

June 30, 1972

LEGISLATIVE HISTORY OF R.S.39:6A-1 to 39:6A-18
(Compulsory Automobile Liability Insurance -
No Fault Provisions).

"New Jersey Automobile Reparation Reform Act"

- 1) P.L.1972 - chap.70 - A667 (2d OCR) Raymond et.al.
 Feb.7 - Introduced.
 May 4 - Reported with Committee Amendment.
 May 15 - Amended in Assembly and passed.
 May 18 - Passed Senate.
 June 20 - Signed by Governor.

[Bill with Statement, Committee Amendment, Assembly Amendment enclosed.]

2) Earlier Bills

P.L.1970 - JR4; SJR 20, 1970, created Commission to study certain automobile insurance matters, including the matter of a "no fault" automobile accident insurance plan (enclosed).

P.L.1971 - chap.82 [S829] appropriated funds for the Commission.

1971 - A2423 - Died in Committee. Same as A675, 1972.

1971 - A2302 - Died in Committee. Same as A1190, 1972.

1972 - S517 - Died in Committee. [enclosed]

1972 - S956 - Died in Committee. [enclosed]

1972 - A675 - Died in Committee. [enclosed]

1972 - A804 - ~~_____~~. [enclosed] AWS 1972, C. 199

1972 - A954 - Died in Committee. [enclosed]

1972 - A1138 - Died in Committee. [same as S956]

1972 - A1190 - Died in Committee. [enclosed]

1972 - A1200 - Died in Committee. [enclosed]

1972 - A1230 - Died in Committee. [enclosed]

3) Hearings and Reports

974.90 New Jersey Commission to study certain automobile
 A939 insurance matters, including a "No Fault"
 1971 auto accident insurance plan.
 Public hearing... Trenton, 1971
 4 volumes.

974.90 New Jersey Automobile Insurance Study Commission.
A939 Reparation reform for New Jersey motorists.
1971a Report... December 1971
170 p.

4) Governor's Messages

William T. Cahill, Governor of New Jersey
First Annual Message, January 12, 1971, p. 58.

William T. Cahill, Governor of New Jersey
Second Annual Message, January 11, 1972, p. 55ff 56

Press Release June 20, 1972

5) Law Review Articles

Cahill, William T. Automobile Liability insurance system:
Proposals for pragmatic reform. 57 Kentucky Law Journal 631
Summer 1968.

The articles in the New Jersey Law Journal on the subject
are too many to enumerate; only a few selected articles will be
listed. The New Jersey State Library card-file under the heading:
Insurance, Automobile, may be inspected in the Law Library.

New Jersey State Bar asks refrain from comment on no fault.
93 N.J.L.J.805, 1970

New Jersey State Bar submits recommendations on Auto Accident
insurance 94 N.J.L.J.249, 1971; 94 N.J.L.J.289, 1971.
1971 A2302 discussed: 94 N.J.L.J.285, 289.

Karcher, Joseph T. No fault insurance in not the answer to the
automobile insurance problem in New Jersey, 94 N.J.L.J.313, 1971
Suggestions of New Jersey State Bar Association concerning...

automobile accident compensation, 94 N.J.L.J.326, 1971.
Report of the Civil Procedure Section of New Jersey State Bar
Association...on the problem of "No Fault," 94 N.J.L.J.349, 1971
No-Fault: beyond the pros and cons. 14 New Jersey State Bar
Journal 6, May 1971.

Committee for Reform in Civil Litigation asks support for No-Fault
plan 94 N.J.L.J.569, 1971

Lawyers' Committee for No-Fault Insurance Issues Position Statement
94 N.J.L.J.552, 1971

AFL-CIO to submit own No-Fault bill 95 N.J.L.J.201, 1972

New Jersey Assembly passes No-Fault bill

95 N.J.L.J.481, 1972

Editorial: No-Fault Insurance for New Jersey...in support of

A667 95 N.J.L.J.524, 1972

No-Fault automobile insurance in New Jersey: constitutional problems 3 Seton Hall Law Review 386 Spring 1972.

6) Newspaper clippings and fliers

New Jersey Association of Independent Insurance Agents.
Special Legislative Bulletin No-Fault A667 [enclosed]

Independent Mutual Insurance Agents Association
Legislative Memo 3/12/72 [enclosed]
Memo in support of A667 5/12/72 [enclosed]

Sunday Record 1/9/72 James Ahearn. Year of decision:
No-Fault or no?

The Record 2/7/72 David T. Beale. Here comes No-Fault.

Newark Star Ledger 4/8/72 State AAA backs No-Fault proposal.

Sunday Star Ledger 4/23/72 Herb Jaffee. AFL-CIO to introduce
its version of No-Fault.

NSL 5/17/72 Herb Jaffee Insurance Lobby gunning for No-Fault
in the Senate.

Trentonian 5/17/72 The half loaf principle.

NSL 5/20/72 Insurance firms get stern warning.

THURSDAY, JANUARY 8, 1975

R. 10

Pursuant to questions posed to the Department of Insurance as to when N.J.S.A. 39:6A-9 as amended becomes inoperative, the Commissioner, James J. Sheeran, on December 10, 1974, issued the following advisory opinion:

N.J.S.A. 39:6A-9, the subrogation section of the "New Jersey Automobile Reparation Reform Act" (L. 1972 c.70), provides that subrogation rights for personal injury protection benefit payments terminate and are not in effect with respect to any accident occurring on or after January 1, 1975.

HP/EH
Encl.

This advisory opinion was filed December 10, 1974, as a document not subject to codification and is published as a matter of public information.

James J. Sheeran
Commissioner
Department of Insurance

7 NJR 10 (b)
1975

of public in

[SECOND OFFICIAL COPY REPRINT]

ASSEMBLY, No. 667

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 7, 1972

By Assemblymen RAYMOND, DEVERIN, LITTELL, DICKEY,
BLACK, EWING, FORAN, MABIE, WILKIE, SPIZZIRI, VEIT,
Assemblywoman MARGETTS, Assemblymen GEWERTZ,
FROUDE, BORNHEIMER, PERSKIE and COLASURDO

Referred to Committee on Insurance

AN ACT concerning automobile accident reparation, providing for
compulsory automobile liability insurance coverage and personal
injury protection coverage regardless of fault in certain cases.

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

1 1. Short title. This act may be cited and known as the "New
2 Jersey Automobile Reparation Reform Act."

1 2. Definitions. As used in this act:

2 ***[a. "Automobile"** means a private passenger automobile
3 designed and used for the transportation of passengers, other than
4 omnibuses and school buses as defined in R. S. 39:1-1.]*

4A *a. "Automobile" means a private passenger automobile of a
4B private passenger or station wagon type that is owned or hired
4C under a long-term contract and is neither used as a public or livery
4D conveyance for passengers nor rented to others without a driver;
4E and a motor vehicle with a pick-up body, a delivery sedan or a
4F panel truck owned by an individual or by husband and wife who
4G are residents of the same household, not customarily used in the
4H occupation, profession or business of the insured other than farm-
4I ing or ranching. An automobile owned by a farm or family co-
4J partnership or corporation which is principally garaged on a farm
4K or ranch and otherwise meets the definitions contained in this sec-
4L tion, shall be considered a private passenger automobile owned by
4M two or more relatives resident in the same household.*

5 b. "Essential services" means those services performed not for
6 income which are ordinarily performed by an individual for the care
7 and maintenance of such individual's family or family household.

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

8 c. "Income" means salary, wages, tips, commissions, fees and
9 other earnings derived from work or employment.

10 d. "Income producer" means a person, who at the time of the
11 accident causing personal injury or death, was in an occupational
12 status, earning or producing income.

13 e. "Medical expenses" means expenses for medical treatment,
14 surgical treatment, dental treatment, professional nursing services,
15 hospital services, rehabilitation services, x-ray and other diagnostic
16 services, prosthetic devices, ambulance services, medication and
17 other reasonable and necessary expenses resulting from the treat-
18 ment prescribed by ***[a physician, dentist, chiropractor, and re-**
19 **ligious healer.** Hospital room and board benefits shall be limited to
20 the regular daily semiprivate room rates customarily charged by
21 the institution in which the recipient of benefits is confined]*
21A *persons licensed to practice medicine and surgery pursuant to
21B ****[R. S. 45:5-1]**** **R. S. 45:9-1** et seq., dentistry pursuant to
21C R. S. 45:6-1 et seq., psychology pursuant to P. L. 1966, c. 282
21D (C. 45:14B-1 et seq.) or chiropractic pursuant to P. L. 1953, c. 233
21E (C. 45:9-41.1 et seq.) or any nonmedical remedial treatment ren-
21F dered in accordance with a recognized religious method of heal-
21G ing*.

22 f. "Hospital Expenses" means:

23 (1) the cost of a ***[regular]*** semiprivate room, based on rates
24 customarily charged by the institution in which the recipient of
25 benefits is confined;

26 (2) the cost of board, ***[means]*** *meals* and dietary services;

27 (3) the cost of other hospital services, such as operating room;
28 medicines, drugs, anaesthetics, treatments with X-ray, radium and
29 other radioactive substances; laboratory tests, surgical dressings
30 and supplies; and other medical care and treatment rendered by
31 the hospital;

32 (4) the cost of treatment by a physiotherapist;

33 (5) the cost of medical supplies such as *prescribed* drugs and
34 medicines ***[dispensed by a licensed pharmacist]***; blood and blood
35 plasma; artificial limbs and eyes; surgical dressings, casts, splints,
36 trusses, braces, crutches, rental of wheelchair, hospital bed or iron
37 lung; oxygen and rental of equipment for its administration.

38 g. "Named insured" means the person or persons identified as
39 the insured in the policy.

40 h. "Pedestrian" means any person ****[afoot as used in R. S.**
41 **39:1-1]**** ***[who is not an occupant of a motor vehicle as the term**
42 **is defined in R. S. 39:1-1]**** **who is not an occupant of a motor

43 *vehicle as the term is defined in R. S. 39:1-1*** and includes any
44 person who is entering into or alighting from a motor vehicle.

