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**NEW JERSEY CAPTIVE INSURANCE
ASSOCIATION**

LEGISLATIVE UPDATE

New Jersey Bill to Regulate Captive Insurers Passes Assembly

Trenton, NJ, June 28, 2010: In an assembly meeting that continued into the hours past midnight, Assembly Bill A2360 to Regulate Captive Insurers passed with amendments. The bill, sponsored by Assemblyman Gary Schaer, Assemblywoman Denise Coyle, and Assemblyman John McKeon, brings New Jersey another step closer to becoming a captive insurance domicile.

The senate version of the bill (S 168) remains with the Senate Finance Committee which was originally sponsored solely by Senator Nia Gill but now has the additional co-sponsorship of Senator Thomas Kean, Jr.

Gregg Sgambati, President of the New Jersey Captive Insurance Association (NJCIA) says that if bill S 168 can move out of the Senate Committee at one of the upcoming committee meetings, we could see New Jersey become a captive domicile this year. The addition of Senator Thomas Kean, Jr. as a co-sponsor will add momentum to the bill's progress. Senator Kean has sponsored other economic bills that he says, "meet the challenges of the 21st century economy and workplace."

The assembly bill was passed without the inclusion of risk retention groups. Risk retention groups (RRGs) account for around 15% of captive insurance company formations. "Although not having RRGs in the legislation is not ideal, it should not be misconstrued as an indication of low enthusiasm for this legislation by state regulators, who are in fact, very enthusiastic about captive insurance", said Sgambati. "This is a stepped approach to ramping up a promising new domicile."

NJCIA will continue to promote the merits of including RRGs in the Senate version of the bill which currently has language that includes them. RRGs are often the first captive insurance companies to form in a new domicile.

NJCIA's first goal is to see the passage of captive legislation that will make New Jersey a captive insurance domicile. With each step closer to captive legislation, NJCIA continues to increase activities to promote captive insurance in New Jersey. Please visit the new NJCIA website for information about association membership and committee participation at www.njcia.org or contact Gregg Sgambati at (201) 252-2444 or gregg.s@njcia.org.

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