the New Jersey Automobile Full Insurance Underwriting Association ("JUA") and the Market Transition Facility ("MTF") was transferred to PLIGA as well. In addition, PLIGA became the servicing facility for the administration of claim obligations of the New Jersey Surplus Lines Insurance Guaranty Fund and the New Jersey Medical Malpractice Reinsurance Association.

Question: Has the transfer of the UCJF functions, and claims runoff functions of the JUA and MTF, to PLIGA taken place? If so, please detail to date any savings and efficiencies realized by the department as a result of the transfer. Were any staff positions eliminated as a result of the consolidation?

5b. Certain other provisions of P.L. 2003, c. 89 provide additional protections for consumers by requiring companies to notify new and existing customers of their rights, providing them with premium calculations, and advising them of rate increases, other than expedited filings. The new law also requires the department to publish information on its website concerning all consumer insurance rate increase requests filed, including all personal lines property/casualty coverages and Medicare supplemental coverages.

In addition, the legislation provides for insureds and applicants to receive an "Automobile Insurance Consumer Bill of Rights," and directs the commissioner to develop and disseminate an "Automobile Insurance Report Card," to be available on the department's website.

Question: a. Please detail to date the department's efforts to implement these consumer protection provisions of P.L.2003, c.89. Has the department made available the required information on its website? Does the department monitor visits to the consumer pages of its website? If so, how many consumers have viewed this information on-line?

b. Did the department incur additional costs as a result of having to post certain consumer information on its website?

5c. Major regulatory changes incorporated in P.L.2003, c.89 were designed to address the issue of availability of automobile insurance in this State. One of the factors behind these changes, was the proposed withdrawal of State Farm from doing in New Jersey by the end of 2005.

Question: What impact, if any, has the enactment of P.L.2003, c.89 had on State Farm's determination to withdraw from New Jersey? What impact, if any, has the legislation had on the automobile insurance marketplace in this State in general? Have any new automobile insurers been admitted to the State?

5d. In a further effort to address the availability of automobile insurance in New Jersey and to decrease the number of uninsured motorists, P.L.2003, c.89 also established the Special Automobile Insurance Policy (also referred to as the "dollar-a-day policy") as a low-cost insurance policy directed at certain income-eligible individuals.

Question: Please explain the coverage available under a Special Automobile Insurance Policy. Is the Special Automobile Insurance Policy currently being sold in New Jersey? If so, approximately how many of these policies have been sold? Has the number of uninsured drivers been reduced as the result of this policy? If so, by what percentage?

What is the price of this policy?

6. Pursuant to section 26 of the "Automobile Insurance Cost Reduction Act" (AICRA), P.L.1998, c.21, the commissioner was directed to establish standards, through regulation, for redrawing the 50-year-old territorial rating plan used in determining automobile insurance premiums throughout the State, no later than January 1, 2000. That legislation included detailed requirements which
Discussion Points (Cont’d)

were to be included in the establishment of those standards. In the Fall of 2003, the department proposed regulations with respect to automobile insurance territorial rating plans.

- **Question:** Please discuss the status of these regulations. What is the anticipated time frame for the finalization and adoption of these regulations? When implemented, how will these regulations for the establishment of new automobile insurance rating territories impact automobile insurance premiums?

7a. On May 1, 2003, Assembly Bill No. 75 was signed into law by Governor McGreevey. That legislation, the "New Jersey Home Ownership Security Act of 2002," P.L. 2003, c.64 (hereinafter referred to as the "Act"), prohibits certain abusive lending practices commonly known as "predatory lending," directs the Department of Banking and Insurance, in consultation with the Divisions of Consumer Affairs and Civil Rights in the Department of Law and Public Safety, to develop and implement a program of consumer education to protect vulnerable consumers against predatory lending practices, and provides that the department and the Division of Consumer Affairs shall enforce the provisions of the legislation. With the enactment of this legislation, New Jersey joins approximately 22 states that have taken affirmative steps to eliminate such practices in the mortgage lending arena.

However, at the time it became effective in November of 2003, there was much confusion about the provisions and implementation of the Act. When first approved in May of 2003, based upon experience in other states (including Georgia), the major rating agencies, (i.e. Standard and Poor's, Moody's and Fitch Ratings), issued statements indicating that they would not purchase certain loans in the secondary market that were subject to the provisions of the Act. This was based upon their concerns that certain loans, other than "high cost home loans," carried unlimited assignee liability for violations of the Act. In order to clarify its provisions, the department issued two bulletins, in a question and answer format, detailing the provisions of the Act and addressing some of the major misconceptions about the Act. In addition, with respect to the above-mentioned bulletins, the department also obtained an opinion from the Attorney General which was distributed to the rating agencies as part of the department's efforts to further educate interested parties concerning the application and enforcement of the Act and to mitigate the concerns of the major rating agencies. During hearings before the standing reference committees on proposed amendments to the Act in December 2003, department representatives urged legislators to allow time for the Act to be implemented, prior to making any changes as recommended at that time by the mortgage lending industry.