1 3. Compulsory automobile insurance coverage; limits. Every
2 owner or registered owner of an automobile registered or princi-
3 pally garaged in this State shall maintain automobile liability in-
4 surance coverage, under provisions approved by the Commissioner
5 of Insurance, insuring against loss resulting from liability imposed
6 by law for bodily injury, death and property damage sustained by
7 any person arising out of the ownership, maintenance, operation
8 or use of an automobile wherein such coverage shall be at least in:

9 a. an amount or limit of \$15,000.00, exclusive of interest and
10 costs, on account of injury to, or death of, one person, in any one
11 accident; and

12 b. an amount or limit, subject to such limit for any one person so
13 injured or killed, of \$30,000.00, exclusive of interest and costs, on
14 account of injury to or death of, more than one person, in any one
15 accident; and

16 c. an amount or limit of \$5,000.00, exclusive of interest and
17 costs, for damage to property in any one accident.

18 ***No licensed insurance carrier shall cancel or refuse to renew*
19 *the required coverage stipulated by this act without the consent*
20 *of the Commissioner of Insurance.***

1 4. Personal injury protection coverage, regardless of fault.
2 Every automobile liability insurance policy insuring **an auto-*
3 *mobile as defined in this act** against loss resulting from liability
4 imposed by law for bodily injury, death and property
4A damage sustained by any person arising out of ownership,
5 operation, maintenance or use of an automobile shall provide addi-
6 tional coverage, as defined herein below, under provisions approved
7 by the Commissioner of Insurance, for the payment of benefits
8 without regard to negligence, liability or fault of any kind, to the
9 named insured and members of his family residing in his household
10 who sustained bodily injury as a result of an automobile accident,
11 to other persons sustaining bodily injury while occupying the auto-
12 mobile of the named insured or while using such automobile with
13 the permission of the named insured and to pedestrians, sustaining
14 bodily injury caused by the named insured's automobile or struck
15 by an object propelled by or from such automobile. "Additional
16 coverage" means and includes:

17 a. Medical expense benefits. Payment of all reasonable medical
18 expenses incurred as a result of personal injury sustained in an
19 automobile accident.

20 b. Income continuation benefits. The payment of the loss of in-
21 come of an income producer as a result of bodily injury disability,
22 subject to a maximum weekly payment of \$100.00, per week. Such
23 sums shall be payable during the life of the injured person and
24 shall be subject to an amount or limit of \$5,200.00, on account of
25 injury to any one person, in any one accident.

26 c. Essential services benefits. Payment of essential services
27 benefits to an injured person other than an income producer shall
28 be made in reimbursement of necessary and reasonable expenses
29 incurred for such substitute essential services ordinarily performed
30 by the injured person for the injured person, his family and mem-
31 bers of the family residing in the household, subject to an amount
32 or limit of \$12.00 per day. Such benefits shall be payable during
33 the life of the injured person and shall be subject to an amount or
34 limit of \$4,380.00, on account of injury to any one person in any
35 one accident.

36 d. Survivor benefits. In the event of the death of an income pro-
37 ducer or one performing essential services as a result of injuries
38 sustained in an automobile accident, the benefits that would have
39 been paid to the injured person but for his death under section
40 4 a, b, and c, shall be paid to the surviving spouse dependent upon
41 the deceased for such income or essential services, or in the event
42 there is no dependent surviving spouse, then to the surviving
43 children dependent upon the deceased for such income or essential
44 services.

45 e. Funeral expenses benefits. Payment of all reasonable funeral,
46 burial and cremation expenses, subject to a maximum benefit of
47 \$1,000.00, on account of the death to any one person in any one
48 accident.

1 5. Payment of personal injury protection coverage benefits.

2 a. An insurer may require written notice to be given as soon as
3 practicable after an accident involving an automobile with respect
4 to which the policy affords personal injury protection coverage
5 benefits required by this act.

6 b. Personal injury protection coverage benefits shall be overdue
7 if not paid within 30 days after the insurer is furnished written
8 notice of the fact of a covered loss and of the amount of same. If
9 such written notice is not furnished to the insurer as to the entire
10 claim, any partial amount supported by written notice is overdue if
11 not paid within 30 days after such written notice is furnished to the
12 insurer. Any part or all of the remainder of the claim that is
13 subsequently supported by written notice is overdue if not paid
14 within 30 days after such written notice is furnished to the insurer;

15 provided, however, that any payment shall not be deemed overdue
 16 where the insurer has reasonable proof to establish that the in-
 17 surer is not responsible for the payment, notwithstanding that
 18 written notice has been furnished to the insurer. For the purpose
 19 of calculating the extent to which any benefits are overdue, payment
 20 shall be treated as being made on the date of a draft or other valid
 21 instrument which is equivalent to payment was placed in the United
 22 States mail in a properly addressed, postpaid envelope, or, if not
 23 so posted, on the date of delivery.

24 c. All overdue payments shall bear simple interest at the rate of
 25 10% per annum.

1 6. Collateral source. The benefits provided in section 4 a, b, c, d,
 2 and e, shall be payable as loss accrues, upon written notice of such
 3 loss and without regard to collateral sources, except that benefits
 4 collectible under workmen's compensation insurance, employees
 5 temporary disability benefit statutes and medicare provided under
 6 Federal law, shall be deducted from the benefits collectible under
 7 section 4 a, b, c, d, and e.

1 7. Exclusions. Insurers may exclude a person from benefits
 2 under section 4a, b, c, d, and e where such person's conduct con-
 3 tributed to his personal injuries or death occurred in any of the
 4 following ways:

5 **[a. while operating an automobile while under the influence of
 6 alcohol or of any controlled dangerous substance as defined in
 7 * [Article 2 of P. L. 1970, c. 226; or] * *R. S. 39:4-50 (a), and P. L.*
 7A *1951, c. 23 (C. 39:4-50.1); or* **

8 **[b.]** **a.** while committing a high misdemeanor or felony
 9 or seeking to avoid unlawful apprehension or arrest by a police
 9A officer; or

10 **[c.]** **b.** while acting with specific intent of causing in-
 11 jury or damage to himself or others.

1 8. Tort exemption; limitation on the right to damages. Every
 2 owner, registrant, operator or occupant of an automobile to which
 3 section 4, personal injury protection coverage, regardless of fault,
 4 applies, and every person or organization legally responsible for
 5 his acts or omissions, is hereby exempted from tort liability for
 6 damages to any person who has a right to receive benefits under
 7 section 4 of this act as a result of bodily injury, arising out of the
 8 ownership, operation, maintenance or use of such automobile in
 9 this State, if the bodily injury, is confined solely to the soft tissue
 10 of the body and the medical expenses incurred or to be incurred by
 11 such injured person for the reasonable and necessary treatment of
 12 such bodily injury, is * [less than \$100.00] * ** [*\$500.00 or less*] **

13 ***less than \$200.00***, **[exclusive of hospital expenses, X-rays and*
 14 *other diagnostic medical expenses]* ***exclusive of hospital ex-**
 15 *penses, X-rays and other diagnostic medical expenses***. There
 16 shall be no exemption from tort liability **[in the event of the death*
 17 *of a person]* ***if the injured party has sustained death, permanent**
 18 *disability, permanent significant disfigurement, permanent loss of*
 19 *any bodily function or loss of a body member in whole or in part,**
 20 regardless of the right of any person to receive benefits under
 21 section 4 of this act. Bodily injury confined solely to the soft
 22 tissue, for the purpose of this section means, injury in the form
 23 of sprains, strains, contusions, lacerations, bruises, hematomas,
 24 cuts, abrasions, scrapes, scratches, and tears confined to the muscles,
 25 tendons, ligaments, cartilages, nerves, fibers, veins, arteries and
 26 skin of the human body.

1 9. Subrogation. Any insurer paying benefits in accordance with
 2 the provisions of section 4, personal injury protection coverage,
 3 regardless of fault, shall be subrogated to the rights of any party
 4 to whom it makes such payments, to the extent of such payments.
 5 Such subrogated insurer may only by inter-company arbitration or
 6 by inter-company agreement exercise its subrogation rights against
 7 only the insurer of any person liable for such damages in tort. The
 8 exemption from tort liability provided in section 8 does not apply
 9 to the insurers' subrogation rights. **On and after 2 years from*
 10 *the effective date of this act the provisions of this section shall be*
 11 *inoperative.**

1 10. Additional personal injury protection coverage. Insurers
 2 shall make available to the named insured covered under section 4,
 3 suitable additional first-party coverage for income continuation
 4 benefits, essential services benefits, survivor benefits and funeral
 5 expense benefits. **Income continuation in excess of that provided*
 6 *for in section 4 must be provided as an option by insurers to persons*
 7 *for disabilities, as long as the disability persists, but not beyond*
 8 *age 65, up to an income level of \$35,000.00 per year, with the excess*
 9 *between \$5,200.00 and the amount of coverage contracted for to be*
 10 *written on the basis of 75% of said difference. The Commissioner*
 11 *of Insurance is hereby authorized and empowered to establish, by*
 12 *rule or regulations, the amounts and terms of income continuation*
 13 *insurance to be provided pursuant to this section.**

1 11. Contribution among insurers. If two or more insurers are
 2 liable to pay benefits under sections 4 and 10 of this act for the same
 3 bodily injury, or death, of any one person, the maximum amount
 4 payable shall be as specified in sections 4 and 10 if additional first
 5 party coverage applies and any insurer paying the benefits shall be
 6 entitled to recover from each of the other insurers, only by inter-

7 company arbitration or inter-company agreement, an equitable
8 pro-rata share of the benefits paid.

1 12. Inadmissibility of evidence of losses collectible under per-
2 sonal injury protection coverage. Evidence of the amounts collect-
3 ible or paid pursuant to sections 4 and 10 of this act to an injured
4 person is inadmissible in a civil action for recovery of damages for
5 bodily injury by such injured person.

1 13. Discovery of facts as to personal injury protection coverage.
2 The following apply to personal injury protection coverage benefits:

3 a. Every employer shall, if a request is made by an insurer or the
4 Unsatisfied Claim and Judgment Fund providing personal injury
5 protection benefits under this act against whom a claim has been
6 made, furnish forthwith, in a form approved by the Commissioner
7 of Insurance, a signed statement of the lost earnings since the date
8 of the bodily injury and for a reasonable period before the injury,
9 of the person upon whose injury the claim is based.

10 b. Every physician, hospital, clinic or other medical institution
11 providing, before and after the bodily injury upon which a claim
12 for personal injury protection benefits is based, any products,
13 services or accommodations in relation to such bodily injury or any
14 other injury, or in relation to a condition claimed to be connected
15 with such bodily injury or any other injury, shall, if requested to
16 do so by the insurer or the Unsatisfied Claim and Judgment Fund
17 against whom the claim has been made, furnish forthwith a written
18 report of the history, condition, treatment, dates and costs of such
19 treatment of the injured person, and produce forthwith and permit
20 the inspection and copying of his or its records regarding such
21 history, condition, treatment dates and costs of treatment. The
22 person requesting such records shall pay all reasonable costs con-
23 nected therewith.

