

LEGISLATIVE HISTORY OF R.S. 39:6-23 et seq.  
(Motor Vehicle Security - Responsibility law)

## L. 1952, Chapter 173 - S3

Introduced January 28 by Senators Summerill and O'Mara.  
Amended during passage.  
Statement on bill.

COPY NO. 111

(Copy of bill, amendments, and statement enclosed).

I am also enclosing copies of two previous bills, which were part of the original financial responsibility law.

## L. 1929, Chapter 116 - S81

This is the first law.

## L. 1931, Chapter 169 - A116

Amendatory law to the 1929 original; this bill has a long statement which may be of interest to you.

I am enclosing various reports and public hearings. These are sent on loan to you, and must be returned.

974.90 A939 1926	N.J. Commission to Investigate the Subject of Compulsory Automobile Insurance. <u>Report.</u> 1926
974.90 A939 1950a	N.J. Legislature. Joint Committee to Study Motor Vehicle Responsibility Law. <u>Public hearing held December 11, 1950.</u>
974.90 A939 1950	N.J. Joint Legislative Committee on Motor Vehicle Financial Responsibility Law. <u>Public hearing.</u> September 1950
974.90 A939 1955	N.J. Legislature. Assembly. Committee on Business Affairs. <u>Public hearing on A118,</u> February 21, 1955.
974.90 A939 1952	N.J. Legislature. Joint Committee to Report upon the Subject of the Improvement of the Motor Vehicle Financial Responsibility Law. <u>Report.</u> January 28, 1952.

You may wish to look at a law review article on this subject:  
Grad, Frank P. "Recent developments in automobile accident compensation"  
50 Columbia Law Review 300, 1950.

I did not enclose this article because I believe you can obtain  
it in Newark.

CK/ei

SENATE, No. 3

STATE OF NEW JERSEY

INTRODUCED JANUARY 28, 1952

By Messrs. SUMMERILL and O'MARA

Referred to Committee on Banking and Insurance

AN Act concerning financial responsibility for damages caused by the operation of motor vehicles and repealing chapter six of Title 39 of the Revised Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State of New*  
2 *Jersey:*

1 1. This act shall be known and may be cited as the "Motor Vehicle  
2 Security-Responsibility Law."

1 2. The following words and phrases, when used in this act, shall, for the  
2 purposes of this act, have the meanings respectively ascribed to them in this  
3 section, except in those instances where the context clearly indicates a  
4 different meaning:

5 "Director"—The Director of the Division of Motor Vehicles in the De-  
6 partment of Law and Public Safety.

7 "License"—Any license, temporary instruction permit or temporary  
8 license issued under the laws of this State pertaining to the licensing of  
9 persons to operate motor vehicles.

10 "Nonresident's operating privilege"—The privilege conferred upon a  
11 nonresident by the laws of this State pertaining to the operation by him of  
12 a motor vehicle, or the use of a motor vehicle owned by him, in this State.

13 "State"—Any State, territory or possession of the United States, the  
14 District of Columbia, or any province of the Dominion of Canada.

1       3. (a) If twenty days after the receipt of a report of a motor vehicle ac-  
2 cident within this State which has resulted in bodily injury or death, or dam-  
3 age to the property of any one person in excess of one hundred dollars  
4 (\$100.00), the director does not have on file evidence satisfactory to him that  
5 the person who would otherwise be required to file security under subsection  
6 (b) of this section has been released from liability, or has been finally adjudi-  
7 cated not to be liable, or has executed a duly acknowledged written agree-  
8 ment providing for the payment of an agreed amount in installments with re-  
9 spect to all claims for injuries or damages resulting from the accident, the di-  
10 rector shall determine the amount of security which shall be sufficient in  
11 his judgment to satisfy any judgment or judgments for damages resulting  
12 from such accident as may be recovered against each operator or owner.

13       (b) The director shall, within sixty days after the receipt of such  
14 report of a motor vehicle accident, suspend the license of each operator and  
15 all registrations of each owner of a motor vehicle in any manner involved in  
16 such accident, and if such operator is a nonresident the privilege of oper-  
17 ating a motor vehicle within this State, and if such owner is a nonresident  
18 the privilege of the use within this State of any motor vehicle owned by him,  
19 unless such operator or owner or both shall deposit security in the sum so  
20 determined by the director; *provided*, notice of such suspension shall be  
21 sent by the director to such operator and owner not less than ten days  
22 prior to the effective date of such suspension and shall state the amount  
23 required as security. Where erroneous information is given the director  
24 with respect to the matters set forth in subdivisions one, two or three of  
25 subsection (c) of this section, he shall take appropriate action as herein-  
26 before provided, within sixty days after receipt by him of correct informa-  
27 tion with respect to said matters.

