

39:6A-4

LEGISLATIVE HISTORY CHECKLIST

(Automobile Reparation Reform Act--exempts certain benefits)

NJSA 39:6A-4

LAWS 1981

CHAPTER 562

Bill No. A53

Sponsor(s) Costello

Date Introduced Pre-filed

Committee: Assembly Banking & Insurance

Senate Labor, Industry & Professions

Amended during passage ~~Yes~~ No

Date of Passage: Assembly May 5, 1980

Senate Aug. 4, 1980

Date of approval Jan. 18, 1982

Following statements are attached if available:

Sponsor statement Yes ~~No~~ (Below)

Committee Statement: Assembly Yes ~~No~~

Senate Yes ~~No~~

Fiscal Note ~~Yes~~ No

Veto Message ~~Yes~~ No

Message on signing Yes ~~No~~

Following were printed:

Reports ~~Yes~~ No

Hearings ~~Yes~~ No

Sponsor's statement:

The purpose of this act is to exempt certain benefits under the "New Jersey Automobile Reparation Reform Act", P.L. 1972, c.70 from levy of execution by a third party creditor.

(over)

6/22/81

See:

Richman v. Pratt, 174 N.J. Super 1 (May 12, 1980) referring to
Judge Wells ruling.

ASSEMBLY, No. 53

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1980 SESSION

By Assemblyman COSTELLO

AN ACT to amend the "New Jersey Automobile Reparation Reform Act," approved June 20, 1972 (P. L. 1972, c. 70).

- 1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*
- 1 1. Section 4 of P. L. 1972, c. 70 (C. 39:6A-4) is amended to
2 read as follows:
- 3 4. Personal injury protection coverage, regardless of fault.
4 Every automobile liability insurance policy insuring an auto-
5 mobile as defined in this act against loss resulting from liability
6 imposed by law for bodily injury, death and property damage
7 sustained by any person arising out of ownership, operation, main-
8 tenance or use of an automobile shall provide additional coverage,
9 as defined herein below, under provisions approved by the Com-
10 missioner of Insurance, for the payment of benefits without regard
11 to negligence, liability or fault of any kind, to the named insured
12 and members of his family residing in his household who sustained
13 bodily injury as a result of an accident involving an automobile,
14 to other persons sustaining bodily injury while occupying the
15 automobile of the named insured or while using such automobile
16 with the permission of the named insured and to pedestrians,
17 sustaining bodily injury caused by the named insured's automobile
18 or struck by an object propelled by or from such automobile.
19 "Additional coverage" means and includes:
- 20 a. Medical expense benefits. Payment of all reasonable medical
21 expenses incurred as a result of personal injury sustained in an
22 automobile accident. In the event of death, payment shall be made
23 to the estate of the decedent. In the event benefits paid by an
24 insurer pursuant to this subsection are in excess of \$75,000.00 on
25 account of personal injury to any one person in any one accident,
26 such excess shall be paid by the insurer in consultation with the
27 Unsatisfied Claim and Judgment Fund Board and shall be reim-
28 bursable to the insurer from the Unsatisfied Claim and Judgment
29 Fund pursuant to section 2 of this act.

30 b. Income continuation benefits. The payment of the loss of
31 income of an income producer as a result of bodily injury disability,
32 subject to a maximum weekly payment of \$100.00, per week. Such
33 sum shall be payable during the life of the injured person and
34 shall be subject to an amount or limit of \$5,200.00, on account of
35 injury to any one person, in any one accident.

36 c. Essential services benefits. Payment of essential services
37 benefits to an injured person shall be made in reimbursement of
38 necessary and reasonable expenses incurred for such substitute
39 essential services ordinarily performed by the injured person for
40 himself, his family and members of the family residing in the house-
41 hold, subject to an amount or limit of \$12.00 per day. Such benefits
42 shall be payable during the life of the injured person and shall
43 be subject to an amount or limit of \$4,380.00, on account of injury
44 to any one person in any one accident.

45 d. Survivor benefits. In the event of the death of an income
46 producer as a result of injuries sustained in an accident entitling
47 such person to benefits under section 4 of this act, the maximum
48 amount of benefits which could have been paid to the income pro-
49 ducer, but for his death, under section 4 b. shall be paid to the
50 surviving spouse, or in the event there is no surviving spouse, then
51 to the surviving children, and in the event there are no surviving
52 spouse or surviving children, then to the estate of the income
53 producer.

