

17:29A-39

LEGISLATIVE HISTORY CHECKLIST

NJSA: 17:29A-39

(Automobile insurance — require insurers to offer higher deductibles and coinsurance options)

LAWS OF: 1983

CHAPTER: 359

Bill No: A3896

Sponsor(s): D. Gallo and Adubato

Date Introduced: September 6, 1983

Committee: Assembly: ---

Senate: ---

Amended during passage: No

Date of Passage: Assembly: September 6, 1983

Senate: September 15, 1983

Date of Approval: October 4, 1983

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly No

Senate No

Fiscal Note: No

Veto Message: No

Message on Signing: Yes

Following were printed:

Reports: No

Hearings: No

See newspaper clipping file "New Jersey - Insurance - Automobile - 1983" in New Jersey Reference Department.

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ASSEMBLY, No. 3896

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 6, 1983

By Assemblymen D. GALLO and ADUBATO

AN ACT concerning automobile insurance collision coverage and
amending P. L. 1983, c. 65.

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

1 1. Section 10 of P. L. 1983, c. 65 (C. 17:29A-39) is amended to
2 read as follows:

3 10. The commissioner shall promulgate rules and regulations
4 requiring insurers to offer: *a. a range of deductibles up to at least*
5 **[\$1,000.00]** *\$2,000.00 for private passenger automobile collision*
6 *and comprehensive coverages; and b. coinsurance options applica-*
7 *ble separately to private passenger automobile collision and com-*
8 *prehensive coverages whereby the insured is responsible for pay-*
9 *ing a percentage, in the amount of at least 10% but subject to a*
10 *limit established by the commissioner by regulation, of a loss cov-*
11 *ered by the policy in excess of an applicable deductible.*

1 2. This act shall take effect immediately.

STATEMENT

This bill would amend P. L. 1983, c. 65 (the "New Jersey Auto-
mobile Insurance Reform Act of 1982") to authorize the commis-
sioner of insurance to promulgate rules and regulations requiring
insurers to offer deductibles of up to \$2,000.00 for collision and
comprehensive automobile coverage. The bill further authorizes
the commissioner to make regulations requiring coinsurance op-
tions where the insured would pay a percentage of the loss in
excess of a deductible.

**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.**

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OFFICE OF THE GOVERNOR

RELEASE: IMMEDIATE

CONTACT: CARL GOLDEN

TUESDAY, OCTOBER 4, 1983

Governor Thomas H. Kean today signed five bills to reform and revise the State's no-fault automobile insurance system "and bring about long sought after reductions in premiums for New Jersey motorists."

"These bills, and the reform legislation which I signed earlier, represent a victory over the private interest forces which have blocked so consistently and for so long all attempts to revise the system," Kean said. "Their enactment into law represents a victory for the public good over those whose interest in their own welfare was paramount."

The Governor said the package of bills would result in an average savings of \$150 in insurance premiums.

"These savings and these reforms have eluded administrations for the past eight years," Kean said. "In fact, before today, the only consistent element in attempts to reform the no-fault system was that the attempts would fail."

"It is important to recognize that this package of reform legislation was developed in a bipartisan fashion and exemplifies the kind of progress which can be made on behalf of the people of the State, even in the face of strong private interest pressures," Kean said.

The major bill in the package signed by Kean was A-3981, sponsored by Assemblyman Michael Adubato, D-Essex.

GOVERNOR SIGNS NO-FAULT INSURANCE BILLS

PAGE TWO

TUESDAY, OCTOBER 4, 1983

It provides:

* Establishment of an optional threshold for pain and suffering lawsuits --- either \$200 or \$1,500. The policyholder who selects the \$200 threshold will pay a substantially higher premium than those selecting the \$1,500 threshold.

* Continuation of mandatory minimum liability coverage.

* Creation of an Auto Insurance Risk Exchange under which monies collected from those drivers who choose the \$200 threshold option would be deposited in a fund and the money used to compensate persons who do not accumulate \$1,500 in medical bills for injuries suffered in an accident.

* Continuation of the mandatory personal injury protection (PIP) coverage, but provide for optional deductibles to permit policyholders to choose full PIP coverage or to coordinate coverage with existing medical coverage. It provides, also, that PIP coverage for funeral expenses, essential services, and wage loss be made optional.

* Establishment of an option under which a policyholder could agree to return to his insurance company up to 20 percent of any award received for pain and suffering to help cover monies spent on medical costs by the insurance carrier.

* Require that within six months of the effective date of the law every insurance company reissue its policies and include information setting forth existing coverage as well as all options available to the purchaser and the costs of each option.

GOVERNOR SIGNS NO-FAULT INSURANCE BILLS

PAGE THREE

TUESDAY, OCTOBER 4, 1983

The other bills signed by Kean are:

A-3896, sponsored by Assembly Minority Leader Dean A. Gallo, R-Morris, to permit higher deductible and coinsurance options on collision and comprehensive coverages.

A-3822, sponsored by Assemblyman Thomas Deverin, D-Middlesex, to provide for a system of mandatory, non-binding arbitration for law suits with damages of \$15,000 or less.

A-3898, sponsored by Assemblyman Thomas Shusted, R-Camden, to provide for licensing of auto body repair shops.

A-3820, sponsored by Assembly Speaker Alan Karcher, D-Middlesex, to require auto insurance companies to file annual financial disclosure statements and to establish standards for determining excess profits on auto insurance.

A copy of the Governor's statement is on the reverse side.

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STATEMENT OF GOVERNOR THOMAS H. KEAN

I am pleased to affix my signature today to legislation which will reform the State's no-fault automobile insurance system and bring about long sought after reductions in premiums for New Jersey motorists.

My action today brings to a conclusion years of effort to revise the system --- efforts which had been blocked consistently by alliances of private interest groups or individuals who placed self interest above the public good.

This signing represents a victory over those private interests and over those forces which had succeeded for so long in opposing any reform in the insurance system.

The legislation is not the total answer to the auto insurance problem. It does, however, contain 90 percent of the reform program which I have fought for over the past year or more.

My Administration intends to continue its efforts toward bringing the cost of auto insurance under even greater control and I urge the Legislature to move quickly toward the enactment of a medical fee schedule bill as one more step toward cutting premium costs.

It is important to recognize that the package of insurance reform legislation was developed in a bipartisan fashion and exemplifies the kind of progress which can be made on behalf of the people of the State even in the face of strong private interest pressures.