28       (c) This section shall not apply under the conditions stated in section  
29 four of this act nor:

30           (1) to such operator or owner if such owner had in effect at the  
31 time of such accident an automobile liability policy with respect to the  
32 motor vehicle involved in such accident;

33 (2) to such operator, if not the owner of such motor vehicle, if  
34 there was in effect at the time of such accident an automobile liability  
35 policy or bond with respect to his operation of motor vehicles not owned  
36 by him;

37 (3) to such operator or owner if the liability of such operator or  
38 owner for damages resulting from such accident is, in the judgment of  
39 the director, covered by any other form of liability insurance policy or  
40 bond; nor

40a (4) to any person qualifying as a self-insurer under section twenty-  
40b nine of this act, or to any person operating a motor vehicle for such self-  
40c insurer.

41 No such policy or bond shall be effective under this section unless issued  
42 by an insurance company or surety company authorized to do business in this  
43 State, except that if such motor vehicle was not registered in this State, or  
44 was a motor vehicle which was registered elsewhere than in this State at the  
45 effective date of the policy or bond, or the most recent renewal thereof, such  
46 policy or bond shall not be effective under this section unless the insurance  
47 company or surety company if not authorized to do business in this State shall  
48 execute a power of attorney authorizing the director to accept service on  
49 its behalf of notice or process in any action upon such policy or bond aris-  
50 ing out of such accident; *provided, however, every such policy or bond is*  
51 *subject, if the accident has resulted in bodily injury or death, to a limit,*  
52 *exclusive of interest and costs, of not less than five thousand dollars*  
53 *(\$5,000.00) because of bodily injury to or death of one person in any one acci-*  
54 *dent and, subject to said limit for one person, to a limit of not less than ten*  
55 *thousand dollars (\$10,000.00) because of bodily injury to or death of two or*  
56 *more persons in any one accident, and, if the accident has resulted in injury*  
57 *to or destruction of property, to a limit of not less than one thousand dollars*  
58 *(\$1,000.00) because of injury to or destruction of property of others in any*  
59 *one accident.*

1 4. The requirements as to security and suspension in section three of  
2 this act shall not apply:

3 (a) to the operator or the owner of a motor vehicle involved in an acci-  
4 dent wherein no injury or damage was caused to the person or property of  
5 any one other than such operator or owner;

6 (b) to the operator or the owner of a motor vehicle legally parked at the  
7 time of the accident;

8 (c) to the owner of a motor vehicle if at the time of the accident the  
9 vehicle was being operated without his permission, express or implied, or was  
10 parked by a person who had been operating such motor vehicle without such  
11 permission; nor

12 (d) if, prior to the date that the director would otherwise suspend license  
13 and registration or nonresident's operating privilege under section three  
14 of this act, there shall be filed with the director evidence satisfactory to  
15 him that the person who would otherwise have to file security has been  
16 released from liability or been finally adjudicated not to be liable or has  
17 executed a duly acknowledged written agreement providing for the payment  
18 of an agreed amount in installments, with respect to all claims for injuries or  
19 damages resulting from the accident.

1 5. The license and registration and nonresident's operating privilege  
2 suspended as provided in section three of this act shall remain so suspended  
3 and shall not be renewed nor shall any such license or registration be issued  
4 to such person until:

5 (a) such person shall deposit or there shall be deposited on his behalf the  
6 security required under said section three of this act; or

7 (b) one year shall have elapsed following the date of such suspension and  
8 evidence satisfactory to the director has been filed with him that during  
9 such period no action for damages arising out of the accident has been insti-  
10 tuted; or

11 (c) evidence satisfactory to the director has been filed with him of a  
12 release from liability, or a final adjudication of nonliability, or a duly ac-

13 acknowledged written agreement, in accordance with subdivision four of section  
14 four of this act; *provided, however*, in the event there shall be any default in  
15 the payment of any installment under any duly acknowledged written agree-  
16 ment, then, upon notice of such default, the director shall forthwith suspend  
17 the license and registration or nonresident's operating privilege of such per-  
18 son defaulting which shall not be restored unless and until

19 (1) such person deposits and thereafter maintains security as re-  
20 quired under said section three of this act in such amount as the direc-  
21 tor may then determine; or

22 (2) one year shall have elapsed following the date when such security  
23 was required and during such period no action upon such agreement has  
24 been instituted in a court in this State.

1 6. (a) In case the operator or the owner of a motor vehicle involved in  
2 an accident within this State has no license or registration, or is a nonresident,  
3 he shall not be allowed a license or registration until he has complied with  
4 the requirements of this act to the same extent that would be necessary if,  
5 at the time of the accident, he had held a license and registration.

6 (b) When a nonresident's operating privilege is suspended pursuant to  
7 section three or section five of this act, the director shall transmit a  
8 certified copy of the record of such action to the official in charge of the is-  
9 suance of licenses and registration certificates in the State in which such non-  
10 resident resides, if the law of such other State provides for action in relation  
11 thereto similar to that provided for in subsection (c) of this section.

