

ASSEMBLY, No. 2408

STATE OF NEW JERSEY

INTRODUCED OCTOBER 7, 1996

By Assemblyman ROCCO

1 AN ACT concerning reduced insurance rates for private passenger  
2 automobiles in certain cases and supplementing P.L.1990, c.8  
3 (C.17: 33B-1 et seq.).  
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5 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
6 *of New Jersey:*  
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8 1. a. No later than 180 days following the effective date of this  
9 act, every rate filing for private passenger automobile insurance shall  
10 contain at least a five percent reduction for personal injury protection  
11 coverage, bodily injury liability coverage, property damage coverage,  
12 and physical damage coverage for the successful completion, by the  
13 named insured or the principal operator of the insured automobile, if  
14 other than the named insured, of a classroom course conducted in  
15 accordance with the requirements promulgated pursuant to subsection  
16 b. of this section by a commercial drivers' school approved by the  
17 Director of the Division of Motor Vehicles and licensed pursuant to  
18 the provisions of P.L.1951, c.216 (C.39:12-1 et seq.).

19 Only persons who have not successfully completed a high school  
20 driver education classroom course conducted by a certified teaching  
21 staff member pursuant to N.J.S.18A:26-29 shall be eligible for the  
22 reduction authorized under this section.

23 The reduction shall be available to the insured for a three-year  
24 period beginning with the next succeeding policy period after the date  
25 of the successful completion of the approved course.

26 The reduction authorized under this section may not be renewed or  
27 extended beyond that three year period; provided, however, an insurer  
28 may terminate immediately the reduction provided to any person  
29 whose driver's licence is suspended or who, within the three year  
30 period, accumulates four or more motor vehicle penalty points  
31 assessed under the provisions of P.L.1982, c.43 (C.39:5-30.5).

32 b. The Director of the Division of Motor Vehicles shall  
33 promulgate, pursuant to the provisions of the "Administrative  
34 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and  
35 regulations for the provision of driver education courses offered by  
36 commercial drivers' schools pursuant to R.S.39:3-10. These  
37 regulations shall prescribe class size, standards for satisfactory

1 completion and curricula for courses given in drivers' school licensed  
2 pursuant to the provisions of P.L.1951, c.216 (C.39:12-1 et seq.).  
3 The course shall be at least six hours in duration and shall be designed  
4 to promote safe driving, highway courtesy, and an understanding of  
5 and respect for the State's motor vehicle laws. The course shall  
6 include instruction in the dangers of and penalties for drunk and  
7 drugged driving and shall not be combined with any other program.

8 The director shall chair and appoint representatives from the  
9 Driving School Association of New Jersey, the Office of Highway  
10 Traffic Safety in the Department of Law and Public Safety, the  
11 Department of Education, the Department of Transportation, the New  
12 Jersey State Safety Council, and the Automobile Association of  
13 America as a task force to assist in the development of the rules and  
14 regulations authorized under the provisions of this subsection.

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16 2. This act shall take effect on the first day of the six month  
17 following enactment, but the Director of the Division of Motor  
18 Vehicles and the Commissioner of Insurance may take such  
19 anticipatory administrative action in advance as shall be necessary for  
20 the implementation of this act.

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#### STATEMENT

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25 This bill requires private passenger automobile insurers to provide  
26 at least a five percent rate reduction for persons who successfully  
27 complete approved driver education courses. The reduction would  
28 apply to the premiums providing for personal injury protection  
29 coverage, bodily injury liability coverage, property damage coverage,  
30 and physical damage coverage. The reduction is a one time, non-  
31 renewable benefit. It is to remain in effect for three years, but an  
32 insurer may terminate the reduction immediately if the insured's  
33 driver's license is suspended or if the insured accumulates four or more  
34 motor vehicle penalty points assessed under the provisions of  
35 P.L.1982, c.43 (C.39:5-30.5) during the three year life of the benefit.

36 This reduced rate is available to only drivers who have not taken a  
37 high school driver education classroom course conducted by a certified  
38 teaching staff member pursuant to N.J.S.18A:26-2. To qualify for the  
39 reduction, a driver must successfully complete an approved classroom  
40 course conducted by a commercial drivers' school licensed pursuant  
41 to the provisions of P.L.1951, c.216 (C.39:12-1 et seq.).

42 To qualify as an "approved" course, the commercial school must  
43 offer a program which conforms with the regulations promulgated by  
44 the Director of the Division of Motor Vehicles. These regulations are  
45 to prescribe class size, standards for satisfactory completion of the  
46 program and course curricula. The course must be at least six hours

1 long and designed to promote safe driving, highway courtesy, an  
2 understanding of and respect for the State's motor vehicle laws, and  
3 instruction in the dangers of and penalties for drunk and drugged  
4 driving. To assist the director in promulgating these regulations, the  
5 bill establishes a task force consisting of representatives from the  
6 Driving School Association of New Jersey, the Office of Highway  
7 Traffic Safety in the Department of Law and Public Safety, the  
8 Department of Education, the Department of Transportation, the New  
9 Jersey State Safety Council, and the Automobile Association of  
10 America.

11 The provisions of this bill are modeled upon those of P.L.1995,  
12 c.308 (C.17:33B-45.1) which provides private passenger automobile  
13 insurance rate reductions for persons who successfully complete  
14 approved defensive driving courses.

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19 Requires insurance premium reductions for completion of certain  
20 driving courses.