

# SENATE COMMERCE COMMITTEE

## STATEMENT TO

### SENATE, No. 479

# STATE OF NEW JERSEY

DATED: JUNE 20, 2022

The Senate Commerce Committee reports favorably Senate Bill No. 479.

This bill eliminates the New Jersey Automobile Insurance Risk Exchange.

The New Jersey Automobile Insurance Risk Exchange (AIRE) was created by statute for the purpose of compensating insurer members of the exchange for claims paid for non-economic loss and claim adjustment expense which would not have been incurred had the less costly tort limitation option provided under statute been elected by the injured party filing a claim for non-economic loss.

Membership in AIRE is required for every insurer licensed to transact private passenger automobile insurance in New Jersey, including all applicable residual market mechanisms. All AIRE assessments, expenses and costs are paid by New Jersey automobile insurance companies.

The bill provides that any savings realized by an insurer licensed to transact private-passenger automobile insurance in this State through the elimination of AIRE, as determined by the Commissioner of Banking and Insurance, are required to be deposited into the "Pedestrian Safety Enforcement and Education Fund," and to be used to alleviate pedestrian safety problems.

This bill was pre-filed for introduction in the 2022-2023 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.