12 (c) Upon receipt of such certification that the operating privilege of a  
13 resident of this State has been suspended or revoked in any such other State  
14 pursuant to a law providing for its suspension or revocation for failure to  
15 deposit security for the payment of judgments arising out of a motor vehicle  
16 accident, under circumstances which would require the director to sus-  
17 pend a nonresident's operating privilege had the accident occurred in this  
18 State, the director shall suspend the license of such resident if he was  
19 the operator, and all of his registrations if he was the owner of a motor vehicle

20 involved in such accident. Such suspension shall continue until such resident  
21 furnishes evidence of his compliance with the law of such other State relating  
22 to the deposit of such security.

1       7. The security under this act shall be in such form and in such  
2 amount as the director may require but in no case in excess of the limits  
3 specified in section three of this act in reference to the acceptable limits of a  
4 policy or bond. The person depositing security shall specify in writing the per-  
5 son or persons on whose behalf the deposit is made and, at any time while  
6 such deposit is in the custody of the director or State Treasurer; the person  
7 depositing it may, in writing, amend the specification of the person or per-  
8 sons on whose behalf the deposit is made to include an additional person or  
9 persons; *provided, however*, that a single deposit of security shall be appli-  
10 cable only on behalf of persons required to furnish security because of the  
11 same accident.

12       The director may reduce the amount of security ordered in any case  
13 within six months after the date of the accident if, in his judgment, the amount  
14 ordered is excessive. In case the security originally ordered has been de-  
15 posited the excess deposited over the reduced amount ordered shall be re-  
16 turned to the depositor or his personal representative forthwith, notwith-  
17 standing the provisions of section eight of this act.

1       8. Security deposited in compliance with the requirements of this act  
2 shall be retained by the director in his custody and shall be ap-  
3 plicable only to the payment of a judgment or judgments ren-  
4 dered against the person or persons on whose behalf the deposit was made,  
5 for damages arising out of the accident in question in a civil action, begun  
6 not later than one year after the date of such accident, or within one year  
7 after the date of deposit of any security under subparagraph c of section  
8 five of this act, or to the payment in settlement, agreed to by the depositor,  
9 of a claim or claims arising out of such accident. Such deposit or any balance  
10 thereof shall be returned to the depositor or his personal representative  
11 when evidence satisfactory to the director has been filed with him that there

12 has been a release from liability, or a final adjudication of nonliability, or a  
13 duly acknowledged agreement, in accordance with subparagraph d of section  
14 four of this act, or whenever, after the expiration of one year (1) from the  
15 date of the accident, or (2) from the date of any security under subparagraph  
16 c of section five of this act, the director shall be given reasonable evi-  
17 dence that there is no such action pending and no judgment rendered in such  
18 action left unpaid.

1       9. The director shall require proof of financial responsibility to satisfy  
2 any claim for damages, by reason of bodily injury to, or the death of, any  
3 one person of at least five thousand dollars (\$5,000.00), or by reason of bodily  
4 injury to, or the death of, more than one person on account of any such  
5 accident, of at least ten thousand dollars (\$10,000.00), and for damage to  
6 property of at least one thousand dollars (\$1,000.00), from any person who  
7 shall have been convicted of, or who shall have forfeited any bond taken,  
8 or shall have had his case nolle upon the payment of any sum of money for,  
9-11 the violation of any of the following provisions of law:

12       (a) Operating or permitting another person to operate a motor vehicle  
13 while under the influence of intoxicating liquor or any narcotic or habit-  
14 producing drugs, as provided in section 39:4-50 of the Revised Statutes;

15       (b) Not stopping at once when involved in an accident, ascertaining in-  
16 jury, rendering assistance and disclosing identity, as provided in article 15  
17 of chapter four of Title 39 of the Revised Statutes;

18       (c) Reckless driving, as provided in section 39:4-96 of the Revised Stat-  
19 utes, except in such cases where circumstances, in the judgment of the direc-  
20 tor, are such that requirements should be waived;

21       (d) Homicide or assault or assault and battery arising out of the opera-  
22 tion of a motor vehicle;

23       (e) Such other violations as constitute cause for suspension or revoca-  
24 tion of licenses in this State; or

25       (f) An offense in any other State which, if committed in this State, would  
26 be a violation of any of the aforesaid provisions of law of this State.

27-35 Whenever the director shall require proof of financial responsibility  
36 from the owner of any motor vehicle, he shall require proof in the amounts  
37 herein specified for each vehicle owned or registered by such person.

1 10. If a person fails to furnish proof of financial responsibility as re-  
2 quired by section nine of this act, the director shall, until such proof  
3-5 shall be furnished, suspend or revoke the license of such person  
6 to operate a motor vehicle or refuse to return any license which shall have  
7 been suspended or revoked, or suspend or revoke the registration of any  
8 such motor vehicle or vehicles, or refuse thereafter to register any motor  
9 vehicle transferred by him, if it shall not appear to the director's satis-  
10 faction that the transfer is a bona fide sale or, if any such person  
11 shall not be a resident of this State, withdraw from him the privilege of op-  
12 erating any motor vehicle in this State and the privilege of operation within  
12A this State of any motor vehicle owned by him.