- **Question:** What other efforts, besides issuance of its advisory bulletins, has the department engaged in order to streamline the implementation and clarify the interpretation of the Act? What impact, if any, has the Act had on the mortgage lending industry in New Jersey?

Please indicate the total number of licensed mortgage lenders doing business in this State prior to the effective date of the Act, and subsequent to that effective date. What impact, if any, will the Act have on the total amount of annual revenue collected by the department in mortgage lender licensing fees? Has the department noted any increase or decrease in the amount of and types of mortgage loans made in this State as a result of the Act?

7b. Recently, a University of Virginia study by Richard F. DeMong, issued in March of 2004, concludes that the Act has "statistically reduced the credit opportunities of nonprime borrowers" in New Jersey since its implementation.
Discussion Points (Cont'd)

- **Question:** Has the department had the opportunity to review this report? What, if any, is the department's response to the conclusions of the report?

8. The Governor's Budget Recommendation estimates that revenues from the Insurance Premium tax will grow by 10 percent (page C-13), from $430 million in FY 2004 to $473 million in FY 2005. According to the Department of the Treasury, this projection is based on insurance industry analysts expectations that premiums will continue to show strong growth in 2005, albeit at a slower pace than the double-digit growth rates experienced in 2001 and 2002, a record year.

- **Questions:** For the last five fiscal years, please provide data, by line of insurance, which indicate the number of insurance policies written in this State and the corresponding dollar volume of premiums. For the same period of time, what has been the overall average percentage rate increase approved by the department for those lines of insurance where prior departmental approval is required? Based on industry data available to the department, how does the growth in premiums in this State compare to other states nationally?

9a. New Jersey has experienced a decline in the overall number of charters issued to financial institutions, from 118 to 113, between September 30, 2001 and September 30, 2003.

- **Question:** Please provide a current breakdown of the total number of State charters, by type of financial institution (example: commercial banks, savings banks, savings and loans, and credit unions). Please provide a breakdown of the number of new State charters, if any, by type of financial institution, approved by the department in FY 2004. Does the department anticipate any new charters for FY 2005? If so, please indicate how many. If no new charters are anticipated, please explain the circumstances of this situation.

How many financial institutions are State-chartered versus federally-chartered? Are there any financial institutions that are chartered by both the State and federal government? Please provide a list of those financial institutions, if any.

How many new federally-chartered institutions opened in FY 2004? Does the department anticipate the opening of any new federally-chartered institutions in FY 2005?

9b. According to the Summary Statistics of State-Chartered Banks, Thrifts and Credit Unions, the number of State-chartered savings and loans declined from 10 to 9 between September 30, 2001 and September 30, 2003. During the same time period, the number of state-chartered credit unions declined from 26 to 21.

- **Question:** Please explain the reasons for the decline in the number of State-chartered savings and loans and credit unions. Does the department anticipate this trend to continue? Does the department anticipate a decrease in the number of other State-chartered financial institutions? How has this decrease affected the department's workload?

9c. In April, 2004, the merger of Fleet National Bank with Bank of America was completed. According to the list of New Jersey Bank Mergers, current through March 31, 2004, 3 bank mergers were accomplished in New Jersey to date in calendar year 2004, compared to 9 mergers in 2003 and 12 in 2002.
Discussion Points (Cont’d)

- Question: With regard to the recent Fleet/Bank of America merger, does the department anticipate any similar mergers in FY 2005? What is the potential impact, if any, to the State’s consumer banking community? How do such mergers and acquisitions, and the trend from State-charters to federal charters affect the department’s oversight responsibility?

9d. In January, 2004, the federal Office of the Comptroller of the Currency (OCC) issued regulations that eliminate or override a state’s authority to enforce state-consumer protection laws with respect to certain activities of nationally-chartered banks and their subsidiaries. This action indicates that federal and State regulators may be at odds over how to oversee and regulate the nation’s dual-banking system.

