SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 4270

STATE OF NEW JERSEY

DATED: DECEMBER 16, 2021

The Senate Commerce Committee reports favorably Senate Bill No. 4270.

This bill makes certain changes to the law concerning insurance holding companies.

This bill adds a distinct presumption of control when a person solicits proxies for the purpose of electing directors representing 10 percent or more of the board members and adds a definition of "own" or "owned" to include all voting securities underlying convertible securities, options, securities futures contracts, and aggregating shares "owned" by persons acting in concert.

The bill adds to the law additional circumstances under which a person is required to file information with the Department of Banking and Insurance and obtain approval and requires additional information to be included in the filing. The bill clarifies that the purpose of these provisions is to enable the Commissioner of Banking and Insurance to review any acquisition of control of a domestic insurer or of any other person controlling a domestic insurer in order to determine whether or not the acquisition of control would be adverse to the public interest or protection of the existing and future policyholders of the company or is being sought by persons who would utilize such control adversely to the public interest or protection of policyholders, and to enable the commissioner to make the findings required pursuant to the law.