13 No appeal taken from the judgment of a court shall act as a stay to any  
14 action of the director authorized by this act.

15 The director may likewise suspend or revoke the license of any  
16 person or the registration of any motor vehicle where such proof of  
17 financial responsibility shall not have been furnished, where such person's  
18 license or registration may have been suspended or revoked in any other  
19 State.

20 The clerk of the court in which any conviction mentioned in said sec-  
21 tion nine or order is rendered or other action taken, or the court,  
22 where it has no clerk, shall immediately forward to the director a  
23 certified copy or transcript thereof. A certified copy or transcript of the con-  
24 viction, order or record of other action of the court shall be prima facie evi-  
25 dence of the convictions therein stated.

1-3 11. If it shall be duly established to the satisfaction of the  
4 director (a) that any person, whether a resident or nonresident of this  
5 State, who shall have been convicted, pleaded guilty or forfeited bail or  
6 collateral as aforesaid, was, upon the occasion of the offense upon which such

7 conviction, plea or forfeiture was based, a chauffeur or motor vehicle op-  
8 erator, however designated, in the employ of the owner of a motor vehicle  
9 or a member of the immediate family or household of the owner of such  
10 motor vehicle, and (b) that there was not, at the time of the offense or sub-  
11 sequent thereto, up to the date of the finding, any motor vehicle registered  
12 in this State (or, if a nonresident, in the State or province of his residence)  
13 in the name of the person who has been convicted, pleaded guilty or for-  
14 feited bail or collateral, as aforesaid, then and in that event, if the person  
15 in whose name such motor vehicle is registered shall give proof of ability  
16 to respond in damages according to the provisions of this act, which proof  
17 the director shall accept, such chauffeur or other person, as aforesaid, shall  
18 be relieved of the necessity of giving such proof in his own behalf, but only  
19 if such chauffeur or other person so relieved shall operate only a motor  
20 vehicle for which the owner has a certificate of financial responsibility on  
21 file.

1 12. Whenever it appears that a period of three years has elapsed since  
2 proof of financial responsibility was required of a person convicted of a  
3 violation of law as set forth in section nine of this act, the director may re-  
4 store such person's license and registration certificates, if such person has  
5 not become involved in such an accident as to require him to furnish proof  
6 of ability to respond in damages for future accidents, or has not, since the  
7 date of such conviction, been subsequently convicted of a violation of law as  
8 set forth in said section nine, and no right of action or judgment arising out  
9 of the operation of a motor vehicle shall then be outstanding against such  
10 person.

11 13. If a person fails to pay and satisfy every judgment rendered  
12 against him for damages because of personal injury or death, or damage to  
13 property in excess of one hundred dollars (\$100.00), resulting from the owner-  
14 ship, maintenance, use or operation of a motor vehicle, within sixty days  
15 after its entry, or if an appeal is taken therefrom within that time, within  
16 thirty days after the judgment as entered or modified becomes final, the op-

9 erator's license and all registration certificates of any such person, other  
10 than a chauffeur or operator employed by the owner of a motor vehicle and  
11 so acting at the time of the damage, injuries or death resulting in the judg-  
12 ment, shall, upon receiving a certified copy of a transcript of the final  
13 judgment from the court in which it was rendered showing it to have been  
14 still unsatisfied more than sixty days after it became final, be forthwith sus-  
15 pended by the director.

16 The judgment herein mentioned shall be a judgment of a court of com-  
17 petent jurisdiction of this State or any other State or of a District Court of  
18-19 the United States.

20 The license and registration certificates shall remain so suspended and  
21 shall not be renewed, nor shall a motor vehicle be thereafter registered in  
22 the name of that person while the judgment remains unstayed, unsatisfied,  
23 subsisting and until every such judgment is satisfied or discharged, except by  
24 bankruptcy or insolvency proceedings, and until he gives proof of his ability  
25 to respond in damages, as required in this act, for future accidents.

26 The clerk of the court in which the judgment is rendered, or the court  
27 where it has no clerk, shall forward to the director, immediately after the  
28 expiration of the sixty days a certified copy of the judgment or a transcript  
29 thereof, as aforesaid.

30 If the defendant is a nonresident the director shall transmit to the of-  
31 ficer in charge of the issuance of operators' permits and registration cer-  
32 tificates of the State of which the defendant is a resident a certified copy of  
33 the judgment.

34 If after proof is given, another such judgment is recovered against that  
35 person for an accident occurring before the proof was given, the license  
36 and certificate shall again be and remain suspended, and no other license or  
37 certificate shall be issued to him while the judgment so remains unsatisfied  
38 and subsisting.

