

39:6-25

LEGISLATIVE HISTORY CHECKLIST

NJSA 39:6-25 (MV Security - Responsibility Law)

Laws of 1972 Chapter 199

Bill No. A804

Sponsor(s) Raymond

Date Introduced March 6, 1972

Committee: Assembly Insurance

Senate -

Amended during passage Yes No Amendments during passage denoted by asterisks.

Date of passage: Assembly Nov. 20, 1972

Senate Nov. 27, 1972

Date of approval Dec. 26, 1972

Following statements are attached if available:

Sponsor statement Yes No

Committee Statement: Assembly Yes No

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Fiscal Note Yes No

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Reports Yes No

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ASSEMBLY, No. 804

STATE OF NEW JERSEY

INTRODUCED MARCH 6, 1972

By Assemblyman RAYMOND

Referred to Committee on Insurance

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

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

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

3 3. (a) If 20 days after the receipt of a report of a motor vehicle
4 accident within this State which has resulted in bodily injury or
5 death, or damage to the property of any one person in excess of
6 \$200.00, the director does not have on file evidence satisfactory
7 to him that the person who would otherwise be required to file
8 security under subsection (b) of this section has been released from
9 liability, or has been finally adjudicated not to be liable, or has
10 executed a duly acknowledged written agreement providing for the
11 payment of an agreed amount in installment with respect to all
12 claims for injuries or damages resulting from the accident, ***[and**
13 *in the event of an automobile accident has satisfied or made pay-*
14 *ments to satisfy all payments of automobile personal injury pro-*
15 *tection benefits due.]** **and in the event of an accident involving*
15A *an automobile, required to have coverage for personal injury pro-*
15B *tection benefits pursuant to P. L. 1972, c. 70, has also reimbursed*
15C *or has executed a duly acknowledged written agreement to pay an*
15D *agreed amount in installments to reimburse the Unsatisfied Claim*
15E *and Judgment Fund for the payment of all personal injury pro-*
15F *tection benefits the fund has made or shall make pursuant to sec-*
15G *tion 7 or section 10 of P. L. , c. (Assembly Bill No. 803*
16 *presently pending in the Legislature) by reason of the failure of*
16A *such person to have the requisite insurance coverage in effect,**
16B the director shall determine the amount of security which shall be
16C sufficient in his judgment to satisfy any ***[payments]*** **reim-*

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

17 *bursement* judgment or judgments for damages resulting from
18 such accident as may be recovered against each operator or owner

19 (b) The director shall, within 90 days after the receipt of such
20 report of a motor vehicle accident, suspend the license of each
21 operator and all registrations of each owner of a motor vehicle in
22 any manner involved in such accident, and if such operator is a
23 nonresident the privilege of operating a motor vehicle within this
24 State, and if such owner is a nonresident the privilege of the use
25 within this State of any motor vehicle owned by him, unless such
26 operator or owner or both shall deposit security in the sum so
27 determined by the director; provided, notice of such suspension
28 shall be sent by the director to such operator and owner not less
29 than 10 days prior to the effective date of such suspension and shall
30 state the amount required as security. Where erroneous informa-
31 tion is given the director with respect to the matters set forth in
32 subdivisions 1, 2 or 3 of subsection (c) of this section, he shall take
33 appropriate action as hereinbefore provided, within 90 days after
34 receipt by him of correct information with respect to said matters.

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

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

40 (2) to such operator, if **not** the owner of such motor ve-
41 hicle, if there was in effect at the time of such accident an
42 automobile liability policy or bond with respect to his opera-
43 tion of motor vehicles not owned by him;

44 (3) to such operator or owner if the liability of such opera-
45 tor or owner for damages resulting from such accident is, in
46 the judgment of the director, covered by any other form of
47 liability insurance policy or bond; nor

48 (4) to any person qualifying as a self-insurer under section
49 30 of this act, or to any person operating a motor vehicle for
50 such self-insurer.

