

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF THE TRANSFER OF THE)
MANAGEMENT, ADMINISTRATIVE AND CLAIM)
FUNCTIONS OF THE NEW JERSEY AUTOMOBILE)
FULL INSURANCE UNDERWRITING ASSOCIATION,) ORDER
THE MARKET TRANSITION FACILITY AND THE)
NEW JERSEY AUTOMOBILE INSURANCE GUARANTY)
FUND TO THE NEW JERSEY PROPERTY-LIABILITY)
INSURANCE GUARANTY ASSOCIATION)

This matter having been opened by the Commissioner of Banking and Insurance (“Commissioner”) pursuant to the authority of N.J.S.A. 17:1-8.1, 17:1-15e, and P.L. 2003 c. 89 and all powers expressed and implied therein; and

IT APPEARING that, pursuant to P.L. 2003, c. 89 (the “Act”), enacted on June 9, 2003, the New Jersey Property-Liability Insurance Guaranty Association (“PLIGA”) is to assume responsibility for all management, administrative and claims functions of the New Jersey Automobile Full Insurance Underwriting Association (“NJAFIUA”) and the Market Transition Facility (“MTF”) and that all of their functions, powers and duties, assets, liabilities and balances are to be transferred from the Department of Banking and Insurance (“Department”) to the PLIGA; and

IT FURTHER APPEARING that the New Jersey Automobile Insurance Guaranty Fund (“NJAIGF”), created pursuant to P.L. 1990, c. 8, as amended, is utilized for the purposes of satisfying the financial obligations of the NJAFIUA and MTF, and, pursuant to the Act, all balances in the NJAIGF are to be transferred to the PLIGA; and

IT FURTHER APPEARING that the Act empowers the Commissioner to provide for an orderly transition of the operations, functions, powers and duties of the NJAFIUA, the MTF and the NJAIGF; and

IT FURTHER APPEARING that the public interest requires that the orderly transition provide for the uninterrupted processing of claims and the timely payment of obligations as they come due by the NJAFIUA and the MTF,

THEREFORE, it is on this 20th day of June, 2003 ORDERED that:

1. All servicing carriers and other persons shall continue to communicate with the NJAFIUA and the MTF at their current addresses, telephone numbers and e-mail addresses until further notice.

2. All personnel, systems and claim functions of or relating to the NJAFIUA, MTF and NJAIGF presently administered by the Department shall continue to be so administered on an interim basis until further order.

3. The NJAFIUA and MTF shall continue to utilize existing accounts to pay current obligations as they come due, pending further order.

4. All current procedures of the NJAFIUA, MTF and NJAIGF shall remain in effect and all claim files shall continue to be held and administered by the NJAFIUA and MTF until transfer of the NJAFIUA and MTF operations to the PLIGA, or until further order. While notices of claims shall continue to be filed with the Department until further order, any notice filed with the PLIGA relating to claims against the NJAFIUA or MTF shall be deemed properly filed with the NJAFIUA or the MTF, as applicable, upon timely receipt by the PLIGA.

5. Department staff shall confer with staff from the NJAFIUA and MTF and staff from the PLIGA to establish interim procedures and procedures for the orderly final consolidation and transfer of the operations of the NJAFIUA and MTF to the PLIGA, and to identify necessary amendments to the

PLIGA Plan of Operation. Pending the development and approval of such an amended Plan of Operation, the NJAFIUA and the MTF may take all necessary actions to continue their efficient operations.

6. Department staff shall also confer with the staff of the PLIGA and of the Office of the State Treasurer to assure an orderly transfer of the funds of NJAIGF to the PLIGA that facilitates the continued payment of the obligations of the NJAFIUA and the MTF as they come due.

6/20/03
Date

/s/ Holly C. Bakke
Holly C. Bakke
Commissioner

JUAMTFIGF/INOORD