1 14. While a final judgment against a nonresident motor vehicle owner  
2 or operator is so unstayed, unsatisfied and subsisting for more than sixty

3 days, his privilege of operating a motor vehicle, whether owned by him or  
4 not, in this State, shall be withdrawn and shall not be renewed. No oper-  
5 ator's or chauffeur's license shall be issued to him nor shall a motor vehicle  
6 be registered in his name until every such judgment is stayed, satisfied or  
7 discharged as herein provided and until he has given proof of his ability to  
8 respond in damages for future accidents, as required in this act.

1 15. Whenever it appears to the satisfaction of the director that, at the  
2 time of a motor vehicle accident resulting in the death of or injury to any  
3 person or damage to property to the extent of one hundred dollars (\$100.00),  
4 the judgment debtor, against whom a judgment has been obtained as a result  
5 of such accident, was insured in an insurance company, authorized to do busi-  
6 ness in this state, against public liability for injuries or death to one person  
7 to the extent of five thousand dollars (\$5,000.00) and for injuries or death to  
8 more than one person to the extent of ten thousand dollars (\$10,000.00) and  
9 for damage to property to the extent of one thousand dollars (\$1,000.00)  
10 arising out of a single motor vehicle accident and that the judgment has  
11 not been paid because, subsequent to the date of such accident, such insur-  
12 ance company has become insolvent or bankrupt, or the commissioner of bank-  
13 ing and insurance has undertaken control thereof for the purpose of liquida-  
14 tion, he shall not suspend the operator's license and the registration  
15 certificates of such judgment debtor, if such judgment debtor files proof of his  
16 ability to respond in damages for future accidents as required by this act.

1-3 16. For the purposes of sections nine to fourteen of this act when:

4 (a) Five thousand dollars (\$5,000.00) has been credited upon any judg-  
5 ment or judgments rendered in excess of that amount for bodily injury to  
6 or the death of one person as the result of one accident;

7 (b) Subject to the limit of five thousand dollars (\$5,000.00) for one per-  
8 son so injured or killed, the sum of ten thousand dollars (\$10,000.00) has  
9 been credited upon any judgment or judgments rendered in excess of that  
10 amount for bodily injury to or the death of more than one person as the  
11 result of one accident; or

12 (c) One thousand dollars (\$1,000.00) has been credited upon any judg-  
13 ment or judgments rendered in excess of that amount for damage to prop-  
14 erty as the result of one accident—

15 Such payment or payments shall be deemed a satisfaction of the judg-  
16 ment or judgments.

1 17. A judgment debtor to whom this chapter applies may, for the sole  
2 purpose of giving authority to the director to authorize the judgment debtor  
3 to operate a motor vehicle thereafter, on due notice to the judgment creditor,  
4 apply to the court in which the trial judgment was obtained for the privi-  
5 lege of paying the judgment in installments. The court, in its discretion  
6 and without prejudice to any other legal remedies which the judgment credi-  
7 tor may have, may so order, fixing the amounts and times of payment of the  
8 installments. The director may, in his discretion, while the judgment debtor  
9 is not in default in paying the installments and upon his giving proof of  
10 ability to respond in damages for future accidents, as hereinafter provided,  
11 restore, or refrain from suspending his license or registration certificate or  
12 certificates, or either or both of them. The license or certificate or cer-  
13 tificates, or either or both or all of them, shall be suspended as hereinbefore  
14 provided when the director is satisfied that the judgment debtor has failed  
15 to comply with the terms of the court order.

1-2 18. Such proof of financial responsibility shall be furnished as shall be  
3 satisfactory to the director.

4 The proof may be evidence of the insuring of the person against public  
5 liability and property damage in the foregoing amounts in the form of a cer-  
6 tificate signed by a duly licensed agent of the company issuing the  
7 motor vehicle liability policy; *provided*, such policy shall be noncancelable, ex-  
8 cept after ten days' written notice to the director; *provided*,  
9 that when an agent of an insurance company certifies to evidence of the  
10 insuring of a person from whom proof of financial responsibility is required,  
11 by the company for which he is authorized to solicit, negotiate or effect con-  
12 tracts of insurance, the company shall notify the director of

13 the expiration of the policy referred to in the certificate at least ten days  
14 before the effective date of the expiration and shall promptly notify the  
15 director of the renewal of the insurance policy.

16 The proof may also be a bond of a surety company or a bond with indi-  
17 vidual surety owning real estate, conditioned for the payment of the foregoing  
18 amounts and not cancelable except after ten days' written notice to the  
19 director. The bond shall constitute a lien in favor of the State  
20 upon the real estate of any surety, and this lien shall exist in favor of a holder  
21 of a judgment on account of damage, caused by the operation of the person's  
22 motor vehicle, upon the filing of a notice to that effect by the director in the  
23 office of the clerk of the county where the real estate is located.

24 The proof may also be a deposit by the person with the director of a  
25 sum of money or collateral in the amount of eleven thousand dollars  
26 (\$11,000.00). Any collateral shall be determined by and shall be satisfactory  
27 to the director.

28 Additional evidence of financial responsibility shall be furnished the  
29 director at any time upon his request therefor.

