

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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24 STATEMENT

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

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

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