

ADMINISTRATIVE AGENCIES—LEGISLATIVE VETO—AN ACT TO
AMEND AND SUPPLEMENT THE ADMINISTRATIVE PROCEDURE ACT—
N.J. STAT. ANN. §§ 52:14B-4.1 to -4.9 (West Supp. 1981)

N.J. STAT. ANN. §§ 52:14B-4.1 to -4.9 provides that all rules hereafter proposed by a state agency shall be submitted by the agency to the Senate and General Assembly prior to their adoption, amendment, or repeal. This legislation has a dual purpose: to provide for the disapproval of proposed administrative rules and the suspension of existing rules by the Legislature; and to ensure agency accountability to the public and to promote participation in rulemaking proceedings.

Under this Act, the President of the Senate and the Speaker of the General Assembly shall refer the proposed rule to the appropriate standing reference committee in each House. The standing reference committee shall report its approval or disapproval to the full membership of the House, or may instead recommend that the rule not take effect for sixty days. This must be done within forty-five days of the date on which it is referred to the committee.

A rule shall be deemed approved unless within sixty days of its submission the Senate and General Assembly adopt a concurrent resolution to disprove the rule, in whole or in part, or provide that the rule not take effect during the sixty days following the date of the adoption of the resolution. During this time, a concurrent resolution disapproving the rule may be passed by the Legislature.

When an emergency situation exists, or in the case of the adoption of a rule required by the federal government, prior legislative approval shall not be required. Instead, the head of the state agency adopting the rule shall notify the President of the Senate and the Speaker of the General Assembly by letter stating the nature of the emergency and the reason the rule is being adopted.

A Joint Legislative Oversight Committee shall be established by the Senate and General Assembly by joint rule. The Committee's duties shall include examining and evaluating agency interpretations of rules and statutes and reviewing any rule proposed and adopted after the effective date of the Act. This is done to determine whether the rule is satisfactory and within the agency's authority.

The Act is amended to include within "State agency" or "agency" all of the principal departments of the Executive Branch of the state government, and all boards, divisions, commissions, agencies, departments, councils, authorities, offices, or officers within any existing depart-

ment authorized to make, adopt, or promulgate rules or adjudicate contested cases, except the Office of the Governor.

An agency is required to give thirty days notice of its intended adoption, amendment, or repeal of any rule, except as may be otherwise provided by the statute. Notice shall be mailed to all interested parties who make timely requests for advance notice and to those persons who are most likely to be affected by the agency's action.

—*Stephen Luminello*

INSURANCE—THE NEW JERSEY LEGAL SERVICES INSURANCE ACT—
N.J. STAT. ANN. §§ 17:46C-1 to -26 (West Supp. 1981)

The New Jersey Legislature, in an effort to encourage the development of effective and economically sound methods for making legal services more readily available at a reasonable cost, has passed the New Jersey Legal Services Insurance Act. N.J. STAT. ANN. §§ 17:46C-1 to -26 provides for the authorization and regulation of persons engaged in the business of legal insurance. The Act permits any person who obtains a certificate of authority from the New Jersey Commissioner of Insurance to provide legal insurance. The commissioner shall grant a certificate of authority based on a consideration of the applicant's trustworthiness, competency, and the capacity to provide benefits enumerated in the Act. The commissioner may revoke or suspend any such certificate after notice and hearing for any violation of this Act. Persons entitled to transact the business of insurance under existing law may provide legal insurance without having to obtain such a certificate.

Legal insurers may offer alternative methods of attorney selection: the "open panel" plan, which permits the insured to seek advice from the attorney of his choice; and the "closed panel" plan, under which the insurer selects a group of attorneys who will represent the policyholders. Policies may be written on either an individual or a group basis. The commissioner must approve all policies and rate schedules before a certificate of coverage may be issued by an insurer.

All persons authorized to do business under this Act must maintain a separate legal insurance account if they transact any other type of business. However, funds generated through the legal insurance business may be placed in the same investment areas as life insurance assets, as well as in any other investment areas the commissioner may authorize.