SENATE, No. 835

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 26, 1996

By Senator BUBBA

AN ACT concerning automobile insurance and revising various parts of the statutory law.

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

1. (New section) As used in sections 1 through 5 of this act:

"Automobile" means a private passenger automobile of a private passenger or station wagon type that is owned or hired and is neither used as a public or livery conveyance for passengers nor rented to others with a driver; and a motor vehicle with a pickup body, a delivery sedan, a van, or a panel truck or a camper type vehicle used for recreational purposes owned by an individual or by husband and wife who are residents of the same household, not customarily used in the occupation, profession or business of the insured other than farming or ranching. An automobile owned by a farm family copartnership or corporation, which is principally garaged on a farm or ranch and which otherwise meets the definitions contained in this section, shall be considered a private passenger automobile owned by two or more relatives resident in the same household.

"Commissioner" means the Commissioner of Insurance.

"Hospital expenses" means:

(1) The cost of a semiprivate room, based on rates customarily charged by the institution in which the recipient of benefits is confined;

(2) The cost of board, meals and dietary services;

(3) The cost of other hospital services, such as operating room; medicines, drugs, anesthetics; treatments with X-ray, radium and other radioactive substances; laboratory tests, surgical dressings and supplies; and other medical care and treatment rendered by the hospital;

(4) The cost of treatment by a physiotherapist;

(5) The cost of medical supplies, such as prescribed drugs and medicines; blood and blood plasma; artificial limbs and eyes; surgical dressings, casts, splints, trusses, braces, crutches; rental of wheelchair,

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined <u>thus</u> is new matter.

hospital bed or iron lung; oxygen and rental of equipment for its administration.

"Medical expenses" means expenses for medical treatment, surgical treatment, dental treatment, professional nursing services, hospital expenses, rehabilitation services, X-ray and other diagnostic services, prosthetic devices, ambulance services, medication and other reasonable and necessary expenses resulting from the treatment prescribed by persons licensed to practice medicine and surgery pursuant to R.S.45:9-1 et seq., dentistry pursuant to R.S.45:6-1 et seq., psychology pursuant to P.L.1966, c.282 (C.45:14B-1 et seq.) or chiropractic pursuant to P.L.1953, c.233 (C.45:9-41.5 et seq.) and P.L.1989, c.153 (C.45.9-41.17 et seq.) or by persons similarly licensed in other states and nations or any nonmedical remedial treatment rendered in accordance with a recognized religious method of healing.

"Named insured" means the person or persons identified as the insured in the policy and, if an individual, his or her spouse, if the spouse is named as a resident of the same household, except that if the spouse ceases to be a resident of the household of the named insured, coverage shall be extended to the spouse for the full term of any policy period in effect at the time of the cessation of residency.

"Pedestrian" means any person who is not occupying, entering into, or alighting from a vehicle propelled by other than muscular power and designed primarily for use on highways, rails and tracks.

2. (New section) a. Every automobile liability insurance policy insuring an automobile against loss resulting from liability for bodily injury, death and property damage sustained by any person arising out of the ownership, operation, maintenance or use of an automobile shall provide automobile medical payment coverage. The automobile medical payment coverage shall provide for the payment of all reasonable medical expenses without regard to negligence, liability or fault of any kind, to the named insured and members of his family residing in his household who sustained bodily injury as a result of an accident while occupying, entering into, alighting from, using or being struck as a pedestrian by an automobile, to other persons sustaining bodily injury while occupying, entering into, alighting from or using the automobile of the named insured with the permission of the named insured, and to pedestrians who are without automobile medical payment coverage and who sustain bodily injury caused by the named insured's automobile or who are struck by an object propelled by or from that automobile, provided that the coverage shall apply only to automobile accidents which occur during the policy period and within the United States of America, its territories or possessions, or Canada. Automobile medical payment coverage shall provide compensation to injured persons for reasonable and necessary expenses incurred from the date of the automobile accident for medical expenses.

b. Benefits payable under this section shall not be assignable, except to a provider of services for benefits collectible pursuant to this section, nor shall they be subject to levy, execution, attachment or other process for satisfaction of debts.

c. Automobile medical payment coverage shall be subject to a deductible of $250 on account of injury in any one accident and a copayment of 20% of any benefits payable between $250 and $5,000.

No insurer or health provider providing benefits to an insured shall have a right of subrogation for the amount of benefits paid pursuant to any deductible or copayment under this section.