51 No such policy or bond shall be effective under this section unless
52 issued by an insurance company or surety company authorized to
53 do business in this State, except that if such motor vehicle was
54 not registered in this State, or was a motor vehicle which was
55 registered elsewhere than in this State at the effective date of the
56 policy or bond, or the most recent renewal thereof, such policy or
57 bond shall not be effective under this section unless the insurance
58 company or surety company if not authorized to do business in
59 this State shall execute a power of attorney authorizing the direc-

60 tor to accept service on its behalf of notice or process in any action
 61 upon such policy or bond arising out of such accident; provided,
 62 however, every such policy or bond is subject, if the accident has
 63 resulted in bodily injury or death, to a limit, exclusive of interest
 64 and costs, of not less than ~~[\$10,000.00]~~ \$15,000.00 because of bodily
 65 injury to or death of one person in any one accident and, subject
 66 to said limit for one person, to a limit of not less than ~~[\$20,000.00]~~
 67 \$30,000.00 because of bodily injury to or death of two or more per-
 68 sons in any one accident, and, if the accident has resulted in injury
 69 to or destruction of property, to a limit of not less than \$5,000.00
 70 because of injury to or destruction of property of others in any
 71 one accident~~].~~ **[with respect to automobiles, personal injury*
 72 *protection coverage as provided in the "New Jersey Automobile*
 73 *Reparation Reform Act," P. L. ... , c. ...]** **and if such policy*
 74 *or bond is applicable to an automobile required to have coverage*
 75 *for personal injury protection benefits pursuant to P. L. 1972,*
 76 *c. 70, it shall include an amount to cover personal injury protec-*
 77 *tion benefits as required by that act*.*

1 2. Section 4 of P. L. 1952, c. 173 (C. 39:6-26) is amended to
 2 read as follows:

3 4. The requirements as to security and suspension in section 3
 4 of this act shall not apply:

5 (a) to the operator or the owner of a motor vehicle involved
 6 in an accident wherein no injury or damage was caused to the
 7 person or property of any one other than such operator or owner;

8 (b) to the operator or the owner of a motor vehicle ~~*[illegally]~~
 9 **legally** parked at the time of the accident;

10 (c) to the owner of a motor vehicle if at the time of the accident
 11 the vehicle was being operated without his permission, express or
 12 implied, or was parked by a person who had been operating such
 13 motor vehicle without such permission; or to the operator if he
 14 was a chauffeur or operator employed by the owner of the motor
 15 vehicle and was operating with the permission of the owner.

16 (d) if, prior to the date that the director would otherwise sus-
 17 pend license and registration or nonresident's operating privilege
 18 under section 3 of this act, there shall be filed with the director
 19 evidence satisfactory to him that the person who would otherwise
 20 have to file security has been released from liability or been finally
 21 adjudicated not to be liable or has executed a duly acknowledged
 22 written agreement providing for the payment of an agreed amount
 23 in installments, with respect to all claims for injuries or damages
 24 resulting from the accident ~~[and in the event of an automobile~~
 25 *accident has satisfied or made provisions to satisfy all payments*

26 of automobile personal injury protection benefits due; and with
 27 respect to an accident involving an automobile, required to have
 28 coverage for personal injury protection benefits pursuant to P. L.
 29 1972, c. 70, has also reimbursed or executed a duly acknowledged
 30 written agreement to pay an agreed amount in installments to
 31 reimburse the Unsatisfied Claim and Judgment Fund for the pay-
 32 ments it has made or shall make pursuant to section 7 or section 10
 33 of P. L. . . . , c. . . . (Assembly Bill No. 803 presently pending
 34 in the Legislature) by reason of the failure of such person to have
 35 the requisite insurance coverage in effect*.

1 3. Section 5 of P. L. 1952 c. 173 (C. 39:6-27) is amended to read
 2 as follows:

3 5. The license and registration and nonresident's operating
 4 privilege suspended as provided in section three of this act shall
 5 remain so suspended and shall not be renewed nor shall any such
 6 license or registration be issued to such person until:

7 (a) such person shall deposit or there shall be deposited on his
 8 behalf the security required under said section 3 of this act; or

9 (b) one year shall have elapsed following the date of such
 10 suspension and evidence satisfactory to the director has been filed
 11 with him that during such period no action for damages arising
 12 out of the accident has been instituted; or