- Question: What is the department’s response to the recent actions of the OCC? How does this action at the federal level affect the department’s ability to oversee and regulate the banking industry in this State? What impact, if any, do the OCC regulations have on the department’s ability to enforce the consumer protections of New Jersey’s banking laws, especially the "New Jersey Home Ownership Security Act of 2002?"
In June of 2003 Governor McGreevey signed into law P.L.2003, c.89 (C17:30A-2.1 et al) (hereinafter, "auto insurance reform law of 2003" or "reform law"), a comprehensive set of automobile insurance reforms designed to address an unprecedented availability crisis resulting from the extensive regulatory scheme that had evolved in the 30 year period since the enactment of New Jersey’s "no-fault" law in 1972. According to statements issued by the Commissioner of Banking and Insurance in the Spring of 2003, availability of automobile insurance had replaced affordability as the main concern of consumers. After 30 years of legislation and regulation to solve the "intractable" problem of automobile insurance in New Jersey, it appeared the situation in the marketplace had reached a critical level. In that time period, more than 40 automobile insurance carriers had left New Jersey, and ceased doing business here. At the end of 2001, there were only about 60 automobile insurers actively doing business here, far fewer than in other similarly populated states.

**Status of the Marketplace**

During 2002, additional indications that the marketplace was in trouble became evident. Approximately eight months prior to the enactment of the auto insurance reform law of 2003, State Farm Indemnity Company (State Farm), which was the third largest automobile insurer in the State insuring approximately 730,000 automobiles, had initiated proceedings to withdraw from the State. Good drivers with clean driving records were unable to obtain insurance quickly, with the process sometimes extending over several months. In January of 2003, New Jersey Manufacturers (NJM), the State’s largest automobile insurer, had petitioned the Commissioner of Banking and Insurance for temporary relief from certain laws, especially the "take-all-comers" provisions, due to the company’s processing backlog of approximately 8,100 requests for price quotes and applications. It was becoming evident that certain provisions of the automobile insurance laws had exacerbated the availability problem.

The auto insurance reform law of 2003 represents a major overhaul of the automobile insurance regulatory structure designed to make the marketplace more competitive. Key marketplace improvements of the legislation include: phase-out and eventual elimination of the "take-all-comers" provisions; creation of a time-line for regulatory action on rate requests and expedited rate filings; modification of "tier rating" provisions with respect to the standard tier; and provisions to simplify the procedures an insurer may use to withdraw from selling a particular type of insurance or to withdraw from the State.

In addition, the legislation includes initiatives to combat insurance fraud, reduce the ranks of the uninsured and provide for consumer protection and education. Its main objective is to create a fair and competitive automobile insurance marketplace for New Jersey consumers.

**Take-all-comers**

Pursuant to N.J.S.A. 17:33B-13 through 17, or the "take-all-comers" provisions of the "Fair Automobile Insurance Reform Act of 1990," P.L.1990, c.8 ("FAIR Act"), automobile insurers were required to "write" or insure any applicant who met certain eligibility criteria. The effect of these provisions, however, was to prevent the non-renewal of insureds who developed poor driving records and limited an insurer’s ability to control the amount of new business it wrote.
The auto insurance reform law of 2003 provides for the phase-out of the "take-all-comers" provisions, with final elimination by January 1, 2009. The reform law provided that insurers could immediately qualify for an exemption from the "take-all-comers" provisions in any automobile insurance rating territory in which the insurer increased its aggregate number of insureds by a "percentage growth standard." The growth standard starts at 5% in the first year and declines 1% a year until it is phased out after 5 years. During the phase-out, insurers that have exceeded the territorial growth limit may utilize alternate underwriting rules for the acceptance of new business. The reform law provides for a rolling one year review of the insurer's growth, which may entitle the insurer to use alternate underwriting rules for a period of six months.

For example, if an insurer had 1,000 automobiles insured in a territory on December 31, 2002, it would use its alternate underwriting rules beginning January 1, 2004 if it insured in excess of 1,050 automobiles on December 31, 2003. It could continue to use the alternate rule on July 1, 2004 if its insured automobiles exceeded by five percent the number insured on June 30, 2003. Finally, on January 1, 2005, the insurer could continue to use the alternate rules if on December 31, 2004 it exceeded the number of insured automobiles on December 31, 2003 by four percent.

Any eligible person denied coverage because the insurer has an exemption may seek coverage from another insurer or may receive coverage through the residual market mechanism, the Personal Automobile Insurance Plan (PAIP or the "assigned risk plan"). The PAIP plan of operation would establish a voluntary rating tier to accommodate these drivers.

