

17:29A-37.1

7/29/88

LEGISLATIVE HISTORY CHECKLIST

NJSA: 17:29A-37.1

(Commerical motor vehicles-- eliminate flat insurance charge)

LAWS OF: 1987

CHAPTER: 344

Bill No: A3609

Sponsor(s): Miller

Date Introduced: January 8, 1987

Committee: Assembly: Insurance

Senate: Labor, Industry and Professions

Amended during passage: Yes Amendments during passage denoted by asterisks.

Date of Passage: Assembly: June 25, 1987

Senate: December 14, 1987

Date of Approval: December 24, 1987

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly Yes

Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

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ASSEMBLY, No. 3609**STATE OF NEW JERSEY**

INTRODUCED JANUARY 8, 1987

By Assemblymen MILLER, KLINE, Catrillo, Gargiulo, Arango, Dario, DiGaetano, Kosco, Schuber, Genova, Muziani, Moran, Shinn, Colburn, Assemblywoman Crecco, Assemblymen Hendrickson, Singer, Rooney, Kelly, Chinnici, Rafferty, Assemblywoman Smith, Assemblymen Villane, Palaia, Azzolina, Bennett, Assemblywoman Donovan, Assemblymen Collins, Stuhltrager, Felice, Littell, Assemblywoman Randal, Assemblymen Penn, Kavanaugh, Franks, Kamin, Haytaian, Zecker and Assemblywoman Cooper

AN ACT concerning the application of flat charges to certain motor vehicles and amending P. L. 1984, c. 1.

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

1 1. Section 1 of P. L. 1984, c. 1 (C. 17:29A-37.1) is amended to
2 read as follows:

3 1. a. All flat charges (also referred to as flat capitation fees or
4 policy constants*,* but not including premiums for uninsured
5 motorist or towing coverage, or flattened tax and expense fees
6 implemented pursuant to section 8 of P. L. 1983, c. 65 (C.
7 17:29A-37), authorized by the Commissioner of Insurance for use
8 by all filers, as defined in section 1 of P. L. 1944, c. 27 (C. 17:29A-1),
9 writing private passenger automobile insurance in the voluntary
10 and residual markets, which are collected on a per car and per
11 coverage basis on automobile insurance policies issued or renewed
12 in the voluntary or residual market*,* with an effective date of
13 January 1, 1984 or thereafter, shall be paid to the New Jersey
14 Automobile Full Insurance Underwriting Association for use for
15 association purposes. All moneys collected from the flat charges

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter printed in italics thus is new matter.

***—Assembly committee amendments adopted June 11, 1987.**

60 by the commissioner. In the case of motor vehicles other than
 61 private passenger automobiles which are insured by an insurer in
 62 the voluntary market or in any insurance plan established pursuant
 63 to P. L. 1970, c. 215 (C. 17:29D-1), the insurer shall forward the
 64 flat charge, net of a pro rata portion of the producer's commission,
 65 to the New Jersey Automobile Full Insurance Underwriting Asso-
 66 ciation. **[In the case of a *self insurer* *self-insurer*, the**
 67 ***self insurer* *self-insurer* shall forward the full amount of**
 68 **the flat charge to the association. The Division of Motor Vehicles**
 69 **shall not issue a certificate of self-insurance unless the association**
 70 **has certified that the flat charge has been paid. Failure to pay the**
 71 **flat charge shall constitute a reasonable ground for cancellation of**
 72 **a certificate of self-insurance pursuant to P. L. 1952, c. 73 (C.**
 73 **39:6-52). Any self-insurer which fails to pay the flat charge to the**
 74 **association for any self-insured vehicle shall be liable to pay a**
 75 **fine in the amount of \$100.00 per vehicle for the first offense and**
 76 **\$200.00 for the second and each subsequent offense.] **In the case***
 77 ***of a self-insurer required to pay a flat charge, the self-insurer shall***
 78 ***forward the full amount of the flat charge to the association. The***
 79 ***Division of Motor Vehicles shall not issue a certificate of self-***
 80 ***insurance unless the association has certified that the flat charge***
 81 ***has been paid. Failure to pay the flat charge shall constitute a***
 82 ***reasonable ground for cancellation of a certificate of self-insurance***
 83 ***pursuant to section 30 of P. L. 1952, c. 173 (C. 39:6-52). Any***
 84 ***self-insurer which fails to pay the flat charge to the association for***
 85 ***any self-insured vehicle shall be liable to pay a fine in the amount***
 86 ***of \$100.00 per vehicle for the first offense and \$200.00 for the***
 87 ***second and each subsequent offense.****

88 *Notwithstanding any other provision of this section, **[no]** flat*
 89 *charges shall be imposed on **[trucks, as defined by R. S. 39:1-1]***
 90 **such motor vehicles as are determined by the Commissioner of*
 91 *Insurance*, which *vehicles* have been registered with the Division*
 92 *of Motor Vehicles in accordance with Title 39 of the Revised*
 93 *Statutes as commercial motor vehicles and have been issued com-*
 94 *mmercial license plates or farmers license plates, **[or]** *and* on*
 95 *motor vehicles*, of a type determined by the Commissioner of*
 96 *Insurance,* which are registered with the Division of Motor*
 97 *Vehicles as self-insured vehicles pursuant to P. L. 1952, c. 73*
 98 *(C. 39:6-52).*

1 2. This act shall take effect immediately.

INSURANCE—AUTOMOBILE

Eliminates policy constant for certain commercial motor vehicles.

