

ASSEMBLY, No. 2313

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 16, 1996

By Assemblymen GARCIA, GARRETT and Zecker

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

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

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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)

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5 2. This act shall take effect immediately.

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STATEMENT

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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.

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