13 (c) evidence satisfactory to the director has been filed with him
 14 of a release from liability, or a final adjudication of nonliability,
 15 or a duly acknowledged written agreement, in accordance with
 16 *~~subdivision four of section four of this act;~~ and in the event
 17 of an automobile accident has satisfied or made provisions to sat-
 18 isfy all payments of automobile personal injury protection benefits
 19 due;* *section 4 (d) of P. L. 1952, c. 173 (C. 39:6-26) and with
 20 respect to an automobile required to have coverage for personal
 21 injury protection benefits pursuant to P. L. 1972, c. 70 has filed
 22 evidence satisfactory to the director that he has also met the ad-
 23 ditional requirements of section 4 (d) of P. L. 1952, c. 173
 24 (C. 39:6-26) pertaining to such automobile*; provided, however,
 25 in the event there shall be any default in the payment of any in-
 26 stallment under any duly acknowledged written agreement, then,
 27 upon notice of such default, the director shall forthwith suspend
 28 the license and registration or nonresident's operating privilege
 29 of such person defaulting which shall not be restored unless and
 30 until

31 (1) such person deposits and thereafter *~~maintains~~*
 32 *maintains* security as required under said section 3 of this
 33 act in such amount as the director may then determine; or

34 (2) one year shall have elapsed following the date when
 35 such security was required and during such period no action
 36 upon such agreement has been instituted in a court in this
 37 State.

38 **Subsections 5 (b) and 5 (c) (1) of this section shall not apply*
 39 *to amounts in reimbursement of the Unsatisfied Claim and Judg-*
 40 *ment Fund which remain unpaid after 1 year.**

1 4. Section 8 of P. L. 1952, c. 173 (C. 39:6-30) is amended to read
 2 as follows:

3 8. Security deposited in compliance with the requirements of
 4 this act shall be applicable only to the payment of a judgment or
 5 judgments rendered against the person or persons on whose behalf
 6 the deposit was made, for damages arising out of the accident in
 7 question in a civil action, begun not later than 1 year after the
 8 date of such accident, or within 1 year after the date of deposit
 9 of any security under subparagraph (c) of section 5 of this act,
 10 or to the payment in settlement, agreed to by the depositor, of a
 11 claim or claims arising out of such accident *or to the* ***[payment of**
 12 *automobile personal injury protection benefits]** **reimbursement*
 13 *of the Unsatisfied Claim and Judgment Fund for the payment of*
 14 *personal injury protection benefits pursuant to section 7 or section*
 15 *10 of P. L., c. . . . (Assembly Bill No. 803 presently pending*
 16 *in the Legislature)*. Such deposit or any balance thereof shall*
 17 *be returned to the depositor or his personal representative when*
 18 *evidence satisfactory to the director has been filed with him that*
 19 *there has been a release from liability, or a final adjudication of*
 20 *nonliability, or a duly acknowledged agreement in accordance with*
 21 *subparagraph (d) of section 4 of this act, *and in the event of an*
 22 *accident involving an automobile required to have coverage for*
 23 *personal injury protection benefits pursuant to P. L. 1972, c. 70, if*
 24 *the depositor has also met the additional requirements of section*
 25 *4 (d) of P. L. 1952, c. 173 (C. 39:6-26) pertaining to such auto-*
 26 *mobile* or whenever, after the expiration of 1 year (1) from the*
 27 *date of the accident, or (2) from the date of any security under*
 28 *subparagraph (e) of section 5 of this act, the director shall be*
 29 *given reasonable evidence that there is no such action pending and*
 30 *no judgment rendered in such action left unpaid and no* ***[auto-**
 31 *mobile personal injury protection benefits claims remain unpaid*
 32 *by such person]** **amount in reimbursement, to the Unsatisfied*
 33 *Claim and Judgment Fund for payment of personal injury pro-*
 34 *tection benefits, remains unpaid by such person*.*

1 5. Section 9 of P. L. 1952, c. 173 (C. 39:6-31) is amended to read
 2 as follows:

3 9. The director shall require proof of financial responsibility to
 4 satisfy any claim for damages, by reason of bodily injury to, or
 5 the death of, any one person of at least ~~[\$10,000.00,]~~ \$15,000.00, or
 6 by reason of bodily injury to, or the death of, more than one person
 7 on account of any such accident, of at least ~~[\$20,000.00,]~~ \$30,000.00,
 8 and for damage to property of at least \$5,000.00, and with respect
 9 to ~~*[automobiles]*~~ **an automobile as defined in P. L. 1972, c. 70,*
 10 *registered or principally garaged in New Jersey**, personal injury
 11 *protection coverage as provided in the "New Jersey Automobile*
 12 *Reparation Reform Act," P. L. *1972*, c. *70**, from any person
 13 whose license has been suspended or revoked, because of a convic-
 13A tion or a forfeiture of any bail, for the violation of any of the
 13B following provisions of law:

14 (a) Operating or permitting another person to operate a motor
 15 vehicle while under the influence of intoxicating liquor or any
 16 narcotic or habit-producing drugs, as provided in R. S. 39:4-50;

17 (b) Not stopping at once when involved in an accident, ascertain-
 18 ing injury, rendering assistance and disclosing identity, as provided
 19 in article 15 of chapter 4 of Title 39 of the Revised Statutes;

20 (c) Reckless driving, as provided in R. S. 39:4-96, except in such
 21 cases where circumstances, in the judgment of the director, are
 22 such that requirements should be waived;

23 (d) Homicide or assault or assault and battery arising out of
 24 the operation of a motor vehicle;

25 (e) Such other violations as constitute cause for suspension or
 26 revocation of licenses in this State, except in cases where the cir-
 27 cumstances, in the judgment of the director, are such that this
 28 requirement should be waived; or

29 (f) An offense in any other State which, if committed in this
 30 State, would be a violation of any of the aforesaid provisions of
 31 law of this State.

32 Whenever the director shall require proof of financial responsi-
 33 bility from the owner of any motor vehicle, he shall require proof
 34 in the amounts herein specified for each vehicle owned or registered
 35 by such person.

1 6. Section 12 of P. L. 1952, c. 173 (C. 39:6-34) is amended to read
 2 as follows:

3 12. Whenever it appears that a period of 3 years has elapsed
 4 since the driving license or operating privilege was revoked or
 5 suspended, as provided in section 9, unless otherwise required by
 6 law, the director may restore such person's driving privilege
 7 provided no right of action or judgment arising out of the operation
 8 of a motor vehicle shall then be outstanding against such person

9 and ***[no such personal injury protection benefit claims remain**
 10 **unpaid by such person]*** *no amount in reimbursement of the
 11 *Unsatisfied Claim and Judgment Fund for payment of personal*
 12 *injury protection benefits pursuant to section 7 or section 10 of*
 13 *P. L. . . . , c. . . . (Assembly Bill No. 803 presently pending in*
 14 *the Legislature) remains unpaid by such person*.*

1 ***[7. Section 13 of P. L. 1952, c. 173 (C. 39:6-35) is amended to**
 2 **read as follows:**

3 13. **[If a person fails to pay and satisfy every judgment rendered**
 4 **against him for damages because of personal injury or death, or**
 5 **damage to property in excess of \$100.00, resulting from the owner-**
 6 **ship, maintenance, use or operation of a motor vehicle and every**
 7 **judgment based on an agreement or contract made in settlement**
 8 **of damages arising out of a motor vehicle accident, within 60 days**
 9 **after its entry, or if an appeal is taken therefrom within that time,**
 10 **within 60 days after the judgment as entered or modified becomes**
 11 **final, the operator's license and all registration certificates of any**
 12 **such person, other than a chauffeur or operator employed by the**
 13 **owner of a motor vehicle and so acting at the time of the damage,**
 14 **injuries or death resulting in the judgment, shall, upon receiving**
 15 **a certified copy of a transcript of the final judgment from the court**
 16 **in which it was rendered showing it to have been still unsatisfied**
 17 **more than 60 days after it became final, be forthwith suspended**
 18 **by the director.]**

19 *If a person fails to pay and satisfy every claim for personal*
 20 *injury protection benefits as provided in the "New Jersey Auto-*
 21 *mobile Reparation Reform Act," P. L. . . . , c. . . . , within 60 days*
 22 *after payment of said claim becomes due, the operator's license*
 23 *and all registration certificates of any such person, other than a*
 24 *chauffeur or operator employed by the owner of an automobile and*
 25 *so acting at the time of the injury resulting in such claims, shall*
 26 *be forthwith suspended by the director.*

27 **If the director is satisfied that [a judgment debtor] any person**
 28 **responsible for payment of claims under personal injury protection**
 29 **benefits coverage or his insurance carrier was, within the said 60-**
 30 **day period, ready, willing and able to pay the said [judgment]**
 31 **claim but was prevented from so doing by reason of the refusal or**
 32 **legal inability of the [judgment creditor] claimant to accept pay-**
 33 **ment, or that the failure to pay said [judgment] claim within the**
 34 **said 60-day period was due to the act or neglect of the [judgment**
 35 **debtor's] insurance carrier of the person responsible for payment**
 36 **and not to any fault of [the judgment debtor] the person re-**
 37 **sponsible for payment then the director may, in his discretion,**

38 extend the 60-day limitation herein prescribed for any reasonable
39 time necessary to complete the formality of payment of [the judg-
40 ment] *such claims* and shall not suspend the [judgment debtor's]
41 driver's license, operating privilege or certificate of registration
42 *of the person responsible for payment.*

43 [The judgment herein mentioned shall be a judgment of a court
44 of competent jurisdiction of this State or any other state or of a
45 District Court of the United States.]

