

396A-7

LEGISLATIVE HISTORY CHECKLIST  
Compiled by the NJ State Law Library

(PIP benefits--denial)

NJSA: 39:6A-7

LAWS OF: 1997 CHAPTER: 270

BILL NO: A2313

SPONSOR(S): Garcia and others

DATE INTRODUCED: September 16, 1996

COMMITTEE: ASSEMBLY: Insurance  
SENATE: Commerce

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: October 21, 1996  
SENATE: December 1, 1997

DATE OF APPROVAL: December 22, 1997

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes  
SENATE: Yes

FISCAL NOTE: No

VE TO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBP:pp

P.L. 1997, CHAPTER 270, *approved December 22, 1997*

Assembly No. 2313

1 AN ACT concerning automobile insurance coverage for certain  
2 persons and amending P.L.1972, c.70.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5 *of New Jersey:*

6

7 1. Section 7 of P.L.1972, c.70 (C.39:6A-7) is amended to read as  
8 follows:

9 7. a. Insurers may exclude a person from benefits under section 4  
10 and section 10 of P.L.1972, c.70 (C.39:6A-4 and 39:6A-10) where  
11 such person's conduct contributed to his personal injuries or death  
12 occurred in any of the following ways:

13 (1) while committing a high misdemeanor or felony or seeking to  
14 avoid lawful apprehension or arrest by a police officer; or

15 (2) while acting with specific intent of causing injury or damage to  
16 himself or others.

17 b. An insurer may also exclude from section 4 and section 10  
18 benefits any person having incurred injuries or death, who, at the time  
19 of the accident:

20 (1) was the owner or registrant of an automobile registered or  
21 principally garaged in this State that was being operated without  
22 personal injury protection coverage;

23 (2) was occupying or operating an automobile without the  
24 permission of the owner or other named insured[.];

25 (3) was a person other than the named insured or a member of the  
26 named insured's family residing in his household, if that person is  
27 entitled to coverage under section 4 or section 10 of P.L.1972, c.70  
28 (C.39:6A-4 or 39:6A-10), or both, as a named insured or member of  
29 the named insured's family residing in his household under the terms  
30 of another policy; or

31 (4) was a member of the named insured's family residing in the  
32 named insured's household, if that person is entitled to coverage under

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

**Matter underlined thus is new matter.**

1 section 4 or section 10 of P.L.1972, c.70 (C.39:6A-4 or 39:6A-10),  
2 or both, as a named insured under the terms of another policy.  
3 (cf: P.L.1983, c.362, s.10)

4

5 2. This act shall take effect immediately.

6

7

8

STATEMENT

9

10 This bill provides that insurers do not have to pay certain personal  
11 injury protection (PIP) benefits if the injured person already has PIP  
12 benefits coverage under another policy.

13 Pursuant to section 11 of P.L.1972, c.70 (C.39:6A-11), if two or  
14 more insurers are liable to pay PIP benefits, any insurer paying the  
15 benefits can recover from the other insurers an equitable pro-rata share  
16 of the benefits paid. This process is commonly referred to as "PIP  
17 contribution." Most insurers have recognized that PIP contributions,  
18 in most cases, result in a "wash," and accordingly, insurers have not  
19 generally exercised the contribution option. This bill eliminates PIP  
20 contributions and thereby eliminates an unnecessary expense in the  
21 current system without reducing coverage to the consumer.

22

23

24

25

26 \_\_\_\_\_  
27 Allows insurers to deny PIP benefits to persons with PIP coverage  
under another policy.

1 named insured's household, if that person is entitled to coverage under  
2 section 4 or section 10 of P.L.1972, c.70 (C.39:6A-4 or 39:6A-10), or  
3 both, as a named insured under the terms of another policy.

4 (cf: P.L.1983, c.362, s.10)

5

6 2. This act shall take effect immediately.

7

8

9

#### STATEMENT

10

11 This bill provides that insurers do not have to pay certain personal  
12 injury protection (PIP) benefits if the injured person already has PIP  
13 benefits coverage under another policy.

14 Pursuant to section 11 of P.L.1972, c.70 (C.39:6A-11), if two or  
15 more insurers are liable to pay PIP benefits, any insurer paying the  
16 benefits can recover from the other insurers an equitable pro-rata share  
17 of the benefits paid. This process is commonly referred to as "PIP  
18 contribution." Most insurers have recognized that PIP contributions,  
19 in most cases, result in a "wash," and accordingly, insurers have not  
20 generally exercised the contribution option. This bill eliminates PIP  
21 contributions and thereby eliminates an unnecessary expense in the  
22 current system without reducing coverage to the consumer.

23

24

25

26

27 \_\_\_\_\_  
28 Allows insurers to deny PIP benefits to persons with PIP coverage  
under another policy.

ASSEMBLY INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2313

**STATE OF NEW JERSEY**

DATED: SEPTEMBER 16, 1996

The Assembly Insurance Committee reports favorably Assembly, No. 2313.

This bill provides that insurers do not have to pay certain personal injury protection (PIP) benefits if the injured person already has PIP benefits coverage under another policy.

Pursuant to section 11 of P.L.1972, c.70 (C.39:6A-11), if two or more insurers are liable to pay PIP benefits, any insurer paying the benefits can recover from the other insurers an equitable pro-rata share of the benefits paid. This process is commonly referred to as "PIP contribution." Most insurers have recognized that PIP contributions, in most cases, result in a "wash," and accordingly, insurers have not generally exercised the contribution option. This bill eliminates PIP contributions and thereby eliminates an unnecessary expense in the current system without reducing coverage to the consumer.

SENATE COMMERCE COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 2313**

**STATE OF NEW JERSEY**

DATED: MAY 8, 1997

The Senate Commerce Committee reports favorably Assembly Bill No. 2313.

This bill provides that an automobile insurer is not required to pay medical expense benefits under personal injury protection coverage to an injured person who at the time of the accident: (1) was a person other than the named insured or a member of the named insured's family residing in his household, and is entitled to such coverage as a named insured or member of the named insured's family residing in his household under another policy; or (2) is a member of the named insured's family residing in his household and is entitled to such coverage as a named insured under another policy.