1 19. The bond, money or collateral mentioned in section eighteen of this  
2 act shall be held by the director to satisfy any execution issued against the  
3 person in any cause arising out of damage caused by the operation of a  
4 motor vehicle owned or operated by him. Money or collateral so deposited  
5 shall not be subject to attachment or execution unless the attachment or  
6 execution arises out of an action for damages, including personal injury  
7 or death, as a result of the operation of a motor vehicle. A person who  
8 furnishes proof of financial responsibility by a deposit of money or col-  
9 lateral shall, upon the service of a writ or summons arising out of an action  
10 for damages, including personal injury or death, caused by the operation  
11 of a motor vehicle, give written notice of the service to the director, who  
12 shall require that additional evidence of financial responsibility be furnished  
13 to satisfy a judgment in any other action. If a judgment rendered against  
14 the principal on a bond is not satisfied within thirty days after its rendition,

15 the judgment creditor may, for his own use and benefit and at his sole ex-  
16 pense, bring an action in the name of the State against the company or per-  
17 son executing the bond.

18 A reasonable sum, not exceeding ten dollars (\$10.00), shall be charged  
19 for an investigation of the title of a surety's real estate or of collaterals so  
20 deposited and of the value of the same and for the filing fee to be paid to  
21 the county clerk.

1 20. Upon the request of any insurance company, any person furnishing  
2 any financial responsibility or any surety on a bond herein provided for, the  
3 director shall furnish such company, person or surety a certified abstract of  
4 the operating record of any person subject to the provisions of this act. If  
5 there is no record of his conviction of a violation of a provision of law relat-  
6 ing to the operation of motor vehicles or of an injury or damage caused by  
7 him as herein provided, the director shall so certify. The director shall collect  
8 one dollar (\$1.00) for each certificate.

1 21. The director shall, upon written request, furnish a person who has  
2 been injured in person or property by a motor vehicle, with such information  
3 as has been furnished to him as evidence of the financial responsibility of an  
4 operator or owner of a motor vehicle.

1-2 22. Any operator or registrant whose operator's license or registra-  
3 tion certificate, or either or both of them, has been suspended as herein pro-  
4 vided, or whose policy of liability insurance or surety bond has been canceled  
5 or who neglects to furnish additional evidence of financial responsibility upon  
6 the director's request, shall immediately return to the director his operator's  
7 license or registration certificate and the number plates issued thereunder.  
8 If any person fails to return the same as herein provided, the director shall  
9 forthwith direct any State policeman, motor vehicle inspector or other police  
10 officer to secure possession thereof and return the same to the director's  
11 office.

1 23. The director may cancel the bond or return the evidence of insur-  
2 ance or the money or collateral to the person furnishing the same, if three

1 year has elapsed since the filing of the evidence or the making of the deposit during which period he shall not have violated any provision of law referred to in section nine of this act and if no right of action or judgment arising out of the operation of a motor vehicle is then outstanding against him. The director may direct the return of any money or collateral to the person who furnished it, upon the acceptance and substitution of other evidence of financial responsibility, or at any time after one year from the expiration of a registration or license issued to the person, if no written notice has been filed with the director, stating that an action has been brought against the person by reason of the ownership, maintenance or operation of a motor vehicle and upon the filing by the person with the director of a certificate that he has abandoned his residence in this state or that he has made a bona fide sale of all motor vehicles owned by him and does not intend to own or operate a motor vehicle in this State for a period of one or more years.

24. A motor vehicle liability policy furnished as proof of financial responsibility as provided herein shall be a policy of liability insurance issued by an insurance carrier authorized to transact business in this State to the person therein named as insured, or in the case of a nonresident, by an insurance carrier authorized to transact business in any of the States or provinces hereinafter stated. The policy shall:

(a) Designate, by explicit description or appropriate reference, all motor vehicles with respect to which coverage is intended to be granted thereby, and insure the insured named therein and any other person using or responsible for the use of any such motor vehicle with the express or implied consent of the insured, against loss from the liability imposed upon the insured or other person by law, for injury to or the death of a person, other than a person who is covered, as respects the injury or death, by any workmen's compensation law or damage to property, except property of others in charge of the insured or the insured's employees, growing out of the maintenance, use or operation of the motor vehicle in the United States of America; or,

18 (b) In the alternative, insure the person therein named as insured against  
19 loss from the liability imposed by law upon the insured for injury to or death  
20 of a person, other than a person who is covered as respects the injury or  
21 death by any workmen's compensation law, or damage to property, except  
22 property of others in charge of the insured or the insured's employees, grow-  
23 ing out of the operation or use by the insured of a motor vehicle, except a  
24 motor vehicle registered in the name of the insured, and occurring while the  
25 insured is personally in control, as driver or occupant, of the motor vehicle  
26 within the United States of America.