24 c. The injured person shall be furnished upon demand a copy of
25 all information obtained by the insurer or the Unsatisfied Claim and
26 Judgment Fund under the provisions of this section, and shall pay
27 a reasonable charge, if required by the insurer and the Unsatisfied
28 Claim and Judgment Fund.

29 d. Whenever the mental or physical condition of an injured person
30 covered by personal injury protection is material to any claim that
31 has been or may be made for past or future personal injury protec-
32 tion benefits, such person shall, upon request of an insurer or the
33 Unsatisfied Claim and Judgment Fund submit to mental or physical
34 examination by a physician or physicians. The costs of any exam-
35 inations requested by an insurer or the Unsatisfied Claim and
36 Judgment Fund shall be borne entirely by whomever makes such

37 request. Such examination shall be conducted within the ***[city]***
38 **municipality** of residence of the injured person. If there is no
39 qualified physician to conduct the examination within the ***[city]***
40 **municipality** of residence of the injured person, then such exam-
41 ination shall be conducted in an area of the closest proximity to
42 the injured person's residence. Personal protection insurers are
43 authorized to include reasonable provisions in personal injury
44 protection coverage policies for mental and physical examinations
45 of those claiming personal injury protection coverage benefits.

46 e. If requested by the person examined, a party causing an
47 examination to be made, shall deliver to him a copy of every written
48 report concerning the examination rendered by an examining
49 physician, at least one of which reports must set out his findings
50 and conclusions in detail. After such request and delivery, the party
51 causing the examination to be made is entitled upon request to
52 receive from the person examined every written report available to
53 him, or his representative, concerning any examination, previously
54 or thereafter made of the same mental or physical condition.

55 f. The injured person, upon reasonable request by the insurer or
56 the Unsatisfied Claim and Judgment Fund shall sign all forms, au-
57 thorizations, releases for information, approved by the Commis-
58 sioner of Insurance, which may be necessary to the discovery of the
59 above facts, in order to reasonably prove the injured person's
60 losses.

61 g. In the event of any dispute regarding an insurer's or the Un-
62 satisfied Claim and Judgment Fund's or an injured person's right
63 as to the discovery of facts about the injured person's earnings or
64 about his history, condition, treatment, dates and costs of such
65 treatment, or the submission of such injured person to a mental or
66 physical examination, the insurer, Unsatisfied Claim and Judgment
67 Fund or the injured person may petition a court of competent
68 jurisdiction for an order resolving the dispute and protecting the
69 rights of all parties. The order may be entered on motion for good
70 cause shown giving notice to all persons having an interest therein.
71 Such court may protect against annoyance, embarrassment or
72 oppression and may as justice requires, enter an order compelling
73 or refusing discovery, or specifying conditions of such discovery;
74 the court may further order the payment of costs and expenses of
75 the proceeding, as justice requires.

1 14. Compulsory uninsured motorist protection. Every owner or
2 registrant of an automobile registered or principally garaged in
3 this State shall maintain uninsured motorist coverage as provided
4 in P. L. 1968, c. 385 (C. 17:28-1.1).

1 15. Penalties for false and fraudulent representation and for
2 failure to maintain insurance coverage.

3 a. In any claim or action arising under section 4 of this act
4 wherein any person, obtains or attempts to obtain from any other
5 person, insurance company or Unsatisfied Claim and Judgment
6 Fund any money or other thing of value by (1) falsely or fraudu-
7 lently representing that such person is entitled to benefits under
8 section 4 or, (2) falsely and fraudulently making statements or pre-
9 senting documentation in order to obtain or attempt to obtain bene-
10 fits under section 4 or, (3) cooperates, conspires or otherwise acts
11 in concert with any person seeking to falsely or fraudulently obtain,
12 or attempt to obtain, benefits under section 4 may upon conviction
13 be fined not more than \$5,000.00, or imprisoned for not more than 3
14 years or both, or in the event the sum so obtained or attempted to
15 be obtained is not more than \$500.00, may upon conviction, be fined
16 not more than \$500.00, or imprisoned for not more than 6 months
17 or both, as a disorderly person.

18 b. Any owner, operator or registrant of an automobile registered
19 or principally garaged in this State who operates or causes to be
20 operated an automobile upon any public road or highway in this
21 State knowingly without automobile insurance coverage, extending
22 coverage to such automobile as provided in sections 3 and 4 of this
23 act, may upon conviction be fined not more than \$500.00, or im-
24 prisoned for not more than 6 months or both, as a disorderly per-
25 son, and shall forthwith forfeit his right to operate a motor vehicle
26 over the roads and highways of this State for a period of 1 year
27 from the date of such conviction, and after the expiration of said
28 period he may make application to the Director of the Division of
29 Motor Vehicles for a license to operate a motor vehicle which
30 application may be granted at the discretion of the director. For a
31 subsequent violation the automobile in question may be subject to
32 confiscation and may be seized by the Director of the Division of
33 Motor Vehicles or his agents or employees or by any peace officer
34 of the State when directed by the director, his agents or employees
35 to do so, without a warrant. The director shall immediately there-
36 after institute a proceeding for the confiscation thereof in the
37 County Court, county district court or the municipal court within
38 the jurisdiction in which the seizure is made. The court may pro-
39 ceed in summary manner and may direct confiscation to the direc-
40 tor; provided, however, that any person claiming to be the holder
41 of a mortgage, conditional sales contract, or other security interest
42 in any such automobile, the disposition of which is provided for
43 above, may present his petition so alleging and be heard, and in

44 the event it appears to the court that the automobile in question
45 was being operated in violation of sections 3 and 4 of this act
46 without the knowledge of the claimant and if such claimant acquired
47 his security interest in good faith, the court shall either waive
48 forfeiture in favor of such claimant and order the automobile
49 returned or delivered to such, or if it is found that the value thereof
50 exceeds the amount of the claim, the court shall order payment
51 of the amount of the claim out of the proceeds of the sale.

52 *c. *The Director of the Division of Motor Vehicles shall have the*
53 *authority to suspend a license and registration at any time the*
54 *registrant cannot furnish proof the vehicle is insured.**

1 16. Construction and severability. This act shall be liberally
2 construed so as to effect the purpose thereof. The provisions of
3 this act shall be severable and if any phrase, clause, sentence or
4 provision of this act is declared to be contrary to the Constitution
5 of this State or of the United States or the applicability thereof to
6 any person, government, agency or circumstance is held invalid,
7 the validity of the remainder of this act and the applicability
8 thereof to any person, government, agency or circumstance shall
9 not be affected thereby.

1 17. General repeal of inconsistent statutory provisions. All laws
2 or parts of laws which are inconsistent with the provisions of this
3 act are repealed and superseded to the extent of such inconsistency.

1 **18. *Bodily injury insurance rates in effect on July 1, 1972*
2 *shall be reduced by at least 15% and shall become effective upon*
3 *the effective date of this act.***

1 **[18.]** **19.** Effective date. This act shall take effect im-
2 mediately and the required compulsory insurance, personal injury
3 protection coverage benefits, and tort exemption provisions shall
4 be mandatory on and after January 1, 1973.

ASSEMBLY, No. 667

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 7, 1972

By Assemblymen RAYMOND, DEVERIN, LITTELL, DICKEY,
BLACK, EWING, FORAN, MABIE, WILKIE, SPIZZIRI, VEIT,
Assemblywoman MARGETTS, Assemblymen GEWERTZ,
FROUDE, BORNHEIMER, PERSKIE and COLASURDO

Referred to Committee on Insurance

AN ACT concerning automobile accident reparation, providing for
compulsory automobile liability insurance coverage and personal
injury protection coverage regardless of fault in certain cases.

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

1 1. Short title. This act may be cited and known as the "New
2 Jersey Automobile Reparation Reform Act."

1 2. Definitions. As used in this act:

2 a. "Automobile" means a private passenger automobile
3 designed and used for the transportation of passengers, other than
4 omnibuses and school buses as defined in R. S. 39:1-1.

5 b. "Essential services" means those services performed not for
6 income which are ordinarily performed by an individual for the care
7 and maintenance of such individual's family or family household.

8 c. "Income" means salary, wages, tips, commissions, fees and
9 other earnings derived from work or employment.

10 d. "Income producer" means a person, who at the time of the
11 accident causing personal injury or death, was in an occupational
12 status, earning or producing income.

13 e. "Medical expenses" means expenses for medical treatment,
14 surgical treatment, dental treatment, professional nursing services,
15 hospital services, rehabilitation services, x-ray and other diagnostic
16 services, prosthetic devices, ambulance services, medication and
17 other reasonable and necessary expenses resulting from the treat-
18 ment prescribed by a physician, dentist, chiropractor, and religious
19 healer. Hospital room and board benefits shall be limited to the
20 regular daily semi-private room rates customarily charged by the
21 institution in which the recipient of benefits is confined.

22 f. "Hospital Expenses" means:

23 (1) the cost of a regular semi-private room, based on rates
24 customarily charged by the institution in which the recipient of
25 benefits is confined;

26 (2) the cost of board, means and dietary services;

27 (3) the cost of other hospital services, such as operating room;
28 medicines, drugs, anaesthetics, treatments with X-ray, radium and
29 other radioactive substances; laboratory tests, surgical dressings
30 and supplies; and other medical care and treatment rendered by
31 the hospital;

32 (4) the cost of treatment by a physiotherapist;

33 (5) the cost of medical supplies such as drugs and medicines
34 dispensed by a licensed pharmacist; blood and blood plasma;
35 artificial limbs and eyes; surgical dressings, casts, splints, trusses,
36 braces, crutches, rental of wheelchair, hospital bed or iron lung;
37 oxygen and rental of equipment for its administration.

38 g. "Named insured" means the person or persons identified as
39 the insured in the policy.

40 h. "Pedestrian" means any person who is not an occupant of a
41 motor vehicle as the term is defined in R. S. 39:1-1 and includes any
42 person who is entering into or alighting from a motor vehicle.

