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LEGISLATIVE HISTORY OF R.S. 17:29C-6 et seq.
(Cancellations and non-renewal of automobile insurance)

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L. 1968, Chapter 158 - A304
Introduced by Parker and 11 others.
No statement.
Amended during passage (copy enclosed of original bill and amendment).

Hearings and reports:

974.90 N.J. Legislature. Senate. Committee on
A939 Banking and Insurance.
1967 Public hearing on Motor Vehicle
Liability Insurance. Held Aug. 15, 1967.

Checked the following without success:

974.905 N.J. Association of Independent Insurance
I62 Agents. Bulletin.

Clippings listed below are selected from -
V.F.--N.J.--Insurance, Automobile

Carragher, John. "Cancellations in Jersey defended by insurers"
Newark Star Ledger June 19, 1968.

Cedrone, Connie. "It's now the law: car insurers can't cancel so
easily" Newark Star Ledger July 16, 1968.

"Hughes curbs auto insurers" Newark Evening News July 17, 1968.

"Auto Insurance Reform" [editorial] Trenton Evening Times July 17, 1968.

Jaffee, Herb. "7500 lose car insurance every month despite law"
Newark Star Ledger November 17, 1968.

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CHAPTER 127 LAWS OF N. J. 1968
APPROVED 7-12-68

[OFFICIAL COPY REPRINT]

ASSEMBLY, No. 304

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 5, 1968

By Assemblymen PARKER, GIMSON, WILSON, LASKIN, FONTANELLA, MABIE, CURCIO, HORN, WOODSON, DODD, VOHDIN and KEAN

Referred to Committee on Banking and Insurance

AN ACT concerning cancellation and nonrenewal of automobile liability, physical damage or collision insurance policies.

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

1 1. As used in this act:

2 (A) "Policy" means an automobile liability, automobile physical
3 damage or automobile collision policy, or any combination thereof,
4 delivered or issued for delivery in this State, insuring a single
5 individual or husband and wife resident of the same household, as
6 named insured, and under which the insured vehicles therein designated
7 are of the following types only:

8 1. A motor vehicle of the private passenger or station wagon
9 type that is not used as a public or livery conveyance for passengers,
10 nor rented to others; or

11 2. Any other 4-wheel motor vehicle with a load capacity of
12 1,500 pounds or less which is not *customarily* used in the
13 occupation, profession or business of the insured;

14 provided, however, that this act shall not apply (1) to any policy
15 issued under an automobile assigned risk plan, or (2) to any policy
16 insuring more than 4 automobiles, or (3) to any policy covering
17 garage, automobile sales agency, repair shop, service station or
18 public parking place operation hazards.

19 (B) "Automobile liability coverage" includes only coverage of
20 bodily injury and property damage liability, medical payments and
21 uninsured motorists coverage.

22 (C) "Automobile physical damage coverage" includes all coverage
23 of loss or damage to an automobile insured under the policy
24 except loss or damage resulting from collision or upset.

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

25 (D) "Automobile collision coverage" includes all coverage of
26 loss or damage to an automobile insured under the policy resulting
27 from collision or upset.

28 (E) "Renewal" or "to renew" means the issuance and delivery
29 by an insurer of a policy replacing at the end of the policy period
30 a policy previously issued and delivered by the same insurer, or
31 the issuance and delivery of a certificate or notice extending the
32 term of a policy beyond its policy period or term; provided, how-
33 ever, that any policy with a policy period or term of less than 6
34 months shall for the purpose of this act be considered as if written
35 for a policy period or term of 6 months. Provided, further, that
36 any policy written for a term longer than 1 year or any policy with
37 no fixed expiration date, shall for the purpose of this act, be con-
38 sidered as if written for successive policy periods or terms of 1
39 year, and such policy may be terminated at the expiration of any
40 annual period upon giving 20 days' notice of cancellation prior to
41 such anniversary date, and such cancellation shall not be subject
42 to any other provisions of this act.