3. (New section) a. An insurer may require written notice to be given as soon as practicable after an accident involving an automobile with respect to which automobile medical payment coverage benefits are provided pursuant to section 2 of this act.

b. Automobile medical payment coverage benefits shall be overdue if not paid within 60 days after the insurer is furnished written notice of the fact of a covered loss and of the amount of that loss. If written notice is not furnished to the insurer as the entire claim, any partial amount supported by written notice is overdue if not paid within 60 days after the written notice is furnished to the insurer. Any part or all of the remainder of the claim that is subsequently supported by written notice is overdue if not paid within 60 days after the written notice is furnished to the insurer, except that any payment shall not be deemed overdue if the insurer has reasonable proof to establish that the insurer is not responsible for the payment, notwithstanding that written notice has been furnished to the insurer. For the purpose of calculating the extent to which any benefits are overdue, payment shall be treated as being made on the date on which the draft or other valid instrument which is equivalent to payment was placed in the United States mail in a properly addressed, postpaid envelope, or, if not so posted, on the date of delivery.

c. All overdue payments shall bear simple interest at the rate of 18% per annum.

4. (New section) The commissioner shall, within 90 days after the effective date of this act, promulgate medical fee schedules on a regional basis for the reimbursement of health care providers providing services or equipment for automobile medical payment coverage benefits for which payment is to be made by an insurer as provided in section 2 of this act. These fee schedules shall be promulgated on the basis of the type of service provided, and shall incorporate the reasonable and prevailing fees of 75% of the practitioners within the region. If, in the case of a specialist provider, there are fewer than 50 specialists within a region, the fee schedule shall incorporate the reasonable and prevailing fees of the specialist providers on a

Statewide basis. These schedules shall be reviewed biannually by the commissioner.

No health care provider may demand or request payment from any person for automobile medical payment coverage benefits in excess of those permitted by the medical fee schedules established pursuant to this section, nor shall any person be liable to any health care provider for any amount of money which results from the charging of fees in excess of those permitted by the medical fee schedules established pursuant to this section.

5. (New section) The automobile medical payment coverage benefits provided in section 2 of this act shall be payable as loss accrues, upon written notice of that loss and without regard to collateral sources, except that benefits collectible under workers' compensation insurance and employees' temporary disability benefit statutes, and benefits, in fact collected, that are provided under federal law to active and retired military personnel shall be deducted from the benefits collectible under section 2 of this act.

If an insurer has paid the benefits provided in section 2 of this act and the insured is entitled to workers' compensation benefits or employees' temporary disability benefits but has failed to apply for them, the insurer may immediately apply for a reimbursement from the provider of the workers' compensation or temporary disability benefits for the automobile medical payment coverage benefits which the insurer paid to the insured.

Every insurer writing automobile insurance in this State shall inform its insureds who have automobile medical payment coverage in this State, and who are eligible to receive Medicare, of the interrelationship of the automobile medical payment coverage provided by this act and Medicare in a manner to be determined by the commissioner.

6. Section 1 of P.L.1972, c.197 (C.39:6B-1) is amended to read as follows:

1. Every owner or registered owner of a motor vehicle registered or principally garaged in this State shall maintain motor vehicle liability insurance coverage, under provisions approved by the Commissioner of Insurance, insuring against loss resulting from liability imposed by law for bodily injury, death and property damage sustained by any person arising out of the ownership, maintenance, operation or use of a motor vehicle wherein such coverage shall be at least in: a. an amount or limit of $15,000.00, exclusive of interest and costs, on account of injury to, or death of, one person, in any one accident; and b. an amount or limit, subject to such limit for any one person so injured or killed, of $30,000.00, exclusive of interest and costs, on account of injury to or death of, more than one person, in any one accident; and c. an amount or limit of**[**$5,000.00**]** <u>$3,000.00</u>, exclusive

of interest and costs, for damage to property in any one accident.
(cf: P.L.1972, c. 197, s.1)

7. Section 2 of P.L.1968, c.385 (C.17:28-1.1) is amended to read as follows:

2. a. No motor vehicle liability policy or renewal of such policy of insurance, including a liability policy for an automobile as defined in section [2 of P.L.1972, c.70 (C.39:6A-2)]1 of P.L. , c. (C. pending in the Legislature as this bill), insuring against loss resulting from liability imposed by law for bodily injury or death, sustained by any person arising out of the ownership, maintenance or use of a motor vehicle, shall be issued in this State with respect to any motor vehicle registered or principally garaged in this State unless it includes coverage in limits for bodily injury or death as follows:

(1) an amount or limit of $15,000.00, exclusive of interest and costs, on account of injury to, or death of, one person, in any one accident, and

(2) an amount or limit, subject to such limit for any one person so injured or killed, of $30,000.00, exclusive of interest and costs, on account of injury to or death of more than one person, in any one accident,

under provisions approved by the Commissioner of Insurance, for payment of all or part of the sums which the insured or his legal representative shall be legally entitled to recover as damages from the operator or owner of an uninsured motor vehicle, or hit and run motor vehicle, as defined in section 18 of P.L.1952, c.174 (C.39:6-78), because of bodily injury, sickness or disease, including death resulting therefrom, sustained by the insured, caused by accident and arising out of the ownership, maintenance or use of such uninsured or hit and run motor vehicle anywhere within the United States or Canada[; except that uninsured motorist coverage shall provide that in order to recover for non-economic loss, as defined in section 2 of P.L.1972, c.70 (C.39:6A-2), for accidents to which the benefits of section 4 (C.39:6A-4) of that act apply, the tort option elected pursuant to section 8 (C.39:6A-8) of that act shall apply to that injured person].