1 3. Compulsory automobile insurance coverage; limits. Every
2 owner or registered owner of an automobile registered or princi-
3 pally garaged in this State shall maintain automobile liability in-
4 surance coverage, under provisions approved by the Commissioner
5 of Insurance, insuring against loss resulting from liability imposed
6 by law for bodily injury, death and property damage sustained by
7 any person arising out of the ownership, maintenance, operation
8 or use of an automobile wherein such coverage shall be at least in:

9 a. an amount or limit of \$15,000.00, exclusive of interest and
10 costs, on account of injury to, or death of, one person, in any one
11 accident; and

12 b. an amount or limit, subject to such limit for any one person so
13 injured or killed, of \$30,000.00, exclusive of interest and costs, on
14 account of injury to or death of, more than one person, in any one
15 accident; and

16 c. an amount or limit of \$5,000.00, exclusive of interest and
17 costs, for damage to property in any one accident.

1 4. Personal injury protection coverage, regardless of fault.
2 Every automobile liability insurance policy insuring against loss
3 resulting from liability imposed by law for bodily injury, death and
4 property damage sustained by any person arising out of ownership,
5 operation, maintenance or use of an automobile shall provide addi-

6 tional coverage, as defined herein below, under provisions approved
7 by the Commissioner of Insurance, for the payment of benefits
8 without regard to negligence, liability or fault of any kind, to the
9 named insured and members of his family residing in his household
10 who sustained bodily injury as a result of an automobile accident,
11 to other persons sustaining bodily injury while occupying the auto-
12 mobile of the named insured or while using such automobile with
13 the permission of the named insured and to pedestrians, sustaining
14 bodily injury caused by the named insured's automobile or struck
15 by an object propelled by or from such automobile. "Additional
16 coverage" means and includes:

17 a. Medical expense benefits. Payment of all reasonable medical
18 expenses incurred as a result of personal injury sustained in an
19 automobile accident.

20 b. Income continuation benefits. The payment of the loss of in-
21 come of an income producer as a result of bodily injury disability,
22 subject to a maximum weekly payment of \$100.00, per week. Such
23 sums shall be payable during the life of the injured person and
24 shall be subject to an amount or limit of \$5,200.00, on account of
25 injury to any one person, in any one accident.

26 c. Essential services benefits. Payment of essential services
27 benefits to an injured person other than an income producer shall
28 be made in reimbursement of necessary and reasonable expenses
29 incurred for such substitute essential services ordinarily performed
30 by the injured person for the injured person, his family and mem-
31 bers of the family residing in the household, subject to an amount
32 or limit of \$12.00 per day. Such benefits shall be payable during
33 the life of the injured person and shall be subject to an amount or
34 limit of \$4,380.00, on account of injury to any one person in any
35 one accident.

36 d. Survivor benefits. In the event of the death of an income pro-
37 ducer or one performing essential services as a result of injuries
38 sustained in an automobile accident, the benefits that would have
39 been paid to the injured person but for his death under section
40 4 a, b, and c, shall be paid to the surviving spouse dependent upon
41 the deceased for such income or essential services, or in the event
42 there is no dependent surviving spouse, then to the surviving
43 children dependent upon the deceased for such income or essential
44 services.

45 e. Funeral expenses benefits. Payment of all reasonable funeral,
46 burial and cremation expenses, subject to a maximum benefit of
47 \$1,000.00, on account of the death to any one person in any one
48 accident.

1 5. Payment of personal injury protection coverage benefits.

2 a. An insurer may require written notice to be given as soon as
3 practicable after an accident involving an automobile with respect
4 to which the policy affords personal injury protection coverage
5 benefits required by this act.

6 b. Personal injury protection coverage benefits shall be overdue
7 if not paid within 30 days after the insurer is furnished written
8 notice of the fact of a covered loss and of the amount of same. If
9 such written notice is not furnished to the insurer as to the entire
10 claim, any partial amount supported by written notice is overdue if
11 not paid within 30 days after such written notice is furnished to the
12 insurer. Any part or all of the remainder of the claim that is
13 subsequently supported by written notice is overdue if not paid
14 within 30 days after such written notice is furnished to the insurer;
15 provided, however, that any payment shall not be deemed overdue
16 where the insurer has reasonable proof to establish that the in-
17 surer is not responsible for the payment, notwithstanding that
18 written notice has been furnished to the insurer. For the purpose
19 of calculating the extent to which any benefits are overdue, payment
20 shall be treated as being made on the date of a draft or other valid
21 instrument which is equivalent to payment was placed in the United
22 States mail in a properly addressed, postpaid envelope, or, if not
23 so posted, on the date of delivery.

24 c. All overdue payments shall bear simple interest at the rate of
25 10% per annum.

1 6. Collateral source. The benefits provided in section 4 a, b, c, d,
2 and e, shall be payable as loss accrues, upon written notice of such
3 loss and without regard to collateral sources, except that benefits
4 collectible under workmen's compensation insurance, employees
5 temporary disability benefit statutes and medicare provided under
6 Federal law, shall be deducted from the benefits collectible under
7 section 4 a, b, c, d, and e.

1 7. Exclusions. Insurers may exclude a person from benefits
2 under section 4a, b, c, d, and e where such person's conduct con-
3 tributed to his personal injuries or death occurred in any of the
4 following ways:

5 a. while operating an automobile while under the influence of
6 alcohol or of any controlled dangerous substance as defined in
7 Article 2 of P. L. 1970, c. 226; or

8 b. while committing a high misdemeanor or felony or seeking to
9 avoid unlawful apprehension or arrest by a police officer; or

10 c. while acting with specific intent of causing injury or damage
11 to himself or others.

1 8. Tort exemption; limitation on the right to damages. Every
2 owner, registrant, operator or occupant of an automobile to which
3 section 4, personal injury protection coverage, regardless of fault,
4 applies, and every person or organization legally responsible for
5 his acts or omissions, is hereby exempted from tort liability for
6 damages to any person who has a right to receive benefits under
7 section 4 of this act as a result of bodily injury, arising out of the
8 ownership, operation, maintenance or use of such automobile in
9 this State, if the bodily injury, is confined solely to the soft tissue
10 of the body and the medical expenses incurred or to be incurred by
11 such injured person for the reasonable and necessary treatment of
12 such bodily injury, is less than \$100.00, exclusive of hospital
13 expenses, x-rays and other diagnostic medical expenses. There
14 shall be no exemption from tort liability in the event of the death
15 of a person, regardless of the right of any person to receive benefits
16 under section 4 of this act. Bodily injury confined solely to the soft
17 tissue, for the purpose of this section means, injury in the form
18 of sprains, strains, contusions, lacerations, bruises, hematomas,
19 cuts, abrasions, scrapes, scratches, and tears confined to the muscles,
20 tendons, ligaments, cartilages, nerves, fibers, veins, arteries and
21 skin of the human body.

1 9. Subrogation. Any insurer paying benefits in accordance with
2 the provisions of section 4, personal injury protection coverage,
3 regardless of fault, shall be subrogated to the rights of any party
4 to whom it makes such payments, to the extent of such payments.
5 Such subrogated insurer may only by inter-company arbitration or
6 by inter-company agreement exercise its subrogation rights against
7 only the insurer of any person liable for such damages in tort. The
8 exemption from tort liability provided in section 8 does not apply
9 to the insurers' subrogation rights.

1 10. Additional personal injury protection coverage. Insurers
2 shall make available to the named insured covered under section 4,
3 suitable additional first-party coverage for income continuation
4 benefits, essential services benefits, survivor benefits and funeral
5 expense benefits.

1 11. Contribution among insurers. If two or more insurers are
2 liable to pay benefits under sections 4 and 10 of this act for the same
3 bodily injury, or death, of any one person, the maximum amount
4 payable shall be as specified in sections 4 and 10 if additional first
5 party coverage applies and any insurer paying the benefits shall be
6 entitled to recover from each of the other insurers, only by inter-
7 company arbitration or inter-company agreement, an equitable
8 pro-rata share of the benefits paid.

1 12. Inadmissibility of evidence of losses collectible under per-
2 sonal injury protection coverage. Evidence of the amounts collect-
3 ible or paid pursuant to sections 4 and 10 of this act to an injured
4 person is inadmissible in a civil action for recovery of damages for
5 bodily injury by such injured person.

1 13. Discovery of facts as to personal injury protection coverage.
2 The following apply to personal injury protection coverage benefits:

3 a. Every employer shall, if a request is made by an insurer or the
4 Unsatisfied Claim and Judgment Fund providing personal injury
5 protection benefits under this act against whom a claim has been
6 made, furnish forthwith, in a form approved by the Commissioner
7 of Insurance, a signed statement of the lost earnings since the date
8 of the bodily injury and for a reasonable period before the injury,
9 of the person upon whose injury the claim is based.

10 b. Every physician, hospital, clinic or other medical institution
11 providing, before and after the bodily injury upon which a claim
12 for personal injury protection benefits is based, any products,
13 services or accommodations in relation to such bodily injury or any
14 other injury, or in relation to a condition claimed to be connected
15 with such bodily injury or any other injury, shall, if requested to
16 do so by the insurer or the Unsatisfied Claim and Judgment Fund
17 against whom the claim has been made, furnish forthwith a written
18 report of the history, condition, treatment, dates and costs of such
19 treatment of the injured person, and produce forthwith and permit
20 the inspection and copying of his or its records regarding such
21 history, condition, treatment dates and costs of treatment. The
22 person requesting such records shall pay all reasonable costs con-
23 nected therewith.

24 c. The injured person shall be furnished upon demand a copy of
25 all information obtained by the insurer or the Unsatisfied Claim and
26 Judgment Fund under the provisions of this section, and shall pay
27 a reasonable charge, if required by the insurer and the Unsatisfied
28 Claim and Judgment Fund.

29 d. Whenever the mental or physical condition of an injured person
30 covered by personal injury protection is material to any claim that
31 has been or may be made for past or future personal injury protec-
32 tion benefits, such person shall, upon request of an insurer or the
33 Unsatisfied Claim and Judgment Fund submit to mental or physical
34 examination by a physician or physicians. The costs of any exam-
35 inations requested by an insurer or the Unsatisfied Claim and
36 Judgment Fund shall be borne entirely by whomever makes such
37 request. Such examination shall be conducted within the city of
38 residence of the injured person. If there is no qualified physician to

39 conduct the examination within the city of residence of the injured
40 person, then such examination shall be conducted in an area of the
41 closest proximity to the injured person's residence. Personal pro-
42 tection insurers are authorized to include reasonable provisions in
43 personal injury protection coverage policies for mental and physical
44 examinations of those claiming personal injury protection coverage
45 benefits.