43 (F) "Nonpayment of premium" means failure of the named
44 insured to discharge when due any of his obligations in connection
45 with the payment of premiums on a policy, or any installment of
46 such premium, whether the premium is payable directly to the
47 insurer or its agent or indirectly under any premium finance plan
48 or extension of credit.

1 2. (A) A notice of cancellation of a policy shall be effective only
2 if it is based on one or more of the following reasons:

3 (a) Nonpayment of premium; or

4 (b) The driver's license or motor vehicle registration of the
5 named insured or of any other operator who either resides in
6 the same household or customarily operates an automobile in-
7 sured under the policy has been under suspension or revoca-
8 tion during the policy period or, if the policy is a renewal,
9 during its policy period ***[**or the 180 days immediately pre-
10 ceding its effective date**]**.*

11 (B) This section shall not apply to any policy or coverage which
12 has been in effect less than 60 days at the time notice of cancella-
13 tion is mailed or delivered by the insurer unless it is a renewal
14 policy.

15 (C) Modification of automobile physical damage coverage by
16 the inclusion of a deductible not exceeding \$100.00 shall not be
17 deemed a cancellation of the coverage or of the policy.

18 (D) This section shall not apply to nonrenewal.

1 3. No notice of cancellation of a policy to which section 2 applies
2 shall be effective unless mailed or delivered by the insurer to the
3 named insured at least 20 days prior to the effective date of can-
4 cellation, provided, however, that where cancellation is for non-
5 payment of premium at least 10 days' notice of cancellation ac-
6 companied by the reason therefor shall be given. Unless the reason
7 accompanies or is included in the notice of cancellation, the notice
8 of cancellation shall state or be accompanied by a statement that
9 upon written request of the named insured, mailed or delivered to
10 the insurer not less than 15 days prior to the effective date of
11 cancellation, the insurer will specify the reason for such cancella-
12 tion.

13 This section shall not apply to nonrenewal.

1 4. No insurer shall fail to renew a policy unless it shall mail or
2 deliver to the named insured, at the address shown in the policy,
3 at least 20 days' advance notice of its intention not to renew. This
4 section shall not apply:

5 (a) If the insurer has manifested its willingness to renew;
6 nor

7 (b) In case of nonpayment of premium;
8 provided that, notwithstanding the failure of an insurer to comply
9 with this section, the policy shall terminate on the effective date
10 of any other insurance policy with respect to any automobile desig-
11 nated in both policies.

12 Renewal of a policy shall not constitute a waiver or estoppel
13 with respect to grounds for cancellation which existed before the
14 effective date of such renewal.

1 5. Proof of mailing of notice of cancellation, or of intention not
2 to renew or of reasons for cancellation, to the named insured at the
3 address shown in the policy, shall be sufficient proof of notice.

1 6. When a policy of automobile liability insurance is canceled,
2 other than for nonpayment of premium, or in the event of failure
3 to renew a policy of automobile liability insurance to which section
4 4 applies, the insurer shall notify the named insured of his possible
5 eligibility for automobile liability insurance through the automo-
6 bile liability assigned risk plan. Such notice shall accompany or be
7 included in the notice of cancellation or the notice of intent not
8 to renew.

8A **7. Where the reason for cancellation does not accompany or is*
8B *not included in the notice of cancellation, the insurer shall upon*
8C *written request of the named insured, mailed or delivered to the*
8D *insurer not less than 15 days prior to the effective date of cancella-*
8E *tion, specify in writing the reason for such cancellation. Such*

8F *reason shall be mailed or delivered to the named insured within 5*
8G *days after receipt of such request.**

1 ***[7.]*** *8.* There shall be no liability on the part of and no cause
2 of action of any nature shall arise against the Commissioner of In-
3 surance or against any insurer, its authorized representative, its
4 agents, its employees, or any firm, person or corporation furnishing
5 to the insurer information as to reasons for cancellation, for any
6 statement made by any of them in any written notice of cancellation,
7 or in any other communication, oral or written specifying the
8 reasons for cancellation, or the providing of information pertain-
9 ing thereto, or for statements made or evidence submitted at any
10 hearings conducted in connection therewith.

