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LEGISLATIVE HISTORY CHECKLIST

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Laws of 1975 Chapter 252

Bill No. A1862

Sponsor(s) Deverin

Date Introduced June 24, 1974

Committee: Assembly Transportation & Communication

Senate Transportation & Communication

Amended during passage Yes No

Date of passage: Assembly Feb. 27, 1975

Senate April 21, 1975

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Following statements are attached if available:

Sponsor statement Yes No

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

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ASSEMBLY, No. 1862

STATE OF NEW JERSEY

INTRODUCED JUNE 24, 1974

By Assemblyman DEVERIN

Referred to Committee on Transportation and Communications

AN ACT to amend the "Motor Vehicle Security-Responsibility Law," approved May 10, 1952 (P. L. 1952, c. 173).

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

1 1. Section 3 of P. L. 1952, c. 173 (C. 39:6-25) is amended to read
2 as follows:

3 3. (a) If 20 days after the receipt of a report of a motor vehicle
4 accident within this State which has resulted in bodily injury or
5 death, or damage to the property of any one person in excess of
6 \$200.00, the director does not have on file evidence satisfactory to
7 him that the person who would otherwise be required to file security
8 under subsection (b) of this section has been released from liability,
9 or has been finally adjudicated not to be liable, or has executed a
10 duly acknowledged written agreement providing for the payment
11 of an agreed amount in installment with respect to all claims for
12 injuries or damages resulting from the accident, and in the event
13 of an accident involving an automobile, required to have coverage
14 for personal injury protection benefits pursuant to P. L. 1972, c. 70,
15 has also reimbursed or has executed a duly acknowledged written
16 agreement to pay an agreed amount in installments to reimburse
17 the Unsatisfied Claim and Judgment Fund for the payment of all
18 personal injury protection benefits the fund has made or shall make
19 pursuant to section 7 or section 10 of P. L. [(Assembly Bill
20 No. 803 presently pending in the Legislature)] 1972, c. 198
21 (C. 39:6-86.1 and C. 39:6-86.4) by reason of the failure of such
22 person to have the requisite insurance coverage in effect, the
23 director shall determine the amount of security which [shall be
24 sufficient] *may be necessary* in his judgment to satisfy any reim-
25 bursement, judgment or judgments for damages resulting from
26 such accident as may be recovered against each operator or owner

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

27 *in view of the total insurance protection available to the injured*
28 *party. The Director of Motor Vehicles shall promulgate such rules*
29 *as may be necessary to set forth those instances where deposit of*
30 *security is necessary.*

31 (b) The director **[shall]** *may*, within 90 days after the receipt
32 of such report of a motor vehicle accident, suspend the license of
33 each operator and all registrations of each owner of a motor
34 vehicle in any manner involved in such accident, and if such
35 operator is a nonresident the privilege of operating a motor vehicle
36 within this State, and if such owner is a nonresident the privilege
37 of the use within this State of any motor vehicle owned by him,
38 unless such operator or owner or both shall deposit security in the
39 sum so determined by the director; provided, notice of such
40 suspension shall be sent by the director to such operator and owner
41 not less than 10 days prior to the effective date of such suspension
42 and shall state the amount required as security. Where erroneous
43 information is given the director with respect to the matters set
44 forth in subdivisions 1, 2 or 3 of subsection (c) of this section, he
45 **[shall]** *may* take appropriate action as hereinbefore provided,
46 within 90 days after receipt by him of correct information with
47 respect to said matters.

48 (c) This section shall not apply under the conditions stated in
49 section 4 of this act nor:

50 (1) To such operator or owner, if such owner had in effect, at the
51 time of such accident, an automobile liability policy with respect
52 to the motor vehicle involved in such accident;

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

57 (3) To such operator or owner if the liability of such operator
58 or owner for damages resulting from such accident is, in the judg-
59 ment of the director, covered by any other form of liability in-
60 surance policy or bond; nor

61 (4) To any person qualifying as a self-insurer under section 30
62 of this act, or to any person operating a motor vehicle for such
63 self-insurer.

64 No such policy or bond shall be effective under this section unless
65 issued by an insurance company or surety company authorized to
66 do business in this State, except that if such motor vehicle was not
67 registered in this State, or was a motor vehicle which was registered
68 elsewhere than in this State at the effective date of the policy or

69 bond, or the most recent renewal thereof, such policy or bond shall
70 not be effective under this section unless the insurance company or
71 surety company if not authorized to do business in this State shall
72 execute a power of attorney authorizing the director to accept
73 service on its behalf of notice or process in any action upon such
74 policy or bond arising out of such accident; provided, however,
75 every such policy or bond is subject, if the accident has resulted in
76 bodily injury or death, to a limit, exclusive of interest and costs, of
76A not less than \$15,000.00 because of bodily injury to or death of one
77 person in any one accident and, subject to said limit for one person,
78 to a limit of not less than \$30,000.00 because of bodily injury to or
79 death of two or more persons in any one accident, and, if the
80 accident has resulted in injury to or destruction of property, to a
81 limit of not less than \$5,000.00 because of injury to or destruction
82 of property of others in any one accident and if policy or bond is
83 applicable to an automobile required to have coverage for personal
84 injury protection benefits pursuant to P. L. 1972, c. 70, it shall in-
85 clude an amount to cover personal injury protection benefits as re-
86 quired by that act.

1 2. This act shall take effect immediately.

STATEMENT

This bill gives the Director of the Division of Motor Vehicles the authority to require the posting of security under those circumstances where he deems it necessary for the protection of an injured party.

Since the passage of a Compulsory Liability Law in New Jersey, together with compulsory uninsured motorist coverage, the need for a comprehensive security responsibility law in New Jersey has been reduced.

Although the need for the security responsibility law has been reduced, it has not been eliminated. There still exists a few classes of individuals who may not be protected by their own automobile insurance policy and, therefore, might avail themselves of money posted with the division pursuant to the Security-Responsibility Law. Those persons who would still qualify are uninsured passengers in uninsured vehicles, uninsured pedestrians and insured out-of-State drivers involved in accidents in New Jersey with uninsured drivers and who do not have uninsured motorist coverage. Therefore, this bill gives the Division of Motor Vehicles the power to continue requiring the posting of security from uninsured drivers in order to protect the injured parties within the discretion of the director.