

CHAPTER 72

AN ACT concerning the membership of the New Jersey Automobile Insurance Risk Exchange board and amending P.L.1983, c.362.

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

1. Section 15 of P.L.1983, c.362 (C.39:6A-21) is amended to read as follows:

C.39:6A-21 The New Jersey Automobile Insurance Risk Exchange; membership, board of directors.

15. The New Jersey Automobile Insurance Risk Exchange; membership, board of directors.

There shall be created, within 45 days of the operative date of this act, an unincorporated association, to operate on a nonprofit-nonloss basis, to be known as the New Jersey Automobile Insurance Risk Exchange, with its headquarters to be located within the State of New Jersey. Every insurer licensed to transact private-passenger automobile insurance in this State shall be a member of the exchange and shall be bound by the rules of the exchange as a condition of the authority to transact insurance business in this State. Any insurer which ceases to transact automobile insurance business in this State shall remain liable for any amounts due to the exchange for business transacted prior to the effective date of its cessation of business in the State.

The exchange shall adopt a plan of operation which shall become effective upon approval by the Commissioner of Banking and Insurance. The business affairs of the exchange shall be governed by a board of directors to be comprised of 12 members. Nine members shall be appointed, from a list of names submitted by the Commissioner of Banking and Insurance, by the Governor, with the advice and consent of the Senate, of whom two shall represent the Property Casualty Insurers Association of America, or its successor organization; two shall represent the American Insurance Association, or its successor organization; two shall represent the independent companies; two shall represent New Jersey domiciled insurance companies as nominated to the commissioner by the exchange; and one shall be a public member. If no name is submitted by an aforementioned association or company to serve as its representative on the board of the exchange, the exchange shall submit to the commissioner the name of an individual employed by an insurer transacting automobile insurance in this State. Additionally, the Governor, the Speaker of the General Assembly and the President of the Senate shall each appoint one public member. The board shall elect a chairman who shall be a representative of an insurer domiciled in New Jersey. No insurer shall represent more than one organization on the board of directors of the exchange.

All appointments made on or after the effective date of this amendatory act shall be for five-year terms. A director shall serve until his successor is appointed. Vacancies on the board of directors of the exchange shall be filled for the remainders of the terms in the same manner as the original appointments. Public members shall be compensated in an amount to be determined by the commissioner, and shall be reimbursed for necessary expenses actually incurred in the performance of their duties. All expenses incurred by the board shall be payable from moneys collected by the exchange.

2. This act shall take effect immediately.

Approved April 30, 2007.