

Office of the Governor

PO BOX 004
TRENTON, NJ 08625

NEWS RELEASE

CONTACT: Gene Herman
609-777-2600

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Gov. Christie Whitman today conditionally vetoed the following pieces of legislation:

S-504, sponsored by Senators Andrew R. Ciesla (R-Monmouth/Ocean) and John J. Matheussen (R-Camden/Gloucester) and Assembly Members Francis J. Blee (R-Atlantic) and Joseph R. Malone, 3d (R-Burlington/Monmouth/Ocean), requires public school districts to provide transportation to all nonpublic school students in certain situations. Current law requires school districts to provide transportation to nonpublic school students living more than 2 miles from school for elementary school students and more than 2 1/2 miles from school for secondary students, provided the nonpublic school is not more than 20 miles from the student's residence. If a school district cannot provide such transportation for less than a certain statutorily-determined maximum amount (\$702 for the 1998-1999 school year), then the school district must provide that amount to the student's parents or legal guardian as aid in lieu of transportation.

The bill provides that if a school district is currently providing transportation to a nonpublic school located not more than 20 miles from a student's residence, the district shall provide transportation to all nonpublic school pupils residing in the municipality of that student, regardless of the 20 mile limit.

In her conditional veto, the Governor commended the sponsors for their work on the legislation, which serves the important purpose of extending transportation services to certain nonpublic school students. She recommended that a school district provide transportation to nonpublic school students residing beyond the 20 mile limit only when seats are available on existing bus routes. She recommended that if no seats are available, or if the cost of transporting the nonpublic school student would exceed the statutorily established maximum expenditure, aid in lieu of transportation would be provided to the student.

S-1112, sponsored by Senator Gerald Cardinale (R-Bergen), requires the Commissioner of Banking and Insurance to automatically approve a life insurance policy or contract form that is the same as, or substantially similar to, a life insurance policy or contract form that has been approved for use in at least 42 other states. The 42 states must also comprise at least two-thirds of the total population of the United States, excluding the populations of New York and New Jersey. The Commissioner may only disapprove such a life insurance policy or contract form if the policy or form contains deceptive provisions. The disapproval must be in writing and must set forth substantive, not arbitrary, reasons for the disapproval. The bill gives the Commissioner 60 days after the receipt of a similar or substantially similar life insurance policy or form to submit a certification memorandum to the insurer authorizing the insurer's use of the policy or form in

the state. A contract form is a standard package of boiler plate insurance contracts.

The Governor conditionally vetoed the bill because it would dramatically curtail the regulatory authority of the Department of Banking and Insurance (DBI) in the area of life insurance. The Governor in her conditional veto said she recognized the intent of the sponsor to streamline the regulatory process and to expedite the sale of insurance products in New Jersey. She said, however, she did not believe it was appropriate to exclude New York from the population requirement, given that New York State has a population of approximately 18 million. She also recommended that the Commissioner of DBI be given greater latitude in disapproving policies and contract forms. To that end, the Governor in her conditional veto recommended removing that limitation and that the Commissioner be able to disapprove policies and contract forms if she does so for substantive, not arbitrary, reasons.