The Commissioner of Banking and Insurance retains the authority to suspend the exemption if there is a noncompetitive market, which is presumed if PAIP risks reach 10%. Insurers qualifying for this exemption also will receive assigned risk credits from PAIP and will continue to qualify for the 2 for 1 non-renewal allowance. Also, as part of these changes, the bill extends the "sunset provision" for the operation of the automobile insurance urban enterprise zone (UEZ) voluntary rating tier under PAIP for an additional three years, so that the program will now operate for a total of eight years from the time of its inception, rather than the original five.

Finally, the reform law authorizes certain regulatory modifications to the criteria used to underwrite, or determine the "risk," of applicants for automobile insurance, and thus their eligibility to be written in the voluntary market. These revisions to the eligibility criteria and the definition of "at-fault accident," will allow insurers to more accurately rate insureds with good or clean driving records versus those who have accumulated motor vehicle points or been involved in "at-fault accidents."

Tier Rating

The auto insurance reform law of 2003 amends the "tier rating" provisions to allow insurers to assign insureds to a rating tier other than the standard tier upon the accumulation of more than 4 motor vehicle points (previously it was 6). This amendment requires that insurers' rates remain "revenue neutral" if they reassign risks pursuant to this change, meaning that, overall, an insurer cannot increase its revenues or profits by virtue of such an adjustment in its underwriting.
Prior Approval Process

The reform law amends the prior approval rate filing provision to build in a timeline for regulatory action on automobile insurance rate requests so as to ensure a timely response. A number of other states provide for such a timeline in the rate approval process. Previously, insurers were reluctant to enter the New Jersey marketplace because regulatory action on rate requests could take many months and, in some instances, years, before resolution. Under the previous system, an insurer’s financial condition could deteriorate in the time that it took for rate requests to be approved.

With the procedures now authorized under the reform law, upon receiving a rate filing, the Commissioner of Banking and Insurance is required to issue a "Preliminary Determination" within 90 days. The commissioner may extend that deadline by 30 days for good cause. The Preliminary Determination must include the basis for the decision to accept, reject or modify the request. Unless the insurer, filer or an interested party requests a hearing, the commissioner may adopt the Preliminary Determination as a "Final Decision" within 30 days. If a hearing is requested, it will proceed on an expedited basis. If the commissioner fails to take action within the prescribed time frames, the filing will be transmitted to the Office of Administrative Law for a hearing and the commissioner must adopt the finding of the administrative law judge as the final decision.

Expeditited Rate Filings

The auto insurance reform law of 2003 also makes changes with respect to the expedited rate filing procedures afforded automobile insurers. It raises the ceiling for rate increases pursuant to expedited filings from 3% to 7% for the overall rate and from 5% to 10% for any single coverage. An insurer not using the expedited process in any year may elect to submit an expedited filing increasing rates by not more than twice those amounts in the subsequent year, so long as not more than one filing is made in any 24-month period.

As is similar with the procedures established for rate requests in excess of 7%, the reform law establishes a timeline for expedited rate requests. The commissioner must render a decision on an expedited filing within 30 days for a filing requesting up to 3% and within 45 days for a filing requesting more than 3% but not more than 7%, with a 15-day extension if necessary. It also changes the test for approval from a subjective to an objective one, by requiring that the resulting rates shall not be excessive, inadequate or unfairly discriminatory between similar risks, as is the case with prior approval rate filings.

Insurer Withdrawal

Prior to the enactment of the auto insurance reform law of 2003, insurers other than those already doing business here were reluctant to enter the marketplace because of the difficulties they would face if profitability concerns caused them to consider leaving New Jersey. The withdrawal process could take up to five years, and insurers could be required to surrender their licenses to transact other lines of business as a condition of withdrawal.
The reform law simplifies the procedures which an insurer may use to withdraw from selling a particular type of insurance or to withdraw from the State. Insurers may make an informational filing with the commissioner and establish an orderly plan for nonrenewing outstanding policies to limit disruption in the market. However, these provisions do not go into effect until January 1, 2007.

**Excess Profits**

The reform law also makes changes to the "excess profits law" which changes were designed to attract additional insurers to the New Jersey marketplace. Pursuant to the provisions of New Jersey's excess profits law, insurers are prohibited from earning more than 6 percent in profits from their sales of automobile insurance policies. If an insurer earns more than that percentage in profits, it is required to return the excess profits to its insureds. Prior to the 2003 amendments, the calculation of excess profits extended over a three-year period.

The reform law amended New Jersey's excess profits law to extend the “look back” period from three to seven years to take into account fluctuations in the market over a longer period of time. With this change, insurers will be in a better financial position to absorb underwriting losses in unprofitable years.

Will the Reforms Encourage Insurers to Return to the Marketplace?

