

ASSEMBLY, No. 1639

STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED FEBRUARY 10, 1998

Sponsored by:

Assemblyman JOHN C. GIBSON

District 1 (Cape May, Atlantic and Cumberland)

Assemblyman NICHOLAS ASSELTA

District 1 (Cape May, Atlantic and Cumberland)

Co-Sponsored by:

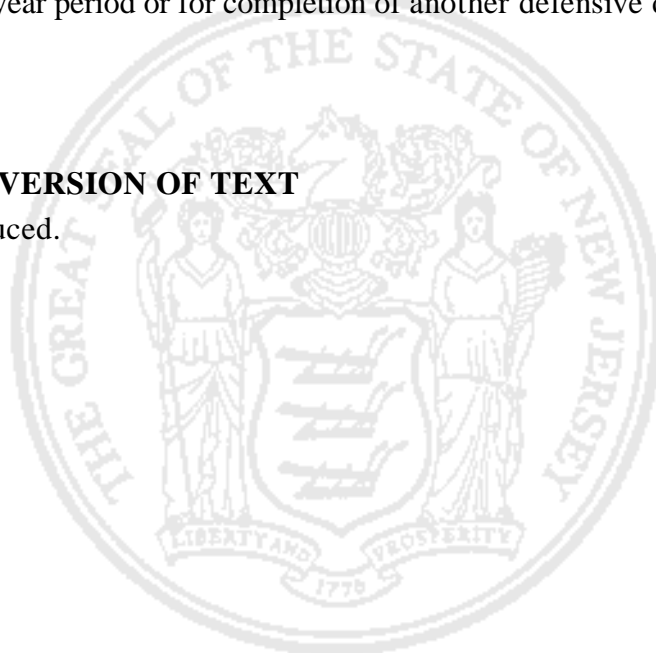
**Assemblymen Luongo, Augustine, Blee, Azzolina, Bodine, Chatzidakis,
Conaway, Connors, Kramer, LeFevre and Geist**

SYNOPSIS

Eliminates sunset on premium rate reduction for completion of defensive driving course and requires reductions for those not accumulating any points during three-year period or for completion of another defensive driving course, or both.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 11/10/1998)

1 AN ACT concerning certain rate reductions for private passenger
2 automobile insurance and amending P.L. 1995, c. 308.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 1 of P.L. 1995, c. 308 (C. 17:33B-45.1) is amended to
8 read as follows:

9 1. a. Within 180 days of the effective date of this act, every rate
10 filing for private passenger automobile insurance shall contain an
11 appropriate reduction for personal injury protection coverage, bodily
12 injury liability coverage, property damage coverage, and physical
13 damage coverage for the successful completion, by the named insured
14 or the principal operator of the insured automobile, if other than the
15 named insured, of an approved motor vehicle defensive driving course
16 pursuant to section 55 of P.L.1990, c.8 (C.17:33B-45). The reduction
17 in premium charges shall be an amount justified by the insurer's
18 actuarial experience, and shall be available to the insured for a
19 three-year period beginning with the next succeeding policy period
20 after the date of completion of an approved motor vehicle defensive
21 driving course or until driver's license suspension or the accumulation
22 of four or more motor vehicle points, whichever occurs earlier.

23 b. **[The provisions of subsection a. of this section shall not apply**
24 **to insureds who qualify for the reduction in premium charges after the**
25 **first day of the 48th month following the enactment date of this act.]**
26 (Deleted by amendment, P.L. , c. .)

27 c. Within 180 days of the effective date of this amendatory act,
28 every rate filing for private passenger automobile insurance shall
29 contain an appropriate reduction for personal injury protection
30 coverage, bodily injury liability coverage, property damage coverage,
31 and physical damage coverage if the named insured or the principal
32 operator of the insured automobile, if other than the named insured,
33 who has received a reduction for a three-year period pursuant to
34 subsection a. of this section:

35 (1) successfully completes a subsequent motor vehicle defensive
36 driving course, approved pursuant to section 55 of P.L. 1990, c. 8 (C.
37 17:33B-45) ; or

38 (2) has not accumulated any motor vehicle points during the three-
39 year period during which a previous reduction in premiums pursuant
40 to this section was in effect; or

41 (3) qualifies for reductions pursuant to both paragraph (1) and (2)
42 of this subsection.

43 The reductions in premium charges for successful completion of a

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

Matter underlined thus is new matter.

1 subsequent course as provided in paragraph (1) or driving without
2 accumulating any motor vehicle points as provided in paragraph (2)
3 shall each be an amount justified by the insurer's actuarial experience,
4 but in no case shall either be less than 5%, for a combined total of not
5 less than 10%, if the named insured or principle driver qualifies for
6 both reductions pursuant to paragraph (3) and shall be available to the
7 insured for a three-year period beginning with the next succeeding
8 policy period or until driver's license suspension or the accumulation
9 of four or more motor vehicle points, whichever occurs earlier.

10 (cf: P.L.1995, c.308, s.1)

11

12 2. This act shall take effect immediately.

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STATEMENT

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17 Currently, the mandatory reduction in automobile insurance rates
18 for the successful completion of an approved motor vehicle defensive
19 driving course is available only for a three-year period and is scheduled
20 to "sunset" on January 1, 2000. This bill eliminates that sunset
21 provision and requires a premium reduction, of at least 5%, for drivers
22 who have received the reduction already mandated and who have not
23 accumulated any motor vehicle points during the three-year period the
24 reduction is in effect, or who successfully complete a subsequent
25 defensive driving course, or both. The premium reduction for either
26 accomplishment must be at least 5%, or a combined total of no less
27 than 10% if a driver qualifies under both requirements.