46 e. If requested by the person examined, a party causing an
47 examination to be made, shall deliver to him a copy of every written
48 report concerning the examination rendered by an examining
49 physician, at least one of which reports must set out his findings
50 and conclusions in detail. After such request and delivery, the party
51 causing the examination to be made is entitled upon request to
52 receive from the person examined every written report available to
53 him, or his representative, concerning any examination, previously
54 or thereafter made of the same mental or physical condition.

55 f. The injured person, upon reasonable request by the insurer or
56 the Unsatisfied Claim and Judgment Fund shall sign all forms, au-
57 thorizations, releases for information, approved by the Commis-
58 sioner of Insurance, which may be necessary to the discovery of the
59 above facts, in order to reasonably prove the injured person's
60 losses.

61 g. In the event of any dispute regarding an insurer's or the Un-
62 satisfied Claim and Judgment Fund's or an injured person's right
63 as to the discovery of facts about the injured person's earnings or
64 about his history, condition, treatment, dates and costs of such
65 treatment, or the submission of such injured person to a mental or
66 physical examination, the insurer, Unsatisfied Claim and Judgment
67 Fund or the injured person may petition a court of competent
68 jurisdiction for an order resolving the dispute and protecting the
69 rights of all parties. The order may be entered on motion for good
70 cause shown giving notice to all persons having an interest therein.
71 Such court may protect against annoyance, embarrassment or
72 oppression and may as justice requires, enter an order compelling
73 or refusing discovery, or specifying conditions of such discovery;
74 the court may further order the payment of costs and expenses of
75 the proceeding, as justice requires.

1 14. Compulsory uninsured motorist protection. Every owner or
2 registrant of an automobile registered or principally garaged in
3 this State shall maintain uninsured motorist coverage as provided
4 in P. L. 1968, c. 385 (C. 17:28-1.1):

1 15. Penalties for false and fraudulent representation and for
2 failure to maintain insurance coverage.

3 a. In any claim or action arising under section 4 of this act
4 wherein any person, obtains or attempts to obtain from any other
5 person, insurance company or Unsatisfied Claim and Judgment
6 Fund any money or other thing of value by (1) falsely or fraudu-
7 lently representing that such person is entitled to benefits under
8 section 4 or, (2) falsely and fraudulently making statements or pre-
9 senting documentation in order to obtain or attempt to obtain bene-
10 fits under section 4 or, (3) cooperates, conspires or otherwise acts
11 in concert with any person seeking to falsely or fraudulently obtain,
12 or attempt to obtain, benefits under section 4 may upon conviction
13 be fined not more than \$5,000.00, or imprisoned for not more than 3
14 years or both, or in the event the sum so obtained or attempted to
15 be obtained is not more than \$500.00, may upon conviction, be fined
16 not more than \$500.00, or imprisoned for not more than 6 months
17 or both, as a disorderly person.

18 b. Any owner, operator or registrant of an automobile registered
19 or principally garaged in this State who operates or causes to be
20 operated an automobile upon any public road or highway in this
21 State knowingly without automobile insurance coverage, extending
22 coverage to such automobile as provided in sections 3 and 4 of this
23 act, may upon conviction be fined not more than \$500.00, or im-
24 prisoned for not more than 6 months or both, as a disorderly per-
25 son, and shall forthwith forfeit his right to operate a motor vehicle
26 over the roads and highways of this State for a period of 1 year
27 from the date of such conviction, and after the expiration of said
28 period he may make application to the Director of the Division of
29 Motor Vehicles for a license to operate a motor vehicle which
30 application may be granted at the discretion of the director. For a
31 subsequent violation the automobile in question may be subject to
32 confiscation and may be seized by the Director of the Division of
33 Motor Vehicles or his agents or employees or by any peace officer
34 of the State when directed by the director, his agents or employees
35 to do so, without a warrant. The director shall immediately there-
36 after institute a proceeding for the confiscation thereof in the
37 County Court, county district court or the municipal court within
38 the jurisdiction in which the seizure is made. The court may pro-
39 ceed in summary manner and may direct confiscation to the direc-
40 tor; provided, however, that any person claiming to be the holder
41 of a mortgage, conditional sales contract, or other security interest
42 in any such automobile, the disposition of which is provided for
43 above, may present his petition so alleging and be heard, and in
44 the event it appears to the court that the automobile in question
45 was being operated in violation of sections 3 and 4 of this act

46 without the knowledge of the claimant and if such claimant acquired
47 his security interest in good faith, the court shall either waive
48 forfeiture in favor of such claimant and order the automobile
49 returned or delivered to such, or if it is found that the value thereof
50 exceeds the amount of the claim, the court shall order payment
51 of the amount of the claim out of the proceeds of the sale.

1 16. Construction and severability. This act shall be liberally
2 construed so as to effect the purpose thereof. The provisions of
3 this act shall be severable and if any phrase, clause, sentence or
4 provision of this act is declared to be contrary to the Constitution
5 of this State or of the United States or the applicability thereof to
6 any person, government, agency or circumstance is held invalid,
7 the validity of the remainder of this act and the applicability
8 thereof to any person, government, agency or circumstance shall
9 not be affected thereby.

1 17. General repeal of inconsistent statutory provisions. All laws
2 or parts of laws which are inconsistent with the provisions of this
3 act are repealed and superseded to the extent of such inconsistency.

1 18. Effective date. This act shall take effect immediately and
2 the required compulsory insurance, personal injury protection
3 coverage benefits, and tort exemption provisions shall be manda-
4 tory on and after January 1, 1973.

STATEMENT

This legislation encompasses the recommendations of the Automobile Insurance Study commission created under Joint Resolution 4 of 1970.

The legislation provides for compulsory automobile insurance coverage with an increase of minimum automobile liability coverage to \$15,000.00/\$30,000.00. It also provides for payments without regard to fault or negligence of a. unlimited medical expense benefits, b. income loss benefits of a minimum coverage of \$100.00 per week, with a limitation of \$5,200.00, c. reimbursement for expenses incurred for substituted essential service rendered to the injured's family, d. survivor benefits to the dependent surviving spouse or children, and e. funeral expenses benefits with a \$1,000.00 limitation. The insured may purchase additional coverage if desired. These benefits are denied to the driver under the influence of alcohol or a controlled dangerous substance, or to a driver while committing a crime or intentionally causing his injury.

The bill also provides for the insurers right to obtain medical reports, loss wage verification and medical examinations of the injured person. Any person who suffers a soft tissue injury and

has less than \$100.00, in medical expenses exclusive of hospital expenses or diagnostic medical expenses is precluded from instituting suit in a negligence action.

The bill further provides for compulsory uninsured motorist protection with an increase in the limits of minimum liability coverage to \$15,000.00/\$30,000.00. Penalties are provided for fraud in obtaining benefits up to a \$5,000.00 fine or 3 years imprisonment or both. Penalties are also provided for operating an automobile knowingly without automobile insurance coverage, up to a \$500.00 fine or 6 months imprisonment, plus loss of driving privileges of 1 year.

Assembly No. 666, providing for the arbitration of automobile accident claims in certain cases, and Assembly No. 665, providing for comparative negligence, also encompass the recommendations of the Automobile Insurance Study Commission. Additional legislation provides for compulsory insurance for all motor vehicles and amends the Unsatisfied Claim and Judgment Fund Law, P. L. 1956, c. 174 (C. 39:6-61 to 39:6-104) so that it complies with personal injury protection insurance limits as set forth in this bill.

ASSEMBLY COMMITTEE AMENDMENTS TO
ASSEMBLY, No. 667

STATE OF NEW JERSEY

ADOPTED MAY 4, 1972

Amend page 1, section 2, lines 2-4, omit section 2 a. in its entirety and insert therein the following:

“a. ‘Automobile’ means a private passenger automobile of a private passenger or station wagon type that is owned or hired under a long-term contract and is neither used as a public or livery conveyance for passengers nor rented to others without a driver; and a motor vehicle with a pick-up body, a delivery sedan or a panel truck owned by an individual or by husband and wife who are residents of the same household, not customarily used in the occupation, profession or business of the insured other than farming or ranching. An automobile owned by a farm or family copartnership or corporation which is principally garaged on a farm or ranch and otherwise meets the definitions contained in this section, shall be considered a private passenger automobile owned by two or more relatives resident in the same household.”.

Amend page 1, section 2, line 18, after “by”, omit remainder of line.

Amend page 1, section 2, lines 19-21, omit in their entirety and insert “persons licensed to practice medicine and surgery pursuant to R. S. 45:5-1 et seq., dentistry pursuant to R. S. 45:6-1 et seq., psychology pursuant to P. L. 1966, c. 282 (C. 45:14B-1 et seq.) or chiropractic pursuant to P. L. 1953, c. 233 (C. 45:9-41.1 et seq.) or any nonmedical remedial treatment rendered in accordance with a recognized religious method of healing.”.

Amend page 2, section 2, line 23, after “a”, omit “regular”.

Amend page 2, section 2, line 26, after “board,”, omit “means”, and insert “means”.

Amend page 2, section 2, line 33, after “as”, insert “prescribed”.

Amend page 2, section 2, line 34, omit “dispensed by a licensed pharmacist”.

Amend page 2, section 2, line 40, after “person”, insert “afoot as used in R. S. 39:1-1”; after “person”, omit “who is not an occupant of a motor vehicle as the term is defined in R. S. 39:1-1”.

Amend page 2, section 4, line 2, after “insuring”, insert “an automobile as defined in this act”.

Amend page 4, section 7, line 7, omit line 7 in its entirety and insert therein "R. S. 39:4-50 (a), and P. L. 1951, c. 23 (C. 39:4-50.1); or".

Amend page 5, section 8, lines 12-13, after "is", omit "less than \$100.00", and insert "\$500.00 or less", and omit "exclusive of hospital expenses, X-rays and other diagnostic medical expenses".

Amend page 5, section 8, lines 14-15, after "liability", omit "in the event of the death of a person,", and insert "if the injured party has sustained death, permanent disability, permanent significant disfigurement, permanent loss of any bodily function or loss of a body member in whole or in part,".

Amend page 5, section 9, line 9, after "rights.", insert "On and after 2 years from the effective date of this act the provisions of this section shall be inoperative.".

