

ASSEMBLY, No. 249

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman GARCIA

1 AN ACT concerning automobile insurance coverage and amending
2 P.L.1990, c.8.

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

6
7 1. Section 27 of P.L.1990, c.8 (C.17:33B-15) is amended to read
8 as follows:

9 27. a. On or after April 1, 1992, every insurer, either by one or
10 more separate rating plans filed in accordance with the provisions of
11 section 6 of P.L.1988, c.156 (C.17:29A-45) or through one or more
12 affiliated insurers, shall provide automobile insurance coverage for
13 eligible persons.

14 b. No insurer shall refuse to insure, refuse to renew, or limit
15 coverage available for automobile insurance to an eligible person who
16 meets its underwriting rules as filed with and approved by the
17 commissioner in accordance
18 with the provisions of section 7 of P.L.1988, c.156 (C.17:29A-46).
19 The commissioner may suspend, revoke or otherwise terminate the
20 certificate of authority to transact automobile insurance business in
21 this State of any insurer who violates the provisions of this section.

22 c. An insurer shall either bind coverage or issue a declination of
23 coverage pursuant to section 28 of P.L.1990, c.8 (C.17:33B-16) to an
24 applicant for automobile insurance by the requested coverage effective
25 date or within three business days of the receipt of a completed
26 application by an insurer, or insurance producer authorized to accept
27 the application on behalf of the insurer, whichever is later. Failure to
28 bind or decline coverage within this time period shall be considered an
29 acceptance by the insurer to provide automobile insurance coverage
30 to the applicant and shall result in the coverage being bound by the
31 insurer.

32 (cf: P.L.1990, c.8, s.27)

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 2. This act shall take effect on the 30th day following enactment.

2

3

4

STATEMENT

5

6 This bill requires an automobile insurer either to bind coverage or
7 to issue a declination of coverage to an applicant for automobile
8 insurance by the requested coverage effective date or within three
9 business days of the receipt of a completed application by the insurer,
10 or an insurance producer authorized to accept applications on behalf
11 of an insurer, whichever is later. Failure to bind or decline coverage
12 within this time period would be considered an acceptance by the
13 insurer to provide coverage to the applicant and result in coverage
14 being bound.

15

16

17

18

19 Requires auto insurers to bind or decline coverage within three
20 business days.