46 The license and registration certificates shall remain so sus-
47 pended and shall not be renewed, nor shall a motor vehicle be
48 thereafter registered in the name of that person while the [judg-
49 ment] *claim* remains unstayed, unsatisfied, subsisting and until
50 every [such judgment] *claim* is satisfied or discharged, and until
51 he gives proof of his ability to respond in damages, as required
52 in this act, for future accidents, except that in event that [the judg-
53 ment debtor] *the person responsible for payment* shall be
54 relieved of liability for payment of said [judgment] *claim* by an
55 adjudication of [the] *a court of competent jurisdiction* [in which
56 the same was entered], or if the right to enforce *the claim* [said
57 judgment by docketing and revival, or by revival, or by bringing
58 an action thereon,] shall have expired without [such revival or]
59 the bringing of any such action thereon, the [judgment debtor's]
60 *license of the person responsible for payment shall be*
61 restored to him, and one or more motor vehicles may be registered
62 in his name, upon application to the Division of Motor Vehicles
63 and upon his giving proof of ability to respond in damages, as
64 required in this act, for future accidents.

65 A discharge in bankruptcy shall not relieve [the judgment
66 debtor] *the person responsible for the payment* from any of the
67 requirements of this act.

68 [The clerk of the court in which the judgment is rendered, or
69 the court where it has no clerk, shall forward to the director, at
70 the request of the judgment creditor or his attorney, after the
71 expiration of the 60 days a certified copy of the judgment or a
72 transcript thereof, as aforesaid.

73 Upon the filing with the court of proof of satisfaction or discharge
74 of a judgment, the nonpayment of which has been previously
75 certified to the director, the clerk of the court, or the court where
76 it has no clerk shall immediately forward notice of such satisfaction
77 or discharge to the director.]

78 If the defendant is a nonresident the director shall transmit to
79 the officer in charge of the issuance of driver licenses and registra-

80 tion certificates of the State of which the defendant is a resident a
81 **[certified]** copy of **[the judgment]** *the amount of the claim which*
82 *is unsatisfied.*

83 **[If after proof is given, another such judgment is recovered**
84 **against that person for an accident occurring before the proof was**
85 **given, the license and certificate shall again be and remain sus-**
86 **pending, and no other license or certificate shall be issued to him**
87 **while the judgment so remains unsatisfied and subsisting.]**

1 8. Section 14 of P. L. 1952, c. 173 (C. 39:6-36) is amended to read
2 as follows:

3 14. While a final judgment *or claim for personal injury protec-*
4 *tion benefits* against a nonresident motor vehicle owner or operator
5 is so unstayed, unsatisfied and subsisting for more than 60 days,
6 his privilege of operating a motor vehicle, whether owned by him
7 or not, in this State, shall be withdrawn and shall not be renewed.
8 No operator's or chauffeur's license shall be issued to him nor shall
9 a motor vehicle be registered in his name until every such judgment
10 *or claim* is stayed, satisfied or discharged as herein provided and
11 until he has given proof of his ability to respond in damages for
12 future accidents, as required in this act.]*

1 ***[9.]*** *7.* Section 15 of P. L. 1952, c. 173 (C. 39:6-37) is
2 amended to read as follows:

3 15. Whenever it appears to the satisfaction of the director that;
4 at the time of a motor vehicle accident resulting in the death of or
5 injury to any person, or damage to property to the extent of \$100.00,
6 the judgment debtor, against whom a judgment has been obtained
7 as a result of such accident, was insured in an insurance company,
8 authorized to do business in this State, against public liability for
9 injuries or death to one person to the extent of **[\$10,000.00]**
10 *\$15,000.00* and for injuries or death to more than one person to the
11 extent of **[\$20,000.00]** *\$30,000.00* and for damage to property to the
12 extent of \$5,000.00 arising out of a single motor vehicle accident *and*
13 *with respect to* **[automobiles]** **an automobile, as defined in P. L.*
14 *1972, c. 70, registered or principally garaged in New Jersey**; *per-*
15 *sonal injury protection coverage as provided in the "New Jersey*
16 *Automobile Reparation Reform Act," P. L. *1972*, c. *70**, and
17 that the judgment has not been paid *or the personal injury pro-*
18 *tection benefits have not been paid* because, subsequent to the date
19 of such accident, such insurance company has become insolvent or
20 bankrupt, or the Commissioner of Insurance has undertaken con-
21 trol hereof for the purpose of liquidation, he shall not suspend the
22 operator's license and the registration certificates of such judg-
23 ment debtor, if such judgment debtor files proof of his ability to

24 respond in damages for future accidents as required by this act.

1 ***[10.]** *8.* Section 18 of P. L. 1952, c. 173 (C. 39:6-40) is
2 amended to read as follows:

3 18. Such proof of financial responsibility shall be furnished as
4 shall be satisfactory to the director.

5 The proof may be evidence of the insuring of the person against
6 public liability and property damage in the foregoing amounts *and*
7 *with respect to* ***[automobiles]** *an automobile, as defined in P. L.
8 1972, c. 70 registered or principally garaged in New Jersey*, per-
9 sonal injury protection coverage as provided in the "New Jersey
10 Automobile Reparation Reform Act," P. L. *1972*, c. *70*, in the
11 form of a certificate signed by a duly licensed agent of the com-
12 pany issuing the motor vehicle liability policy; provided, such
13 policy shall be noncancelable, except after 10 days' written notice
14 to the director; except that such a policy subsequently procured
15 and certified shall, on the effective date of its certification, termi-
16 nate the insurance previously certified with respect to any motor
17 vehicle designated in both certificates; provided, that when an
17A agent of an insurance company certifies to evidence of the in-
17B suring of a person from whom proof of financial responsibility is
18 required, by the company for which he is authorized to solicit,
19 negotiate or effect contracts of insurance, the company shall notify
20 the director of the expiration of the policy referred to in the certifi-
21 cate at least 10 days before the effective date of the expiration and
22 shall promptly notify the director of the renewal of the insurance
23 policy.

24 The proof may also be a bond of a surety company or a bond with
25 individual surety owning real estate, conditioned for the payment
26 of the foregoing amounts and not cancelable except after 10 days'
27 written notice to the director. The bond shall constitute a lien in
28 favor of the State upon the real estate of any surety, and this lien
29 shall exist in favor of a holder of a judgment on account of damage,
30 caused by the operation of the person's motor vehicle, upon the
31 filing of a notice to that effect by the director in the office of the clerk
32 of the county where the real estate is located.

33 The proof may also be a deposit by the person with the director
34 of a sum of money or collateral in the amount of **[\$25,000.00]**
35 ***[\$45,000.00]** *\$35,000.00*. Any collateral shall be determined
36 by and shall be satisfactory to the director.

37 Additional evidence of financial responsibility shall be furnished
38 the director at any time upon his request therefor.

1 ***[11.]** *9.* Section 19 of P. L. 1952, c. 173 (C. 39:6-41) is
2 amended to read as follows:

3 19. The bond, money or collateral mentioned in section 18 of this
 4 act shall be held by the director to satisfy any execution issued
 5 against the person in any cause arising out of damage caused by the
 6 operation of a motor vehicle owned or operated by him *or for the*
 7 **reimbursement of the Unsatisfied Claim and Judgment Fund*
 8 *for the* payment of personal injury protection benefits *pursuant*
 9 *to section 7 or section 10 of P. L. . . . , c. . . . (Assembly Bill No.*
 10 *803 presently pending in the Legislature)*. Money or collateral*
 11 *so deposited shall not be subject to attachment or execution unless*
 12 *the attachment or execution arises out of an action for damages,*
 13 *including personal injury or death, as a result of the operation of a*
 14 *motor vehicle *or unless such attachment or execution arises out*
 15 *of an action for reimbursement of the Unsatisfied Claim and Judg-*
 16 *ment Fund pursuant to section 11 of P. L. . . . , c. . . . (Assembly*
 17 *Bill No. 803 presently pending in the Legislature)*. A person who*
 18 *furnishes proof of financial responsibility by a deposit of money*
 19 *or collateral shall, upon the service of a writ or summons arising*
 20 *out of an action for damages, including personal injury or death,*
 21 *caused by the operation of a motor vehicle, give written notice of*
 22 *the service to the director, who shall require that additional evi-*
 23 *dence of financial responsibility be furnished to satisfy a judgment*
 24 *in any other action. If a judgment rendered ***[or payment of per-***
 25 *sonal injury protection benefits due]* against the principal on a*
 26 *bond **[is]** ***[are]*** *is* not satisfied within 30 days after its*
 27 *rendition, ***[or after personal injury protection benefits become***
 28 *due]* the judgment creditor ***[or claimant]*** may, for his own*
 29 *use and benefit and at his sole expense, bring an action in the*
 30 *name of the State against the company or person executing the*
 31 *bond *or the director may bring an action on behalf of the board*
 32 *against the company or person executing the bond*.**