Amend page 5, section 10, line 5, after "benefits.", insert "Income continuation in excess of that provided for in section 4 must be provided as an option by insurers to persons for disabilities, as long as the disability persists, but not beyond age 65, up to an income level of \$35,000.00 per year, with the excess between \$5,200.00 and the amount of coverage contracted for to be written on the basis of 75% of said difference. The Commissioner of Insurance is hereby authorized and empowered to establish, by rule or regulations, the amounts and terms of income continuation insurance to be provided pursuant to this section.".

Amend page 6, section 13, line 37, after "the", omit "city", and insert "municipality".

Amend page 7, section 13, line 39, after "the", omit "city", and insert "municipality".

Amend page 9, section 15, after line 51, after section 15 b., insert a new section:

"c. The Director of the Division of Motor Vehicles shall have the authority to suspend a license and registration at any time the registrant cannot furnish proof the vehicle is insured.".

[OFFICIAL COPY REPRINT]
ASSEMBLY, No. 667

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 7, 1972

By Assemblymen RAYMOND, DEVERIN, LITTELL, DICKEY,
BLACK, EWING, FORAN, MABIE, WILKIE, SPIZZIRI, VEIT,
Assemblywoman MARGETTS, Assemblymen GEWERTZ,
FROUDE, BORNHEIMER, PERSKIE and COLASURDO

Referred to Committee on Insurance

AN ACT concerning automobile accident reparation, providing for
compulsory automobile liability insurance coverage and personal
injury protection coverage regardless of fault in certain cases.

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

1 1. Short title. This act may be cited and known as the "New
2 Jersey Automobile Reparation Reform Act."

1 2. Definitions. As used in this act:

2 ***[a. "Automobile" means a private passenger automobile**
3 **designed and used for the transportation of passengers, other than**
4 **omnibuses and school buses as defined in R. S. 39:1-1.]***

4A **a. "Automobile" means a private passenger automobile of a*
4B *private passenger or station wagon type that is owned or hired*
4C *under a long-term contract and is neither used as a public or livery*
4D *conveyance for passengers nor rented to others without a driver;*
4E *and a motor vehicle with a pick-up body, a delivery sedan or a*
4F *panel truck owned by an individual or by husband and wife who*
4G *are residents of the same household, not customarily used in the*
4H *occupation, profession or business of the insured other than farm-*
4I *ing or ranching. An automobile owned by a farm or family co-*
4J *partnership or corporation which is principally garaged on a farm*
4K *or ranch and otherwise meets the definitions contained in this sec-*
4L *tion, shall be considered a private passenger automobile owned by*
4M *two or more relatives resident in the same household.**

5 b. "Essential services" means those services performed not for
6 income which are ordinarily performed by an individual for the care
7 and maintenance of such individual's family or family household.

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

- 8 c. "Income" means salary, wages, tips, commissions, fees and
9 other earnings derived from work or employment.
- 10 d. "Income producer" means a person, who at the time of the
11 accident causing personal injury or death, was in an occupational
12 status, earning or producing income.
- 13 e. "Medical expenses" means expenses for medical treatment,
14 surgical treatment, dental treatment, professional nursing services,
15 hospital services, rehabilitation services, x-ray and other diagnostic
16 services, prosthetic devices, ambulance services, medication and
17 other reasonable and necessary expenses resulting from the treat-
18 ment prescribed by ***[a physician, dentist, chiropractor, and re-**
19 **ligious healer.** Hospital room and board benefits shall be limited to
20 the regular daily semiprivate room rates customarily charged by
21 the institution in which the recipient of benefits is confined]*
21A **persons licensed to practice medicine and surgery pursuant to*
21B *R. S. 45:5-1 et seq., dentistry pursuant to R. S. 45:6-1 et seq.,*
21C *psychology pursuant to P. L. 1966, c. 282 (C. 45:14B-1 et seq.) or*
21D *chiropractic pursuant to P. L. 1953, c. 233 (C. 45:9-41.1 et seq.) or*
21E *any nonmedical remedial treatment rendered in accordance with a*
21F *recognized religious method of healing*.*
- 22 f. "Hospital Expenses" means:
- 23 (1) the cost of a ***[regular]*** semiprivate room, based on rates
24 customarily charged by the institution in which the recipient of
25 benefits is confined;
- 26 (2) the cost of board, ***[means]*** **meals** and dietary services;
- 27 (3) the cost of other hospital services, such as operating room;
28 medicines, drugs, anaesthetics, treatments with X-ray, radium and
29 other radioactive substances; laboratory tests, surgical dressings
30 and supplies; and other medical care and treatment rendered by
31 the hospital;
- 32 (4) the cost of treatment by a physiotherapist;
- 33 (5) the cost of medical supplies such as **prescribed** drugs and
34 medicines ***[dispensed by a licensed pharmacist]***; blood and blood
35 plasma; artificial limbs and eyes; surgical dressings, casts, splints,
36 trusses, braces, crutches, rental of wheelchair, hospital bed or iron
37 lung; oxygen and rental of equipment for its administration.
- 38 g. "Named insured" means the person or persons identified as
39 the insured in the policy.
- 40 h. "Pedestrian" means any person **afoot as used in R. S.*
41 *39:1-1** ***[who is not an occupant of a motor vehicle as the term is**
42 **defined in R. S. 39:1-1]*** and includes any person who is entering
43 into or alighting from a motor vehicle.

1 3. Compulsory automobile insurance coverage; limits. Every
2 owner or registered owner of an automobile registered or princi-
3 pally garaged in this State shall maintain automobile liability in-
4 surance coverage, under provisions approved by the Commissioner
5 of Insurance, insuring against loss resulting from liability imposed
6 by law for bodily injury, death and property damage sustained by
7 any person arising out of the ownership, maintenance, operation
8 or use of an automobile wherein such coverage shall be at least in:
9 a. an amount or limit of \$15,000.00, exclusive of interest and
10 costs, on account of injury to, or death of, one person, in any one
11 accident; and

12 b. an amount or limit, subject to such limit for any one person so
13 injured or killed, of \$30,000.00, exclusive of interest and costs, on
14 account of injury to or death of, more than one person, in any one
15 accident; and

16 c. an amount or limit of \$5,000.00, exclusive of interest and
17 costs, for damage to property in any one accident.

1 4. Personal injury protection coverage, regardless of fault.
2 Every automobile liability insurance policy insuring **an auto-*
3 *mobile as defined in this act** against loss resulting from liability
4 imposed by law for bodily injury, death and property
4A damage sustained by any person arising out of ownership,
5 operation, maintenance or use of an automobile shall provide addi-
6 tional coverage, as defined herein below, under provisions approved
7 by the Commissioner of Insurance, for the payment of benefits
8 without regard to negligence, liability or fault of any kind, to the
9 named insured and members of his family residing in his household
10 who sustained bodily injury as a result of an automobile accident,
11 to other persons sustaining bodily injury while occupying the auto-
12 mobile of the named insured or while using such automobile with
13 the permission of the named insured and to pedestrians, sustaining
14 bodily injury caused by the named insured's automobile or struck
15 by an object propelled by or from such automobile. "Additional
16 coverage" means and includes:

17 a. Medical expense benefits. Payment of all reasonable medical
18 expenses incurred as a result of personal injury sustained in an
19 automobile accident.

20 b. Income continuation benefits. The payment of the loss of in-
21 come of an income producer as a result of bodily injury disability,
22 subject to a maximum weekly payment of \$100.00, per week. Such
23 sums shall be payable during the life of the injured person and
24 shall be subject to an amount or limit of \$5,200.00, on account of
25 injury to any one person, in any one accident.

26 c. Essential services benefits. Payment of essential services
27 benefits to an injured person other than an income producer shall
28 be made in reimbursement of necessary and reasonable expenses
29 incurred for such substitute essential services ordinarily performed
30 by the injured person for the injured person, his family and mem-
31 bers of the family residing in the household, subject to an amount
32 or limit of \$12.00 per day. Such benefits shall be payable during
33 the life of the injured person and shall be subject to an amount or
34 limit of \$4,380.00, on account of injury to any one person in any
35 one accident.

36 d. Survivor benefits. In the event of the death of an income pro-
37 ducer or one performing essential services as a result of injuries
38 sustained in an automobile accident, the benefits that would have
39 been paid to the injured person but for his death under section
40 4 a, b, and c, shall be paid to the surviving spouse dependent upon
41 the deceased for such income or essential services, or in the event
42 there is no dependent surviving spouse, then to the surviving
43 children dependent upon the deceased for such income or essential
44 services.

45 e. Funeral expenses benefits. Payment of all reasonable funeral,
46 burial and cremation expenses, subject to a maximum benefit of
47 \$1,000.00, on account of the death to any one person in any one
48 accident.

1 5. Payment of personal injury protection coverage benefits.

2 a. An insurer may require written notice to be given as soon as
3 practicable after an accident involving an automobile with respect
4 to which the policy affords personal injury protection coverage
5 benefits required by this act.

6 b. Personal injury protection coverage benefits shall be overdue
7 if not paid within 30 days after the insurer is furnished written
8 notice of the fact of a covered loss and of the amount of same. If
9 such written notice is not furnished to the insurer as to the entire
10 claim, any partial amount supported by written notice is overdue if
11 not paid within 30 days after such written notice is furnished to the
12 insurer. Any part or all of the remainder of the claim that is
13 subsequently supported by written notice is overdue if not paid
14 within 30 days after such written notice is furnished to the insurer;
15 provided, however, that any payment shall not be deemed overdue
16 where the insurer has reasonable proof to establish that the in-
17 surer is not responsible for the payment, notwithstanding that
18 written notice has been furnished to the insurer. For the purpose
19 of calculating the extent to which any benefits are overdue, payment
20 shall be treated as being made on the date of a draft or other valid

21 instrument which is equivalent to payment was placed in the United
 22 States mail in a properly addressed, postpaid envelope, or, if not
 23 so posted, on the date of delivery.

24 c. All overdue payments shall bear simple interest at the rate of
 25 10% per annum.

1 6. Collateral source. The benefits provided in section 4 a, b, c, d,
 2 and e, shall be payable as loss accrues, upon written notice of such
 3 loss and without regard to collateral sources, except that benefits
 4 collectible under workmen's compensation insurance, employees
 5 temporary disability benefit statutes and medicare provided under
 6 Federal law, shall be deducted from the benefits collectible under
 7 section 4 a, b, c, d, and e.