1 ***[8.]*** *9.* This act shall take effect ***[immediately]*** *on
2 *September 1, 1968*.*

ASSEMBLY, No. 304

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 5, 1968

By Assemblymen PARKER, GIMSON, WILSON, LASKIN, FONTANELLA, MABIE, CURCIO, HORN, WOODSON, DODD, VOHDIN and KEAN

Referred to Committee on Banking and Insurance

AN ACT concerning cancellation and nonrenewal of automobile liability, physical damage or collision insurance policies.

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

1 1. As used in this act:

2 (A) "Policy" means an automobile liability, automobile physical
3 damage or automobile collision policy, or any combination thereof,
4 delivered or issued for delivery in this State, insuring a single
5 individual or husband and wife resident of the same household, as
6 named insured, and under which the insured vehicles therein design-
7 nated are of the following types only:

8 1. A motor vehicle of the private passenger or station wagon
9 type that is not used as a public or livery conveyance for pas-
10 sengers, nor rented to others; or

11 2. Any other 4-wheel motor vehicle with a load capacity of
12 1,500 pounds or less which is not used in the occupation, pro-
13 fession or business of the insured;

14 provided, however, that this act shall not apply (1) to any policy
15 issued under an automobile assigned risk plan, or (2) to any policy
16 insuring more than 4 automobiles, or (3) to any policy covering
17 garage, automobile sales agency, repair shop, service station or
18 public parking place operation hazards.

19 (B) "Automobile liability coverage" includes only coverage of
20 bodily injury and property damage liability, medical payments and
21 uninsured motorists coverage.

22 (C) "Automobile physical damage coverage" includes all cov-
23 erage of loss or damage to an automobile insured under the policy
24 except loss or damage resulting from collision or upset.

25 (D) "Automobile collision coverage" includes all coverage of
26 loss or damage to an automobile insured under the policy resulting
27 from collision or upset.

28 (E) "Renewal" or "to renew" means the issuance and delivery
29 by an insurer of a policy replacing at the end of the policy period
30 a policy previously issued and delivered by the same insurer, or
31 the issuance and delivery of a certificate or notice extending the
32 term of a policy beyond its policy period or term; provided, how-
33 ever, that any policy with a policy period or term of less than 6
34 months shall for the purpose of this act be considered as if written
35 for a policy period or term of 6 months. Provided, further, that
36 any policy written for a term longer than 1 year or any policy with
37 no fixed expiration date, shall for the purpose of this act, be con-
38 sidered as if written for successive policy periods or terms of 1
39 year, and such policy may be terminated at the expiration of any
40 annual period upon giving 20 days' notice of cancellation prior to
41 such anniversary date, and such cancellation shall not be subject
42 to any other provisions of this act.

43 (F) "Nonpayment of premium" means failure of the named
44 insured to discharge when due any of his obligations in connection
45 with the payment of premiums on a policy, or any installment of
46 such premium, whether the premium is payable directly to the
47 insurer or its agent or indirectly under any premium finance plan
48 or extension of credit.

1 2. (A) A notice of cancellation of a policy shall be effective only
2 if it is based on one or more of the following reasons:

- 3 (a) Nonpayment of premium; or
4 (b) The driver's license or motor vehicle registration of the
5 named insured or of any other operator who either resides in
6 the same household or customarily operates an automobile in-
7 sured under the policy has been under suspension or revoca-
8 tion during the policy period or, if the policy is a renewal,
9 during its policy period or the 180 days immediately preceding
10 its effective date.

