

CHAPTER 97

AN ACT concerning the Compensation Rating and Inspection Bureau, supplementing chapter 15 of Title 34 of the Revised Statutes and repealing R.S.34:15-89 and R.S.34:15-90.

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

C.34:15-90.1 Compensation Rating and Inspection Bureau continued; directors, appointment, terms.

1. a. The Compensation Rating and Inspection Bureau, established and continued by R.S.34:15-89, consisting of all insurers authorized to write workers' compensation or employers' liability insurance within this State as provided under R.S.34:15-90, is continued as provided by this act. No insurer shall write workers' compensation or employers' liability insurance in this State unless it is a member of the Compensation Rating and Inspection Bureau. Each member of the Compensation Rating and Inspection Bureau shall have one representative entitled to one vote in the administration of the Compensation Rating and Inspection Bureau's affairs.

b. The Compensation Rating and Inspection Bureau shall be governed by a committee of 10 directors. The Commissioner of Banking and Insurance or his designee shall serve as an ex-officio, non-voting director. Six directors of the governing committee shall be elected by the insurer members as provided in the approved plan of operation. Three directors shall be appointed by the commissioner: one of whom shall be an individual appointed from a list or lists of nominees provided by one or more recognized Statewide organizations representing licensed insurance producers; one of whom shall be an individual appointed from a list or lists of nominees provided by one or more recognized Statewide business organizations; and one of whom shall be an individual appointed from a list or lists of nominees provided by one or more recognized Statewide labor organizations.

Initially, two of the elected directors and one of the appointed directors shall serve for a term of three years; two of the elected directors and one of the appointed directors shall serve for a term of two years; and two of the elected directors and one of the appointed directors shall serve for a term of one year. Thereafter, all board members shall serve for a term of three years. Vacancies shall be filled in the same manner as the original selection.

C.34:15-90.2 Authority of Compensation Rating and Inspection Bureau.

2. The Compensation Rating and Inspection Bureau shall have authority to:

a. Enter into contracts as are necessary or proper to carry out the provisions and purposes of this act;

b. Sue or be sued, including taking any legal actions as may be necessary for recovery of any assessments;

c. Establish rules, conditions, and procedures for assessment of its members;

d. Assess members in accordance with chapter 15 of Title 34 of the Revised Statutes;

e. Appoint from among its members appropriate legal, actuarial, and other subcommittees of the governing committee as necessary to provide technical assistance in the operation of the bureau;

f. Establish and maintain rules, regulations and premium rates for workers' compensation and employers' liability insurance and equitably adjust the same, as far as practical, to the hazard of individual risks, by inspection by the bureau;

g. Adopt means for assuring uniform and accurate audit of payrolls as they relate to policies of workers' compensation and employers' liability insurance by auditors, appointed

by the bureau, or by such other means as the bureau may, with the approval of the commissioner, establish;

h. Furnish upon request to any of its members or to any employer upon whose risks a rating has been promulgated by it, information as to such rating, including the method of its computation, and shall encourage employers to reduce the number and severity of accidents by adjusting premiums and rates through the use of credits and debits or other proper factors, under such uniform system of experience or other forms of merit rating as may be approved by the commissioner;

i. Prepare and file, for the approval of the commissioner, and for the use by all of its members, any amendments to its policy forms and its system of classification of risks and premiums thereto, together with the basis rates and system of merit or schedule rating applicable to such insurance, as currently set forth in the New Jersey Workers' Compensation and Employers' Liability Insurance Manual;

j. Develop and submit, for the approval of the commissioner, any amendments to its rules of procedure as currently set forth in the New Jersey Workers' Compensation and Employers' Liability Insurance Manual;

k. Resolve disputes concerning the application of its rating system to specific cases, in accordance with the workers' compensation and employers' liability insurance policy and the bureau's rules of procedure, subject to appeal to the commissioner; and

l. Take such other actions as may be reasonable and necessary to carry out its functions as provided in its approved rules of procedures, or as directed by the commissioner.

Repealer.

3. R.S.34:15-89 and R.S.34:15-90 are repealed.

C.34:15-90.3 Effective date.

4. This act shall take effect July 1, 2009, except that the Commissioner of Banking and Insurance may take such anticipatory administrative action in advance as shall be necessary for the orderly transition of the new Compensation Rating and Inspection Bureau and proper implementation of this act.

Approved October 1, 2008.