1 7. Exclusions. Insurers may exclude a person from benefits
 2 under section 4a, b, c, d, and e where such person's conduct con-
 3 tributed to his personal injuries or death occurred in any of the
 4 following ways:

5 a. while operating an automobile while under the influence of
 6 alcohol or of any controlled dangerous substance as defined in
 7 ***[Article 2 of P. L. 1970, c. 226; or]*** **R. S. 39:4-50 (a), and P. L.*
 7A *1951, c. 23 (C. 39:4-50.1); or**

8 b. while committing a high misdemeanor or felony or seeking to
 9 avoid unlawful apprehension or arrest by a police officer; or

10 c. while acting with specific intent of causing injury or damage
 11 to himself or others.

1 8. Tort exemption; limitation on the right to damages. Every
 2 owner, registrant, operator or occupant of an automobile to which
 3 section 4, personal injury protection coverage, regardless of fault,
 4 applies, and every person or organization legally responsible for
 5 his acts or omissions, is hereby exempted from tort liability for
 6 damages to any person who has a right to receive benefits under
 7 section 4 of this act as a result of bodily injury, arising out of the
 8 ownership, operation, maintenance or use of such automobile in
 9 this State, if the bodily injury, is confined solely to the soft tissue
 10 of the body and the medical expenses incurred or to be incurred by
 11 such injured person for the reasonable and necessary treatment of
 12 such bodily injury, is ***[less than \$100.00]*** **\$500.00 or less**,
 13 ***[exclusive of hospital expenses, X-rays and other diagnostic**
 14 **medical expenses]***. There shall be no exemption from tort liabil-
 15 ity ***[in the event of the death of a person]*** **if the injured party*
 16 *has sustained death, permanent disability, permanent significant*
 17 *disfigurement, permanent loss of any bodily function or loss of a*
 18 *body member in whole or in part,** regardless of the right of any
 19 person to receive benefits under section 4 of this act. Bodily in-

20 jury confined solely to the soft tissue, for the purpose of this sec-
21 tion means, injury in the form of sprains, strains, contusions,
22 lacerations, bruises, hematomas, cuts, abrasions, scrapes, scratches,
23 and tears confined to the muscles, tendons, ligaments, cartilages,
24 nerves, fibers, veins, arteries and skin of the human body.

1 9. Subrogation. Any insurer paying benefits in accordance with
2 the provisions of section 4, personal injury protection coverage,
3 regardless of fault, shall be subrogated to the rights of any party
4 to whom it makes such payments, to the extent of such payments.
5 Such subrogated insurer may only by inter-company arbitration or
6 by inter-company agreement exercise its subrogation rights against
7 only the insurer of any person liable for such damages in tort. The
8 exemption from tort liability provided in section 8 does not apply
9 to the insurers' subrogation rights. **On and after 2 years from*
10 *the effective date of this act the provisions of this section shall be*
11 *inoperative.**

1 10. Additional personal injury protection coverage. Insurers
2 shall make available to the named insured covered under section 4,
3 suitable additional first-party coverage for income continuation
4 benefits, essential services benefits, survivor benefits and funeral
5 expense benefits. **Income continuation in excess of that provided*
6 *for in section 4 must be provided as an option by insurers to persons*
7 *for disabilities, as long as the disability persists, but not beyond*
8 *age 65, up to an income level of \$35,000.00 per year, with the excess*
9 *between \$5,200.00 and the amount of coverage contracted for to be*
10 *written on the basis of 75% of said difference. The Commissioner*
11 *of Insurance is hereby authorized and empowered to establish, by*
12 *rule or regulations, the amounts and terms of income continuation*
13 *insurance to be provided pursuant to this section.**

1 11. Contribution among insurers. If two or more insurers are
2 liable to pay benefits under sections 4 and 10 of this act for the same
3 bodily injury, or death, of any one person, the maximum amount
4 payable shall be as specified in sections 4 and 10 if additional first
5 party coverage applies and any insurer paying the benefits shall be
6 entitled to recover from each of the other insurers, only by inter-
7 company arbitration or inter-company agreement, an equitable
8 pro-rata share of the benefits paid.

1 12. Inadmissibility of evidence of losses collectible under per-
2 sonal injury protection coverage. Evidence of the amounts collect-
3 ible or paid pursuant to sections 4 and 10 of this act to an injured
4 person is inadmissible in a civil action for recovery of damages for
5 bodily injury by such injured person.

1 13. Discovery of facts as to personal injury protection coverage.

2 The following apply to personal injury protection coverage benefits:

3 a. Every employer shall, if a request is made by an insurer or the
4 Unsatisfied Claim and Judgment Fund providing personal injury
5 protection benefits under this act against whom a claim has been
6 made, furnish forthwith, in a form approved by the Commissioner
7 of Insurance, a signed statement of the lost earnings since the date
8 of the bodily injury and for a reasonable period before the injury,
9 of the person upon whose injury the claim is based.

10 b. Every physician, hospital, clinic or other medical institution
11 providing, before and after the bodily injury upon which a claim
12 for personal injury protection benefits is based, any products,
13 services or accommodations in relation to such bodily injury or any
14 other injury, or in relation to a condition claimed to be connected
15 with such bodily injury or any other injury, shall, if requested to
16 do so by the insurer or the Unsatisfied Claim and Judgment Fund
17 against whom the claim has been made, furnish forthwith a written
18 report of the history, condition, treatment, dates and costs of such
19 treatment of the injured person, and produce forthwith and permit
20 the inspection and copying of his or its records regarding such
21 history, condition, treatment dates and costs of treatment. The
22 person requesting such records shall pay all reasonable costs con-
23 nected therewith.

24 c. The injured person shall be furnished upon demand a copy of
25 all information obtained by the insurer or the Unsatisfied Claim and
26 Judgment Fund under the provisions of this section, and shall pay
27 a reasonable charge, if required by the insurer and the Unsatisfied
28 Claim and Judgment Fund.

29 d. Whenever the mental or physical condition of an injured person
30 covered by personal injury protection is material to any claim that
31 has been or may be made for past or future personal injury protec-
32 tion benefits, such person shall, upon request of an insurer or the
33 Unsatisfied Claim and Judgment Fund submit to mental or physical
34 examination by a physician or physicians. The costs of any exam-
35 inations requested by an insurer or the Unsatisfied Claim and
36 Judgment Fund shall be borne entirely by whomever makes such
37 request. Such examination shall be conducted within the ***[city]***
38 **municipality** of residence of the injured person. If there is no
39 qualified physician to conduct the examination within the ***[city]***
40 **municipality** of residence of the injured person, then such exam-
41 ination shall be conducted in an area of the closest proximity to
42 the injured person's residence. Personal protection insurers are
43 authorized to include reasonable provisions in personal injury

44 protection coverage policies for mental and physical examinations
45 of those claiming personal injury protection coverage benefits.

46 e. If requested by the person examined, a party causing an
47 examination to be made, shall deliver to him a copy of every written
48 report concerning the examination rendered by an examining
49 physician, at least one of which reports must set out his findings
50 and conclusions in detail. After such request and delivery, the party
51 causing the examination to be made is entitled upon request to
52 receive from the person examined every written report available to
53 him, or his representative, concerning any examination, previously
54 or thereafter made of the same mental or physical condition.

55 f. The injured person, upon reasonable request by the insurer or
56 the Unsatisfied Claim and Judgment Fund shall sign all forms, au-
57 thorizations, releases for information, approved by the Commis-
58 sioner of Insurance, which may be necessary to the discovery of the
59 above facts, in order to reasonably prove the injured person's
60 losses.

61 g. In the event of any dispute regarding an insurer's or the Un-
62 satisfied Claim and Judgment Fund's or an injured person's right
63 as to the discovery of facts about the injured person's earnings or
64 about his history, condition, treatment, dates and costs of such
65 treatment, or the submission of such injured person to a mental or
66 physical examination, the insurer, Unsatisfied Claim and Judgment
67 Fund or the injured person may petition a court of competent
68 jurisdiction for an order resolving the dispute and protecting the
69 rights of all parties. The order may be entered on motion for good
70 cause shown giving notice to all persons having an interest therein.
71 Such court may protect against annoyance, embarrassment or
72 oppression and may as justice requires, enter an order compelling
73 or refusing discovery, or specifying conditions of such discovery;
74 the court may further order the payment of costs and expenses of
75 the proceeding, as justice requires.

1 14. Compulsory uninsured motorist protection. Every owner or
2 registrant of an automobile registered or principally garaged in
3 this State shall maintain uninsured motorist coverage as provided
4 in P. L. 1968, c. 385 (C. 17:28-1.1).

1 15. Penalties for false and fraudulent representation and for
2 failure to maintain insurance coverage.

3 a. In any claim or action arising under section 4 of this act
4 wherein any person, obtains or attempts to obtain from any other
5 person, insurance company or Unsatisfied Claim and Judgment
6 Fund any money or other thing of value by (1) falsely or fraudu-
7 lently representing that such person is entitled to benefits under

8 section 4 or, (2) falsely and fraudulently making statements or pre-
9 senting documentation in order to obtain or attempt to obtain bene-
10 fits under section 4 or, (3) cooperates, conspires or otherwise acts
11 in concert with any person seeking to falsely or fraudulently obtain,
12 or attempt to obtain, benefits under section 4 may upon conviction
13 be fined not more than \$5,000.00, or imprisoned for not more than 3
14 years or both, or in the event the sum so obtained or attempted to
15 be obtained is not more than \$500.00, may upon conviction, be fined
16 not more than \$500.00, or imprisoned for not more than 6 months
17 or both, as a disorderly person.

18 b. Any owner, operator or registrant of an automobile registered
19 or principally garaged in this State who operates or causes to be
20 operated an automobile upon any public road or highway in this
21 State knowingly without automobile insurance coverage, extending
22 coverage to such automobile as provided in sections 3 and 4 of this
23 act, may upon conviction be fined not more than \$500.00, or im-
24 prisoned for not more than 6 months or both, as a disorderly per-
25 son, and shall forthwith forfeit his right to operate a motor vehicle
26 over the roads and highways of this State for a period of 1 year
27 from the date of such conviction, and after the expiration of said
28 period he may make application to the Director of the Division of
29 Motor Vehicles for a license to operate a motor vehicle which
30 application may be granted at the discretion of the director. For a
31 subsequent violation the automobile in question may be subject to
32 confiscation and may be seized by the Director of the Division of
33 Motor Vehicles or his agents or employees or by any peace officer
34 of the State when directed by the director, his agents or employees
35 to do so, without a warrant. The director shall immediately there-
36 after institute a proceeding for the confiscation thereof in the
37 County Court, county district court or the municipal court within
38 the jurisdiction in which the seizure is made. The court may pro-
39 ceed in summary manner and may direct confiscation to the direc-
40 tor; provided, however, that any person claiming to be the holder
41 of a mortgage, conditional sales contract, or other security interest
42 in any such automobile, the disposition of which is provided for
43 above, may present his petition so alleging and be heard, and in
44 the event it appears to the court that the automobile in question
45 was being operated in violation of sections 3 and 4 of this act
46 without the knowledge of the claimant and if such claimant acquired
47 his security interest in good faith, the court shall either waive
48 forfeiture in favor of such claimant and order the automobile
49 returned or delivered to such, or if it is found that the value thereof
50 exceeds the amount of the claim, the court shall order payment

51 of the amount of the claim out of the proceeds of the sale.