According to a report issued in January of 2004 by the Department of Banking and Insurance, the auto insurance reform law of 2003 appears to have had an initial positive effect on the automobile insurance marketplace. As noted in the report, a survey by the department indicated that insurers were able to write and bind policies within 7 days. NJM responded that its backlog was cleared and the company was able to provide coverage for applicants within 3 days. This information would seem to indicate that the automobile insurance availability concerns have abated.

The department announced that in October 2003, State Farm suspended its previously approved plan to drop automobile insurance coverage for 4,000 insureds each month. This action had a positive impact in that those insureds would not be forced to find coverage with other insurers, thus "easing the availability crisis" according to the department's report.

In a similar manner, the report indicates that the AIG company (AIG), which insures approximately 200,000 automobiles, had delayed its plans to withdraw from doing business in New Jersey. Originally, the company had been scheduled to leave the State at the end of 2003. Instead, the company has postponed that decision for at least two years, until the end of 2005. Again, this action has been seen as a positive impact because AIG insureds have not been forced to find another automobile insurer to provide them coverage.

More importantly for consumers, approximately $86.6 million has been returned to automobile insurance policyholders, in the form of voluntary rate reductions or dividends, since the enactment of the reform law. Insurers that have reduced rates or returned dividends to policyholders include State Farm, NJM and USAA, an insurer that provides coverage to military personnel, veterans and their families. Based upon information included in various press releases issued by the department,
Background Paper: Automobile Insurance Marketplace Reforms - Will Insurers Be Encouraged to Return to New Jersey? (cont'd)

it appears that these rate actions by insurers have impacted approximately one million policyholders.

Finally, perhaps the most significant development since the enactment of the auto insurance reform law of 2003 is the admission of Mercury General Insurance Group (Mercury) to do business in New Jersey. According to the department’s report, Mercury is the first major new automobile insurer to be licensed in New Jersey in seven years. The company insured approximately 6,000 automobiles by the end of 2003, and it is estimated that the company will insure up to 36,000 automobiles by the end of 2004.

Conclusion

The auto insurance reform law of 2003 will be one year old on June 9, 2004. To date, it appears that the changes implemented pursuant to the provisions of the reform law have had a positive impact on the automobile insurance marketplace. First, consumers are now able to obtain automobile insurance in a timely manner, evidence that the availability crisis has abated. State Farm and AIG have postponed, until December of 2005, their active efforts to withdraw from and cease doing business in New Jersey. This move has a positive impact by not forcing thousands of consumers to seek automobile insurance in a market with fewer insurers, again indicating that the insurance availability situation has stabilized.

Second, close to 1 million consumers received rate reductions or dividends as the result of voluntary actions by their insurers, a sign that indicates that insurer's concerns with respect to their financial condition in the New Jersey marketplace may have eased.

Third, New Jersey admitted its first major new automobile insurer in seven years since the enactment of the reform law. It is estimated that the company, Mercury General Insurance Group, will insure up to 36,000 automobiles by the end of 2004.

These marketplace activities are positive indications that the reforms enacted one year ago have begun to alleviate some of the problems that have long plagued automobile insurance in New Jersey.
OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services provides nonpartisan assistance to the State Legislature in the areas of legal, fiscal, research, bill drafting, committee staffing and administrative services. It operates under the jurisdiction of the Legislative Services Commission, a bipartisan body consisting of eight members of each House. The Executive Director supervises and directs the Office of Legislative Services.

The Legislative Budget and Finance Officer is the chief fiscal officer for the Legislature. The Legislative Budget and Finance Officer collects and presents fiscal information for the Legislature; serves as Secretary to the Joint Budget Oversight Committee; attends upon the Appropriations Committees during review of the Governor's Budget recommendations; reports on such matters as the committees or Legislature may direct; administers the fiscal note process and has statutory responsibilities for the review of appropriations transfers and other State fiscal transactions.

The Office of Legislative Services Central Staff provides a variety of legal, fiscal, research and administrative services to individual legislators, legislative officers, legislative committees and commissions, and partisan staff. The central staff is organized under the Central Staff Management Unit into ten subject area sections. Each section, under a section chief, includes legal, fiscal, and research staff for the standing reference committees of the Legislature and, upon request, to special commissions created by the Legislature. The central staff assists the Legislative Budget and Finance Officer in providing services to the Appropriations Committees during the budget review process.

Individuals wishing information and committee schedules on the FY 2005 budget are encouraged to contact:

Legislative Budget and Finance Office
State House Annex
Room 140  PO Box 068
Trenton, NJ  08625
(609) 292-8030   •   Fax (609) 777-2442