

ASSEMBLY, No. 2945

STATE OF NEW JERSEY

INTRODUCED MAY 8, 1997

By Assemblyman GREENWALD

1 AN ACT concerning uninsured motorists and supplementing Title 39
2 of the Revised Statutes.

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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. a. The Division of Motor Vehicles in the Department of
8 Transportation shall develop and operate a standardized and
9 automated central statewide registry of private passenger automobile
10 insurance information. This registry shall be known as the "Insurance
11 Verification Database" and shall contain information regarding the
12 automobile insurance coverage of private passenger automobiles
13 registered in the State. The division shall require insurers to provide
14 this information pursuant to section 2 of P.L.1972, c.205 (C.39:3-4e).
15 Information in the database shall be made available electronically to
16 local and State police. This database shall be updated monthly, except
17 that information on the cancellation of motor vehicle liability insurance
18 or nonpayment of premium pursuant to section 2 of P.L.1968, c.158
19 (C.17:29C-7) shall be entered immediately upon receipt.

20 Information in the Insurance Verification Database shall be matched
21 against the division's database of registered motor vehicles to
22 determine which vehicles are uninsured.

23 b. There is hereby created the "Automated Insurance Verification
24 Fund." The fund shall be a nonlapsing revolving fund administered by
25 the division. The fund shall be the depository of the fees imposed
26 pursuant to section 2 of this act and any other monies made available
27 for the purposes of this fund. Moneys in the fund shall be used
28 exclusively to defray the division's costs of developing, maintaining,
29 updating and improving the Insurance Verification Database.

30 c. Upon request, the division shall also disclose insurance
31 information about a person contained in the database to:

32 (1) that person;

33 (2) the parent or legal guardian of that person if the person is an
34 unemancipated minor;

35 (3) the legal guardian of that person if the person is legally
36 incapacitated;

37 (4) a person who has power of attorney for the person;

1 (5) a person who submits a notarized release from the person dated
2 no more than 90 days before the date the request was made; or

3 (6) another person suffering loss or injury in a motor vehicle
4 accident in which the person is involved, but only in conjunction with
5 the submission of a police accident report.

6 A person who knowingly releases or discloses information from the
7 database for a purpose other than those authorized in this section or
8 to a person who is not entitled to this information shall be fined no less
9 than \$500 or more than \$5,000 for each release or disclosure. An
10 insurer shall not be liable to any person for complying with the
11 requirements of this act.

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13 2. On or before March 30 of each calendar year following the
14 effective date of this act, every insurer writing private passenger
15 automobile liability insurance in this State shall contribute to the
16 Automated Insurance Verification Fund established pursuant to section
17 1 of this act \$.25 per automobile year of exposure in New Jersey that
18 it experienced in the immediately preceding calendar year. For the
19 purposes of this section, "automobile year" means the unit of exposure
20 equivalent to the insuring of one private passenger automobile for 12
21 months.

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23 3. This act shall take effect on the first day of the thirteenth month
24 after enactment.

25 26 27 STATEMENT

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29 This bill directs the Division of Motor Vehicles (DMV) to establish
30 an "Insurance Verification Database." This database will contain
31 information reported by insurance companies on private passenger
32 automobiles insured in this State. This information will be matched
33 against DMV's database of registered motor vehicles to ascertain
34 which vehicles are not properly insured. The bill requires this
35 information, in turn, to be made available electronically to police
36 throughout the State. When a similar program was initiated in Utah
37 in 1995, it is reported that the uninsured motorist rate dropped by
38 one-third.

39 The bill creates a dedicated "Automated Insurance Verification
40 Fund" to defray the cost of developing and maintaining the Insurance
41 Verification Database. The fund would be administered by the DMV
42 and be the depository of annual assessments on insurers of \$.25 for
43 each private passenger automobile they insure in this state.

44 The bill strictly limits the categories of individuals authorized to
45 obtain such information from the Insurance Verification Database and
46 establishes fines of \$500 to \$5000 for unauthorized disclosure of this

1 information.

2 It is hoped that by reducing the incidence of uninsured drivers, this
3 bill will result in a decrease in the cost of uninsured motorist insurance
4 premiums. In recent years, there have been upwards of 26,000
5 uninsured vehicles involved in accidents each year.

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10 Adds passenger automobile insurance information to DMV database.