33 A reasonable sum, not exceeding \$10.00, shall be charged for an
 34 investigation of the title of a surety's real estate or of collaterals
 35 so deposited and of the value of the same and for the filing fee
 36 to be paid to the county clerk.

1 ***[12.]*** *10.* Section 23 of P. L. 1952, c. 173 (C. 39:6-45) is
 2 amended to read as follows:

3 23. The director may consent to cancellation of the bond or the
 4 evidence of insurance or return the money or collateral to the
 5 person furnishing the same, if 3 years have elapsed since the date of
 6 revocation as provided in section 9 of this act, during which period
 7 he shall not have again become subjected to the provision of this
 8 act as provided in section 9 or 13 of this act, and if no right of action
 9 or judgment arising out of the operation of a motor vehicle is then

10 outstanding against him and no ^{10A} **[automobile personal injury pro-**
^{10B} **tection benefit claims remain]** * amount in reimbursement of the
^{10C} *Unsatisfied Claim and Judgment Fund for payment of personal*
^{10D} *injury protection benefits pursuant to section 7 or section 10 of*
P. L. . . . , c. . . . (Assembly Bill No. 803 presently pending in
11 *the Legislature) remains* unpaid by such person. The director*
12 *may direct the return of any money or collateral to the person who*
13 *furnished it, upon the acceptance and substitution of other evidence*
14 *of financial responsibility, or at any time after 1 year from the*
15 *expiration of a registration or license issued to the person, if no*
16 *written notice has been filed with the director, stating that an action*
17 *has been brought against the person by reason of the ownership,*
18 *maintenance or operation of a motor vehicle and upon the filing by*
19 *the person with the director of a certificate that he has abandoned*
20 *his residence in this State or that he has made a bona fide sale of all*
21 *motor vehicles owned by him and does not intend to own or operate*
22 *a motor vehicle in this State for a period of 1 or more years.*

1 ***[13.]** *11.* Section 24 of P. L. 1952, c. 173 (C. 39:6-46) is
2 amended to read as follows:

3 24. A motor vehicle liability policy furnished as proof of financial
4 responsibility as provided herein shall be a policy of liability in-
5 surance issued by an insurance carrier authorized to transact busi-
6 ness in this State or, in the case of a person not eligible for insurance
7 under the automobile Assigned Risk Plan, by an eligible surplus
8 lines insurer to the person therein named as insured, or in the case
9 of a nonresident, by an insurance carrier authorized to transact
10 business in any of the states or provinces hereinafter stated. The
11 policy shall:

12 (a) Designate, by explicit description or appropriate reference,
13 all motor vehicles with respect to which coverage is intended to be
14 granted thereby, and insure the insured named therein and any
15 other person using or responsible for the use of any such motor
16 vehicle with the express or implied consent of the insured, against
17 loss from the liability imposed upon the insured or other person by
18 law, for injury to or the death of a person, other than a person who
19 is covered, as respects the injury or death, by any workmen's com-
20 pensation law, or damage to property, except property of others in
21 charge of the insured or the insured's employees, growing out of
22 the maintenance, use or operation of the motor vehicle in the United
23 States of America; or,

24 (b) In the alternative, insure the person therein named as in-
25 sured against loss from liability imposed by law upon the insured
26 for injury to or death of a person, other than a person who is

27 covered as respects the injury or death by any workmen's compen-
 28 sation law, or damage to property, except property of others in
 29 charge of the insured or the insured's employees, growing out of
 30 the operation or use by the insured of a motor vehicle, except a
 31 motor vehicle registered in the name of the insured, and occurring
 32 while the insured is personally in control, as driver or occupant, of
 33 the motor vehicle within the United States of America.

