ASSEMBLY, No. 3240

STATE OF NEW JERSEY

222nd LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2026 SESSION

Sponsored by:
Assemblyman DAN HUTCHISON
District 4 (Atlantic, Camden and Gloucester)
Assemblywoman CAROL A. MURPHY
District 7 (Burlington)

Co-Sponsored by:
Assemblyman Miller

SYNOPSIS

Provides that contracts between subscribers and attorney in fact are not a related party transaction.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

AN ACT concerning reciprocal insurance and interinsurance contracts and amending P.L.1945, c.161.

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

1. Section 1 of P.L.1945, c.161 (C.17:50-1) is amended to read as follows:

1. Individuals, partnerships, trustees and all corporations of this State, herein designated "subscribers," are hereby authorized to exchange reciprocal or interinsurance contracts with each other and with individuals, partnerships, trustees and corporations of other States, districts, provinces and countries, for any or all of the kinds of business for which a company may be formed or authorized to transact under the provisions of chapter seventeen of Title 17 of the Revised Statutes, except life insurance.

Such contracts and the exchange thereof and such subscribers, their attorneys in fact and representatives shall be regulated by this act, and by no other statute of this State relating to insurance, <u>including, but not limited to, R.S.17:27-1 et seq.,</u> except as herein otherwise provided. <u>Such contracts between subscribers and the attorney in fact and any fees charged pursuant to those contracts or arising out of those contracts shall not be construed to be a related party transaction.</u>

(cf: P.L.1945, c.161, s.1)

2. This act shall take effect immediately.

STATEMENT

This bill amends the law concerning reciprocal insurance and interinsurance contracts. The bill provides that contracts between subscribers and the attorney in fact, and any fees charged pursuant to those contracts or arising out of those contracts, are not to be considered a related party transaction.

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined <u>thus</u> is new matter.