54 In the event of the death of one performing essential services as
55 a result of injuries sustained in an accident entitling such person
56 to benefits under section 4 c. of this act, the maximum amount of
57 benefits which could have been paid such person, under section 4 c.,
58 shall be paid to the person incurring the expense of providing such
59 essential services.

60 e. Funeral expenses benefits. All reasonable funeral, burial and
61 cremation expenses, subject to a maximum benefit of \$1,000.00, on
62 account of the death to any one person in any one account shall be
63 payable to decedent's estate.

64 *Benefits payable under this section shall not be assignable or*
65 *subject to levy, execution, attachment or other process for satis-*
66 *faction of debts.*

1 2. This act shall take effect immediately.

STATEMENT

The purpose of this act is to exempt certain benefits under the
"New Jersey Automobile Reparation Reform Act," P. L. 1972,
c. 70 from levy of execution by a third party creditor.

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 53

STATE OF NEW JERSEY

DATED: FEBRUARY 21, 1980

This legislation provides that first-party benefits payable under the New Jersey no-fault law, such as medical expense benefits, essential service benefits, income continuation benefits, or survivor benefits would not be assignable or subject to levy, execution, attachment, or to any other process for the satisfaction of debt.

The New Jersey Reparation Reform Act is unclear with regard to the benefits are payable under the act to a third party creditor. While a judge recently ruled that PIP payments were exempt from such execution because of the legislative intent of the act, he suggested that a specific exemption is warranted, as they are in the case of disability insurance, workers compensation, and unemployment compensation.

SENATE LABOR, INDUSTRY AND
PROFESSIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 53

STATE OF NEW JERSEY

DATED: JUNE 9, 1980

This legislation provides that first-party benefits payable under the New Jersey no-fault law, such as medical expense benefits, essential service benefits, income continuation benefits, or survivor benefits would not be assignable or subject to levy, execution, attachment, or to any other process for the satisfaction of debt.

This legislation is the result of a specific suggestion by Judge Harold B. Wells, III, Judge of the Superior Court in Mount Holly, that the New Jersey Reparation Reform Act is unclear with regard to the benefits that are payable under the act to a third party creditor. While the judge ruled that PIP payments were exempt from such execution because of the legislative intent of the act, he suggested that a specific exemption is warranted, as is the case with disability insurance, workers compensation, and unemployment compensation.

FROM THE OFFICE OF THE GOVERNOR

1 18-82
A-1649, also by Assemblyman Doyle, permitting the governing body of a county to appoint two additional members to a county library commission. County Library Commissions currently consisted of five unpaid members, serving five year terms, who are responsible for establishing and maintaining libraries within the appropriations made by a county.

This bill is in response to a recommendation by the County and Municipal Government Study (Musto) Commission, which recommended making the seven-member commission mandatory.

A-53, sponsored by Assemblyman Herman Costello (D-Burlington), providing that first-party benefits under the New Jersey no-fault insurance laws will not be collected for the purposes of paying off a debt of the insured.

First-person benefits under the no-fault laws are, for example, medical expense, survivor, income continuation or essential service benefits. Levies, executions, and debt attachments on those benefits are prohibited by the bill.

A-2063, sponsored by Assemblyman James W. Bornheimer (D-Middlesex), amending the "Mortgage Guaranty Insurance Act" and permitting mortgage insurance to be issued for residential dwellings occupied by more than four families, for commercial and industrial buildings, and for coverage on certain rented and leased properties.

The bill lifts some prohibitions on the issuance of mortgage insurance policies, and is expected to facilitate the financing of multi-family housing and industrial and commercial buildings.

A-1819, sponsored by Assemblyman Richard J. Codey (D-Essex), authorizing the establishment of a separate retirement benefits system in Newark's Employee Retirement System for elected officials of Newark--the Mayor and the nine councilmen. Adoption of such a system would be contingent upon the passage of a city ordinance.

Newark's elected officials currently have no pension system other than Social Security. Membership in the new system would be mandatory, with the officials contributing 5-percent of their salary as an official.

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