



**STATEMENT RE:** **A-1923**  
“An Act concerning the New Jersey Surplus Lines Insurance Guaranty Fund Act and amending P.L. 2002, c.30 and P.L. 1984, c.101

**TO:** Assembly Financial Institutions and Insurance Committee

**BY:** Professional Insurance Agents of New Jersey  
Leon Zimmerman, Legislative Representative

**ON:** March 6, 2006

**PROFESSIONAL  
INSURANCE  
AGENTS**

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PIANJ, a trade association which represents more than 7,000 professional independent insurance agents and their employees doing business in communities throughout New Jersey, offers its support for A-1923. This bill would restore coverage under the New Jersey Surplus Lines Insurance Guaranty Fund for claims involving liquor law liability.

Currently, the Guaranty Fund pays the claims of insolvent surplus lines insurers for only two lines of insurance; medical malpractice liability and property insurance covering owner-occupied dwellings of less than four dwelling units. Prior to June 2002, when the law was amended, the Fund had covered most types of property/casualty lines written on a surplus lines basis. PIANJ has always been of the opinion that stripping coverage under the Fund was detrimental to the interests of policyholders of insolvent surplus lines insurers.

Therefore, PIANJ supports adding back liquor law liability claims as a covered claim under the Fund. Certainly it is a benefit to consumers to have funds available to them in the event their insurer becomes insolvent and unable to pay their claims. This is especially true of liquor law liability claims which tend to involve substantial damage amounts.

PIANJ also urges the committee to consider amending the legislation to restore coverage for other types of property/casualty surplus lines claims previously covered by the Fund. Thank you.