AB609 (1987)

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58 any insurance plan established pursuant to P. L. 1970, c. 215 (C.
59 17:29D-1), the insurer shall forward the flat charge, net of a pro
60 rata portion of the producer's commission, to the New Jersey
61 Automobile Full Insurance Underwriting Association. [In the case
62 of a self insurer, the self insurer shall forward the full amount of
63 the flat charge to the association. The Division of Motor Vehicles
64 shall not issue a certificate of self-insurance unless the association
65 has certified that the flat charge has been paid. Failure to pay the
66 flat charge shall constitute a reasonable ground for cancellation of
67 a certificate of self-insurance pursuant to P. L. 1952, c. 73 (C.
68 39:6-52). Any self insurer which fails to pay the flat charge to the
69 association for any self-insured vehicle shall be liable to pay a
70 fine in the amount of \$100.00 per vehicle for the first offense and
71 \$200.00 for the second and each subsequent offense.]

72 *Notwithstanding any other provision of this section, no flat*
73 *charges shall be imposed on trucks, as defined by R. S. 39:1-1, which*
74 *have been registered with the Division of Motor Vehicles in accor-*
75 *dance with Title 39 of the Revised Statutes as commercial motor*
76 *vehicles and have been issued commercial license plates or farmers*
77 *license plates, or on motor vehicles which are registered with the*
78 *Division of Motor Vehicles as self-insured vehicles pursuant to*
79 *P. L. 1952, c. 73 (C. 39:6-52).*

1 2. This act shall take effect immediately.

SPONSORS' STATEMENT

This bill provides that the Commissioner of Insurance may not impose flat charges on trucks which are issued commercial license plates or on motor vehicles which are self-insured. The bill amends the law as amended by section 9 of Senate Bill No. 2790 (OCR) of 1986 which has not yet been enacted.

INSURANCE—AUTOMOBILE

Eliminates policy constant for certain commercial motor vehicles.

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ASSEMBLY INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3609

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 11, 1987

This bill amends a recently enacted law which requires all commercial vehicles and self-insured vehicles to pay the flat charge, or policy constant, which was previously charged only on private passenger vehicles. As originally drafted the bill eliminated the requirement that trucks registered with the Division of Motor Vehicles as commercial vehicles or as farmers' vehicles pay the flat charge, and eliminated the requirement that motor vehicles registered with the division, as self-insured vehicles pay the charge. As amended by the Assembly Insurance Committee, the bill provides that the Commissioner of Insurance would determine what type of vehicles would pay the flat charge. In addition to exempting such vehicles as trucks and busses from paying the charge, certain other types of vehicles might also be exempted by the commissioner by regulation, depending upon their use. Because of the complexity of this subject, the Assembly Insurance Committee felt that the exemptions were a more appropriate subject for regulatory, as opposed to a statutory exemption.

This bill is a response to legislation which was enacted earlier this year. In January, the Governor signed legislation (P. L. 1986, c. 211) which made a number of amendments to the law governing the operation of the New Jersey Automobile Full Insurance Underwriting Association established pursuant to P. L. 1983, c. 65 (C. 17:30E-1 et seq.). One of those amendments required owners of all commercial vehicles and all self-insured vehicles to pay the flat charge, or policy constant, which is now paid only by insureds having private passenger automobile insurance policies. The purpose of this law was to raise additional revenue for the association to help meet its deficit.

Assembly Bill No. 3609 has as its major purpose the exemption of certain commercial vehicles, including trucks and busses, from paying the constant.

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SENATE LABOR, INDUSTRY AND PROFESSIONS
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3609

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STATE OF NEW JERSEY

DATED: OCTOBER 26, 1987

This bill amends a recently enacted law which requires all commercial vehicles and self-insured vehicles to pay the flat charge, or policy constant, which was previously charged only on private passenger automobiles. As originally drafted this bill eliminated the requirement that trucks registered with the Division of Motor Vehicles as commercial vehicles or as farmers' vehicles pay the flat charge, and eliminated the requirement that motor vehicles registered with the Division of Motor Vehicles as self-insured vehicles pay the charge. As amended, the bill provides that the Commissioner of Insurance would determine what type of vehicles would pay the flat charge. In addition to exempting such vehicles as trucks and busses from paying the charge, certain other types of vehicles might also be exempted by the Commissioner of Insurance by regulation, depending upon their use. Because of the complexity of this subject, it was felt that the exemptions were a more appropriate subject for regulatory, as opposed to statutory exemption.



OFFICE OF THE GOVERNOR

NEWS RELEASE

CN-001

Contact: JOHN SAMERJAN
609-292-8956 OR 292-6000 EXT. 207

TRENTON, N.J. 08625

Release: MON., DEC. 28, 1987

Governor Thomas H. Kean today signed the following legislation:

A-4335, sponsored by Assemblyman Richard Kamin, R-Morris, provides \$300,000 to the Rutgers Agricultural Experiment Station to conduct an assessment of 400-acre parcel in Franklin Township. The Legislature concurred with the Governor's recommendations of November 23, which allows the funds to be used for planning and the operation of the farm.

The legislation is effective immediately.

A-2575, sponsored by Assemblyman Robert Franks, R-Union and Senator Donald DiFrancesco, R-Union, strengthens the authority of the Division of Youth and Family Services to investigate allegations of child abuse in institutions such as residential treatment facilities. The Legislature concurred in Governor Kean's recommendations of November 23 that the Department of Education work with DYFS to adopt rules and regulations concerning the reporting of allegations of child abuse in the schools.

The legislation is effective immediately.

A-3609/S-3001, sponsored by Assemblyman Newton Miller, R-Passaic, Assemblyman J. Edward Kline, R-Atlantic and Senator Francis McManimon, R-Mercer, authorizes the Commissioner of Insurance to eliminate the application of the "policy constant" to certain commercial motor vehicles. Insurers collect the policy constant of \$42 per car for basic coverage and \$75 for full coverage and turn this money over to the JUA.

The legislation is effective immediately.

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