34 The policy shall insure to the amount or limit of **[\$10,000.00,]**
 35 *\$15,000.00*, exclusive of interest and costs, on account of injury to
 36 or death of one person, and, subject to the same limit with respect
 37 to injury to or death of one person, of **[\$20,000.00,]** *\$30,000.00*,
 38 exclusive of interest and costs, on account of one accident resulting
 39 in injury to or death of more than one person, and of \$5,000.00 for
 40 damage to property of others, as herein provided, resulting from
 41 one accident, *and with respect to* **[automobiles]** *an automobile,*
 42 *as defined in P. L. 1972, c. 70, registered or principally garaged*
 43 *in New Jersey**, *personal injury protection coverage as provided*
 44 *in the "New Jersey Automobile Reparation Reform Act," P. L.*
 45 **1972*, c. *70**, or a binder pending the issuance of any such policy,
 45A or an indorsement to an existing policy as hereinafter provided.

46 This section shall not be construed as preventing the insurance
 47 carrier from granting any lawful coverage in excess of or in addi-
 48 tion to the coverage herein provided for, nor from embodying in
 49 the policy any agreement, provision or stipulation not contrary
 50 to the provisions of this chapter and not otherwise contrary to law.

51 Separate concurrent policies covering respectively (a) bodily
 52 injury or death, as aforesaid, and (b) property damage as afore-
 53 said, shall be considered a "motor vehicle liability policy" within
 54 the meaning of this act.

1 ***[14.]*** *12.* This act shall take effect January 1, 1973.

DECEMBER 26, 1972

FOR RELEASE:
IMMEDIATE*A 804 - p. 2*

Governor William T. Cahill signed into law today seven bills to supplement provisions of the new no-fault automobile insurance which goes into effect in New Jersey on January 1st. The Governor, who actively supported the no-fault package of legislation from its inception, commended the members of the Automobile Insurance Study Commission, Commissioner of Insurance Richard C. McDonough and the Legislature for their cooperation in passing this most important legislation.

The principal bill, sponsored by Assemblyman Eugene Raymond (R., Camden), amends the No-Fault Act to clarify certain questions that arose since its passage. The bill changes make it clear that medically indigent individuals who receive free or low cost medical care may include reasonable value of those services in calculating the \$200 "threshold" amount to determine if they have the right to sue for damages. They broaden the personal injury protection benefits provided. They make it clear that camper-type vehicles are covered by no-fault insurance, and allow senior citizens to receive "income producer" benefits beyond age 65 under certain circumstances if they are injured in an automobile accident.

In addition, the bill gives the Commissioner of Insurance the necessary power to promulgate rules and regulations to implement and enforce the act and sets up a time limit during which individuals must claim personal injury protection benefits.

Bill A-802, also sponsored by Assemblyman Raymond, makes motor vehicle liability insurance coverage compulsory. Under this bill, any individual convicted of operating a motor vehicle in New Jersey without the minimum coverage can be punished by the courts as a disorderly person.

Another Raymond-sponsored measure, A-1007, requires all operators of motor vehicles in this State to carry an insurance identification card which demonstrates they have the required insurance coverage.

Two of the other bills amend the Unsatisfied Claim and Judgment Fund and the Security Responsibility Laws to coincide with the concept of No-Fault insurance. Bill A-803, sponsored by Assemblyman Thomas Deverin (D., Middlesex), provided that pedestrians injured by an uninsured driver, who should have no-fault insurance coverage but does not, will be able to collect no-fault benefits from the Unsatisfied Claim and Judgment Fund.

Under Bill A-804, sponsored by Assemblyman Raymond, the amounts of security which an uninsured individual involved in an accident must post with the Division of Motor Vehicles has been increased to coincide with the minimum limits of insurance coverage which an individual is now required to have in effect in order to operate a motor vehicle in New Jersey.

The other two of the seven bills were sponsored by Assemblyman Philip Kaltenbacher (R., Essex). A-1475 allows the Director of the Division of Motor Vehicles to control information supplied by insurance companies with respect to cancellation and non-renewal of automobile insurance policies. A-1477 requires insurance companies to supply information on the termination of motor vehicle insurance or the issuance or renewal of insurance as required by the Director of Motor Vehicles.

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