Suggests that the provision in the PIIA and the case law interpreting it,

A Review of the PIIA, and the Case Law Interpreting It,

the IRAA prohibits states from discriminating against risk

Rejection Groups.

the IRAA prohibits states from discriminating against risk

authorizes the establishment of risk rejection groups and


Department of Banking and Insurance. The Federal Liability

in the State. Risk rejection groups are registered with the

issue approximately 65% of tax-exempt liability insurance coverage

groups, which provide a form of self insurance, and currently

this bill, however, would eliminate the role of risk rejection

availability of insurance coverage for tax-exempts. The changes in

State and are an important component in ensuring the

admitted insurance companies are licensed to do business in the

"admitted" insurance company. Coverage be provided by an "admitted insurance company.

registration that would require the $5,000 minimum insurance

However, I am concerned with the provision of the

State criminal history background check.

insurance coverage and rejecting tax-exempt operators to undertake

Incorporating consumer protections, including insurance mandatoriness

the award of tax-exempt licenses by municipal officials, and by

moderately the tax-exempt law by adopting a comprehensive process in

I commend the sponsors for this legislation, which would

(second report) (with my recommendations for reconsideration,

Jersey constituent, I am returning Assembly Bill No. 1471

pursuant to Article V, Section I, Paragraph 14 of the New

To the General Assembly:

(second report)

ASSEMBLY BILL NO. 1471

May 5, 2011

EXECUTIVE DEPARTMENT

STATE OF NEW JERSEY
Chief Concern to the Governor

/s/ Jeffrey S. Chiesa

Attent:

[Seal]

Governor
/s/ Christie

Respectfully,

company registered to do business in the State of New Jersey is not to be authorized to operate with inadequate safeguards.

Replikit, and recommend that the ARL be amended as follows:

Therefore, I recommend that the ARL be amended to provide primary insurance coverage for tax-exempt, not-for-profit groups registered in the State of New Jersey to continue to be authorized to operate with inadequate safeguards.

Replikit, and recommend that the ARL be amended as follows:

Therefore, I recommend that the ARL be amended to provide primary insurance coverage for tax-exempt, not-for-profit, public interest, charitable, and other not-for-profit, public interest, charitable, and social service organizations registered in the State of New Jersey to continue to be authorized to operate with inadequate safeguards.

Such concerns in New Jersey, thus ensuring that tax-exempt, not-for-profit, public interest, charitable, and other not-for-profit, public interest, charitable, and social service organizations registered in the State of New Jersey to continue to be authorized to operate with inadequate safeguards.

Additionally, I have been informed by the Department of Banking and Insurance that the proposed amendment to the ARL to provide primary insurance coverage for tax-exempt, not-for-profit, public interest, charitable, and other not-for-profit, public interest, charitable, and social service organizations registered in the State of New Jersey to continue to be authorized to operate with inadequate safeguards.

Moreover, I have been informed by the Department of Banking and Insurance that the proposed amendment to the ARL to provide primary insurance coverage for tax-exempt, not-for-profit, public interest, charitable, and other not-for-profit, public interest, charitable, and social service organizations registered in the State of New Jersey to continue to be authorized to operate with inadequate safeguards.

Executive Department

State of New Jersey

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