

Office of the Governor

NEWS RELEASE

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Gov. Christie Whitman today signed legislation that will permit health service corporations to invest in insurance and health maintenance organization subsidiaries without being subject to the current eight percent limitation on admitted assets on subsidiary investments.

The legislation, S-1243, adopts the model law language approved by the National Association of Insurance Commissioners. The bill will allow New Jersey Blue Cross and Blue Shield to meet national Blue Cross requirements and New Jersey state law.

The legislation was sponsored by Senator C. Louis Bassano (R-Essex/Union) and Richard J. Codey (D-Essex) and Assembly Members Christopher "Kip" Bateman (R-Morris/Somerset) and Raul "Rudy" Garcia (D-Hudson).