11 (B) This section shall not apply to any policy or coverage which
12 has been in effect less than 60 days at the time notice of cancella-
13 tion is mailed or delivered by the insurer unless it is a renewal
14 policy.

15 (C) Modification of automobile physical damage coverage by
16 the inclusion of a deductible not exceeding \$100.00 shall not be
17 deemed a cancellation of the coverage or of the policy.

18 (D) This section shall not apply to nonrenewal.

1 3. No notice of cancellation of a policy to which section 2 applies
 2 shall be effective unless mailed or delivered by the insurer to the
 3 named insured at least 20 days prior to the effective date of can-
 4 cellation, provided, however, that where cancellation is for non-
 5 payment of premium at least 10 days' notice of cancellation ac-
 6 companied by the reason therefor shall be given. Unless the reason
 7 accompanies or is included in the notice of cancellation, the notice
 8 of cancellation shall state or be accompanied by a statement that
 9 upon written request of the named insured, mailed or delivered to
 10 the insurer not less than 15 days prior to the effective date of
 11 cancellation, the insurer will specify the reason for such cancella-
 12 tion.

13 This section shall not apply to nonrenewal.

1 4. No insurer shall fail to renew a policy unless it shall mail or
 2 deliver to the named insured, at the address shown in the policy,
 3 at least 20 days' advance notice of its intention not to renew. This
 4 section shall not apply:

5 (a) If the insurer has manifested its willingness to renew;
 6 nor

7 (b) In case of nonpayment of premium;
 8 provided that, notwithstanding the failure of an insurer to comply
 9 with this section, the policy shall terminate on the effective date
 10 of any other insurance policy with respect to any automobile desig-
 11 nated in both policies.

12 Renewal of a policy shall not constitute a waiver or estoppel
 13 with respect to grounds for cancellation which existed before the
 14 effective date of such renewal.

1 5. Proof of mailing of notice of cancellation, or of intention not
 2 to renew or of reasons for cancellation, to the named insured at the
 3 address shown in the policy, shall be sufficient proof of notice.

1 6. When a policy of automobile liability insurance is canceled,
 2 other than for nonpayment of premium, or in the event of failure
 3 to renew a policy of automobile liability insurance to which section
 4 4 applies, the insurer shall notify the named insured of his possible
 5 eligibility for automobile liability insurance through the automo-
 6 bile liability assigned risk plan. Such notice shall accompany or be
 7 included in the notice of cancellation or the notice of intent not
 8 to renew.

1 7. There shall be no liability on the part of and no cause of action
 2 of any nature shall arise against the Commissioner of Insurance
 3 or against any insurer, its authorized representative, its agents,
 4 its employees, or any firm, person or corporation furnishing to the
 5 insurer information as to reasons for cancellation, for any state-

6 ment made by any of them in any written notice of cancellation,
7 or in any other communication, oral or written specifying the
8 reasons for cancellation, or the providing of information pertain-
9 ing thereto, or for statements made or evidence submitted at any
10 hearings conducted in connection therewith.

1 8. This act shall take effect immediately.

ASSEMBLY AMENDMENTS TO
ASSEMBLY, No. 304

—♦—
STATE OF NEW JERSEY
—♦—

ADOPTED MARCH 11, 1968

Amend page 1, section 1, line 12, after "not", insert "customarily".

Amend page 2, section 2, lines 9 and 10, delete "or the 180 days immediately preceding its effective date".

Amend page 3, section 6, after line 8, insert a new section 7 as follows:

"7. Where the reason for cancellation does not accompany or is not included in the notice of cancellation, the insurer shall upon written request of the named insured, mailed or delivered to the insurer not less than 15 days prior to the effective date of cancellation, specify in writing the reason for such cancellation. Such reason shall be mailed or delivered to the named insured within 5 days after receipt of such request."

Amend page 3, section 7, line 1, omit "7", insert "8".

Amend page 4, section 8, line 1, omit "8", insert "9", and delete "immediately", and insert "on September 1, 1968".