27 The policy shall insure to the amount or limit of five thousand dollars  
28 (\$5,000.00), exclusive of interest and costs, on account of injury to or death  
29 of one person, and, subject to the same limit as respect injury to or death of  
30 one person, of ten thousand dollars (\$10,000.00), exclusive of interest and  
31 costs, on account of one accident resulting in injury to or death of more than  
32 one person, and of one thousand dollars (\$1,000.00) for damage to property  
33 of others, as herein provided, resulting from one accident, or a binder pend-  
34 ing the issuance of any such policy, or an indorsement to an existing policy as  
35 hereinafter provided.

36 This section shall not be construed as preventing the insurance carrier  
37 from granting any lawful coverage in excess of or in addition to the coverage  
38 herein provided for, nor from embodying in the policy any agreement, pro-  
39 vision or stipulation not contrary to the provisions of this chapter and not  
40 otherwise contrary to law.

41 Separate concurrent policies covering respectively (a) bodily injury or  
42 death, as aforesaid, and (b) property damage, as aforesaid, shall be con-  
43 sidered a "motor vehicle liability policy" within the meaning of this act.

1-3 25. In the case of a nonresident, a policy, as aforesaid, of an  
4 insurance carrier authorized to transact business in the State in  
5 which the motor vehicle described in the certificate is registered,  
6 or if none is described, then in the State in which the insured  
7 resides, shall be considered sufficient within the meaning of this

8 chapter, if the carrier (a) executes a power of attorney authorizing the  
9 director to accept service of notice or process in an action arising out of a  
10 motor vehicle accident in this State, (b) its governing executive authority duly  
11 adopts a resolution providing that its policies shall be deemed to be varied to  
12 comply with the law of this State relating to the terms of motor vehicle liabil-  
13 ity policies issued therein, and (c) agrees to accept as final and binding any  
14 final judgment duly rendered in an action arising out of a motor vehicle ac-  
15 cident in a court of competent jurisdiction in this State.

16 This section shall be operative as to such insurance carriers, organized  
17 and existing under the laws of such State and not licensed to trans-  
18 act business in this State, only to the extent and under the same  
19 terms and conditions that, under the laws of the State where the  
20 motor vehicle is registered or in which the insured resides, like recognition,  
21 if a law of like effect is in force, is granted to certificates of insurance car-  
22 riers organized and existing under and by virtue of the laws of this State.  
23 If under the laws of the State in which a law of like effect is in force, cer-  
24 tificates of insurance carriers organized and existing under or by virtue of  
25 the laws of this State are not accepted, the certificates of insurance carriers  
26 of that State shall not be accepted under this act.

1 26. No motor vehicle liability policy shall be issued or delivered in this  
2 State as proof of financial responsibility, unless such policy discloses the  
3 name, address and business of the insured, the coverage afforded by the  
4 policy, the premium charged therefor, the policy period, the limit of liability  
5 and the agreement that the insurance thereunder is provided in accordance  
6 with the coverage defined in sections twenty-four and twenty-five of this act  
7 and in this section and is subject to all of the provisions of this act.

8 The motor vehicle liability policy shall be subject to the following pro-  
9 visions which need not be contained therein:

10 (a) The liability of a company under a motor vehicle liability policy shall  
11 become absolute when loss or damage covered by the policy occurs and the  
12 satisfaction by the insured of a final judgment of the loss or damage shall

13 not be a condition precedent to the right or duty of the carrier to make pay-  
14 ment on account of the loss or damage. No such policy shall be canceled or  
15 annulled as respects any loss or damage by any agreement between the  
16 carrier and the insured after the insured has become responsible for the  
17 loss or damage and any such cancellation or annulment shall be void. Upon  
18 the recovery of a final judgment against a person for the loss or damage if  
19 the judgment debtor was at the accrual of the cause of action insured  
20 against liability therefor under a motor vehicle liability policy, the judgment  
21 creditor shall be entitled to have the insurance money applied to the satis-  
22 faction of the judgment. The policy may provide that the insured or a  
23 person covered by the policy shall reimburse the company for payments  
24 made on account of an accident, claim or suit involving a breach of the terms,  
25 provisions or conditions of the policy; and, if the policy provides for limits  
26 in excess of the limits designated in this section the insurance carrier may  
27 plead against the judgment creditor, with respect to the amount of the ex-  
28 cess limits of liability any defenses which it may be entitled to plead against  
29 the insured. The policy may further provide for the prorating of the insur-  
30 ance thereunder with other applicable valid and collectible insurance.

31 (b) The policy, any written application therefor and any rider or indorse-  
32 ment which shall not conflict with the provisions of this act shall constitute  
33 the entire contract between the parties.

34 Effective as of the date such proof is furnished and to the extent of the  
35 coverage required by this act and to the extent of the limits of liability speci-  
36 fied in section twenty-four of this act, any policy of motor vehicle liability  
37 insurance furnished as proof of financial responsibility pursuant to section  
38 eighteen of this act, either by the filing of a certificate signed by a duly  
39 licensed agent of the company issuing the policy as provided in the said sec-  
40 tion, or otherwise, shall be deemed amended to conform with and to contain  
41 all the provisions required by this act, any provision of the policy or cer-  
42 tificate to the contrary notwithstanding.