52 *c. *The Director of the Division of Motor Vehicles shall have the*
53 *authority to suspend a license and registration at any time the*
54 *registrant cannot furnish proof the vehicle is insured.**

1 16. Construction and severability. This act shall be liberally
2 construed so as to effect the purpose thereof. The provisions of
3 this act shall be severable and if any phrase, clause, sentence or
4 provision of this act is declared to be contrary to the Constitution
5 of this State or of the United States or the applicability thereof to
6 any person, government, agency or circumstance is held invalid,
7 the validity of the remainder of this act and the applicability
8 thereof to any person, government, agency or circumstance shall
9 not be affected thereby.

1 17. General repeal of inconsistent statutory provisions. All laws
2 or parts of laws which are inconsistent with the provisions of this
3 act are repealed and superseded to the extent of such inconsistency.

1 18. Effective date. This act shall take effect immediately and
2 the required compulsory insurance, personal injury protection
3 coverage benefits, and tort exemption provisions shall be manda-
4 tory on and after January 1, 1973.

ASSEMBLY AMENDMENTS TO
ASSEMBLY, No. 667
[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

ADOPTED MAY 15, 1972

Amend page 2, section 2, line 21B, omit "R. S. 45:5-1", insert "R. S. 45:9-1".

Amend page 2, section 2, lines 40-41, after "person", omit "afoot as used in R. S. 39:1-1".

Amend page 2, section 2, line 42, after "R. S. 39:1-1"]", insert "who is not an occupant of a motor vehicle as the term is defined in R. S. 39:1-1".

Amend page 3, section 3, after line 17, insert a new paragraph as follows:

"No licensed insurance carrier shall cancel or refuse to renew the required coverage stipulated by this act without the consent of the Commissioner of Insurance."

Amend page 5, section 7, lines 5-7A, omit in their entirety.

Amend page 5, section 7, line 8, omit "b.", insert "a."

Amend page 5, section 7, line 10, omit "c.", insert "b."

Amend page 5, section 8, line 12, omit "\$500.00 or less", and insert "less than \$200.00".

Amend page 5, section 8, line 14, after "medical expenses]", insert "exclusive of hospital expenses, X-rays and other diagnostic medical expenses".

Amend page 10, section 17, after line 3, insert a new section 18. as follows:

"18. Bodily injury insurance rates in effect on July 1, 1972 shall be reduced by at least 15% and shall become effective upon the effective date of this act."

Amend page 10, section 18, line 1, omit "18.", insert "19."

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

FROM THE OFFICE OF THE GOVERNOR

JUNE 20, 1972

FOR RELEASE:
IMMEDIATE

Governor William T. Cahill today signed into law the Automobile Insurance Reform Act, generally known as the No Fault Insurance Bill. *A667*
The bill, which was sponsored by Assemblyman Eugene Raymond, III (R., Camden), provides New Jersey with the most progressive automobile insurance program found anywhere in the United States.

Assemblyman Raymond served as Chairman of the Automobile Insurance Study Commission which prepared the report and recommendations upon which the new law was based.

After this law becomes effective on January 1, 1973, victims of accidents involved in private passenger cars will be assured of obtaining prompt compensation for all their economic losses without having to prove that anyone is at fault for the accident. Thus, the uncertainty and frustration of the present system will no longer burden the victim of an automobile accident. The law provides for full payment for all necessary medical expenses and compensation for loss of income up to \$100 a week. Those whose income loss would be higher will be able to buy additional income benefits.

The bill also provides for a 15 per cent reduction in the cost of bodily injury insurance. In addition, it provides that an insurance company cannot cancel or refuse to renew the insurance coverage required by this act without the consent of the Commissioner of Insurance. In cases involving more serious injury or death, the legislation provides that an accident victim and his family will still be able to seek additional compensation based on negligence of the other driver but it is confidently expected that the number of cases going to court will be greatly reduced. This will ease the burden placed upon our courts by the present system.

After January 1, 1973, every automobile owner in New Jersey will be required to carry the new automobile insurance coverage, and the bodily injury liability portion will have to provide for payment up to \$15,000 per injured person and up to \$30,000 for all persons injured in an accident as the minimum requirements for registering an automobile. These limits are higher than the 10/20 limits in effect today, giving recognition to the increase in wages and costs, particularly the cost of medical care, since the 10/20 limits were established some years ago.

way adversely affect the quality of the verdicts which are rendered by a jury. On the other hand, it would expedite a trial, result in economies in manpower and facilities, and increase efficiency in the overall administration of justice.

As there may be merit in a reduction of the numbers of jurors required in a given case, I would also propose an increase in the fee for petit and grand jurors. At present the maximum permissible fee for jurors is \$5.00 per day. The resulting necessity of excusing otherwise eligible persons from jury duty on grounds of economic hardship makes it difficult, if not impossible, to impanel truly representative jurors. In my opinion, the per diem fee should be raised. To help defray the increased cost and to discourage the needless and indiscriminate demands for jury trials, the party demanding a jury trial should be required to pay a portion of the per diem cost of a jury. The amount paid can be included in the cost of suit. By this means a deserving increase to those persons who serve upon a jury would be granted, without substantially increasing the administrative costs of the courts.

The minor automobile negligence case, which ultimately results in a judgment or settlement under \$3,000, is a significant contributing factor to the backlog in the civil courts. The backlog is further compounded by increases in the number of cases and length of trial in criminal and other matters. Suggestions have been made to eliminate the automobile negligence case from the trial calendar by the initiation of programs such as "no-fault" insurance or by the assignment of automobile negligence cases to lay arbitrators or some form of standing master.

→ A commission has been appointed to study the concept of "no-fault" insurance and I await its report with an open mind. Although I am not committed to the support of the "no-fault" concept at this time, I am convinced that something has to be done. New approaches must be devised and implemented to change our present laborious court procedures as they relate to the processing of automobile negligence cases. Too many injured persons must wait too long for an uncertain remedy while enduring physical and financial injury.

Our Constitution is so structured that each of the branches of government has certain direct and indirect responsibilities in aspects of organization and operation of our judicial system. Other responsibilities mandated by the Constitution in this system are exclusively the prerogative of a specific branch. Thus, there is a

Gov. WILLIAM T. CAHILL

FIRST ANNUAL MESSAGE, JAN. 12, 1971

In view of the importance of this project, not only to the immediate area but to the economy of the entire State, I urge you to pass the necessary legislation and to use your persuasiveness and prestige to encourage the kind of cooperation and commitment required of local officials to make our effort a success.

INSURANCE

In my First Annual Message, I referred to the unhappy plight of automobile accident victims, who seek reparations for their injuries, with the melancholy observation that "Too many injured persons must wait too long for an uncertain remedy while enduring physical and financial injury." I pointed out then that we must find new approaches to the problem of processing automobile negligence cases, and indicated that I was anxiously awaiting the report of the Automobile Insurance Study Commission, created by Joint Resolution of the Senate and General Assembly.

That report was recently completed and delivered to me, and I have reviewed the Commission's recommendations and my advisors' analyses with great interest. While I have voiced my appreciation privately to the members of this study group, I want to take this opportunity publicly to acknowledge their dedication and industry so evident in their report. They have performed a remarkable service for the people of the State on whose behalf, as well as my own, I express gratitude.

Further, I am happy to find myself in substantial agreement with the Commission's recommendations. They started from the proposition that our present system plainly is not working well and ended with what I deem to be a novel and innovative but, at the same time, a practical and workable method of securing relief for automobile accident victims. This new approach combines elements of "no fault" insurance with some necessary safeguards derived from our present system. This should result in the motoring public's securing protection at a lesser cost, expediting the relief of the accident victim and his family from a frequently staggering and intolerable economic burden, and yet preserving that victim's right to full and adequate compensation in cases which involve more serious and disabling injury.

Gov. WILLIAM T. CAHILL

SECOND ANNUAL MESSAGE, JAN. 11, 1972

In addition to bringing about an intended reduction in insurance premiums, another major benefit of the proposed system would be a reduction of the present court backlog. A substantial percentage of civil court actions are automobile accident cases. Under the proposed plan, it is expected that many of these cases would be settled outside the court, thereby permitting other more serious and meritorious causes to be heard with more dispatch.

This whole field of reimbursement and compensation to those who suffer the tragic consequences of accidents on our highways is undergoing re-examination and revision not only in New Jersey but across the entire country. There is a proliferation of plans, the provisions of which are, in many instances, limited seemingly only by the imagination of the drafters. I believe, however, that our Commission's recommendations reflect a sound understanding of all the ramifications of the problem and constitute, at the very least, a desirable starting point for their solution. I am, therefore, having prepared for submission to the Legislature appropriate bills to implement substantially the Automobile Insurance Study Commission's suggestions.

OFF-TRACK BETTING

With the wide public acceptance of the New Jersey State Lottery and its dramatic success firmly in the minds of all our citizens, there are those who now urge the State become involved in other forms of gambling in order to develop necessary revenues for State government.

At the outset, let me reaffirm what I have said repeatedly in relation to the expansion of legalized gambling. I am still firmly opposed to the legalization of any type of casino gambling in this State. My personal observation and the testimony of experts who have observed this type of gambling in other states and countries persuade me to continue my opposition to casino type gambling with all its attendant evils and dangers.

While I personally believe the State of New Jersey has sufficient legalized gambling at this time to satisfy our citizens, I am not unmindful of the logical case which is advocated in support of off-track betting. As all of us know, wagers can be placed at a track with legal sanction, but an individual who cannot or will not go to a race-track, yet places a wager on a horse, subjects himself to criminal prosecution. There are those who believe this to be a basic inconsistency. This has created in the minds of many citizens the belief