43 An insurance carrier authorized to issue motor vehicle liability policies  
44 as provided for in this act may, pending the issuance of the policy, execute  
45 an agreement, to be known as a binder; or may, in lieu of the policy, issue  
46 an indorsement to an existing policy, each of which shall be construed to  
47 provide indemnity or protection in like manner and to the same extent as the  
48 policy. The provisions of said sections twenty-four and twenty-five and this  
49 section shall apply to the binders and indorsements.

1 27. (a) The owner's registration of a vehicle involved in an accident to  
2 which this act applies shall not be transferred nor the vehicle in respect to  
3 which such registration was issued registered in any other name until the  
4 provisions of this act relating to the deposit of security are complied with,  
5 unless such provisions are inapplicable because of the exceptions stated in  
6 section three or because of other exceptions specified in the act, or until the  
7 director is satisfied that such transfer is proposed in good faith and not for  
8 the purpose or with the effect of defeating the purposes of this act.

9 (b) If an owner's registration has been suspended hereunder, such regis-  
10 tration shall not be transferred nor the vehicle in respect to which such regis-  
11 tration was issued registered in any other name until the director is satisfied  
12 that such transfer of registration is proposed in good faith and not for the  
13 purpose or with the effect of defeating the purposes of this act.

14 (c) Nothing in this section shall in anywise affect the rights of any  
15 conditional vendor, chattel mortgage or lessor of such a vehicle registered  
16 in the name of another as owner who becomes subject to the provisions of  
17 this act.

18 (d) The director shall suspend the registration of any vehicle trans-  
19 ferred in violation of the provisions of this section.

1 28. (a) The director shall administer and enforce the provisions of this  
2 act and may make rules and regulations necessary for the administration  
3 thereof and shall provide for hearings upon request of persons aggrieved by  
4 orders or acts of the director under the provisions of this act.

5 (b) Any order or act of the director, under the provisions of this act, shall  
6 be subject to review by a proceeding in lieu of the prerogative writs.

1 29. The director shall, by means of any printed form he provides, in-  
2 form every person to whom a driver's license or registration certificate is  
3 issued of the contents of this act.

1 30. (a) Any person in whose name more than twenty-five motor vehicles  
2 are registered may qualify as a self-insurer by obtaining a certificate of self-  
3 insurance issued by the director as provided in subsection (b) of this section.

4-5 (b) The director may, in his discretion, upon the application of such  
6 a person, issue a certificate of self-insurance when he is satisfied that  
7 such person is possessed and will continue to be possessed of ability to pay  
8 judgments obtained against such person.

9 (c) Upon not less than five days' notice and a hearing pursuant to such  
10 notice, the director may upon reasonable grounds cancel a certificate of  
11 self-insurance. Failure to pay any judgment within thirty days after such  
12 judgment shall have become final shall constitute a reasonable ground for  
13 the cancellation of a certificate of self-insurance.

1 31. No action taken by the director pursuant to this act, the findings, if  
2 any, of the director upon which such action is based, nor the security filed,  
3 as provided by this act, shall be referred to in any way, nor be any evidence  
4 of the negligence or due care of either party, at the trial of any civil action  
5 to recover damages.

1 32. This act shall not apply with respect to any motor vehicle owned by  
2 the United States, this State or any political subdivision of this State or  
3 any municipality therein; nor with respect to any motor vehicle which is sub-  
4 ject to the requirements of law requiring insurance or other security on cer-  
5 tain types of vehicles.

1 33. (a) Any person who shall forge or, without authority, sign any evi-  
2 dence of proof of financial responsibility, or who files or offers for filing any  
3 such evidence of proof knowing or having reason to believe that it is forged  
4 or signed without authority, shall be fined not more than one thousand dol-  
5 lars (\$1,000.00) or imprisoned for not more than one year, or both.

6 (b) Any person willfully failing to return license or registration as re-  
7 quired in section twenty-two of this act shall be fined not more than five hun-  
8 dred dollars (\$500.00) or imprisoned not to exceed thirty days, or both.

9 (c) Any person who shall violate any provision of this act for which no  
10 penalty is otherwise provided shall be fined not more than five hundred dol-  
11 lars (\$500.00) or imprisoned not more than ninety days, or both.

1 34. Chapter six of Title 39 of the Revised Statutes is repealed so far as  
2 it relates to any motor vehicle accident within this State, or to any convic-  
3 tion or forfeiture of bail, occurring on or after the effective date of this act.

1 35. This act shall take effect April first, one thousand nine hundred and  
2 fifty-three.

1952, 53

---

STATEMENT

This bill embodies part of the recommendations of Senator John M. Sum-  
merill, Jr. Senator O'Mara and former Assemblyman Peter P. Artaserse,  
members of the Joint Legislative Committee to Study New Jersey Motor Vehicle  
Financial Responsibility Laws.