All motor vehicle liability policies shall also include coverage for the payment of all or part of the sums which persons insured thereunder shall be legally entitled to recover as damages from owners or operators of uninsured motor vehicles, other than hit and run motor vehicles, because of injury to or destruction to the personal property of such insured, with a limit in the aggregate for all insureds involved in any one accident of[$5,000.00] $3,000.00, and subject, for each insured, to an exclusion of the first $500.00 of such damages.

b. Uninsured and underinsured motorist coverage shall be provided [as an option] by an insurer to the named insured in amounts or limits equal to the insured's motor vehicle liability coverage, up to at least

the following limits: $250,000.00 each person and $500,000.00 each accident for bodily injury; $100,000.00 each accident for property damage or $500,000.00 single limit, subject to an exclusion of the first $500.00 of such damage to property for each accident[, except that the limits for uninsured and underinsured motorist coverage shall not exceed the insured's motor vehicle liability policy limits for bodily injury and property damage, respectively].

Rates for uninsured and underinsured motorist coverage for the same limits shall, for each filer, be uniform on a Statewide basis without regard to classification or territory.

c. Uninsured and underinsured motorist coverage provided for in this section shall not be increased by stacking the limits of coverage of multiple motor vehicles covered under the same policy of insurance nor shall these coverages be increased by stacking the limits of coverage of multiple policies available to the insured. If the insured had uninsured motorist coverage available under more than one policy, any recovery shall not exceed the higher of the applicable limits of the respective coverages and the recovery shall be prorated between the applicable coverages as the limits of each coverage bear to the total of the limits.

d. Uninsured and underinsured motorist coverage shall be subject to the policy terms, conditions and exclusions approved by the Commissioner of Insurance, including, but not limited to, unauthorized settlements, nonduplication of coverage[,]and subrogation and shall provide for dispute resolution through binding arbitration.

e. For the purpose of this section, (1) "underinsured motorist coverage" means insurance for damages because of bodily injury and property damage resulting from an accident arising out of the ownership, maintenance or use of an underinsured motor vehicle. Underinsured motorist coverage shall not apply to an uninsured motor vehicle. A motor vehicle is underinsured when the sum of the limits of liability under all bodily injury and property damage liability bonds and insurance policies available to a person against whom recovery is sought for bodily injury or property damage is, at the time of the accident, less than the applicable limits for underinsured motorist coverage afforded under the motor vehicle insurance policy held by the person seeking that recovery. A motor vehicle shall not be considered an underinsured motor vehicle under this section unless the limits of all bodily injury liability insurance or bonds applicable at the time of the accident have been exhausted by payment of settlements or judgments. The limits of underinsured motorist coverage available to an injured person shall be reduced by the amount he has recovered under all bodily injury liability insurance or bonds;

(2) "uninsured motor vehicle" means:

(a) a motor vehicle with respect to the ownership, operation, maintenance, or use of which there is no bodily injury liability

insurance or bond applicable at the time of the accident;

(b) a motor vehicle with respect to the ownership, operation, maintenance, or use of which there is bodily injury liability insurance in existence but the liability insurer denies coverage or is unable to make payment with respect to the legal liability of its insured because the insurer has become insolvent or bankrupt, or the Commissioner of Insurance has undertaken control of the insurer for the purpose of liquidation; or

(c) a hit and run motor vehicle as described in section 18 of P.L.1952, c.174 (C.39:6-78).

"Uninsured motor vehicle" shall not include an underinsured motor vehicle; a motor vehicle owned by or furnished for the regular use of the named insured or any resident of the same household; a self-insurer within the meaning of any financial responsibility or similar law of the state in which the motor vehicle is registered or principally garaged; a motor vehicle which is owned by the United States or Canada, or a state, political subdivision or agency of those governments or any of the foregoing; a land motor vehicle or trailer operated on rails or crawler treads; a motor vehicle used as a residence or stationary structure and not as a vehicle; or equipment or vehicles designed for use principally off public roads, except while actually upon public roads.

(cf: P.L.1988, c.119, s.11)

8. Section 3 of P.L.1952, c.173 (C.39:6-25) is amended to read as follows:

3. (a) If 20 days after the receipt of a report of a motor vehicle accident within this State which has resulted in bodily injury or death, or damage to the property of any one person in excess of $500.00, the director does not have on file evidence satisfactory to him that the person who would otherwise be required to file security under subsection (b) of this section has been released from liability, or has been finally adjudicated not to be liable, or has executed a duly acknowledged written agreement providing for the payment of an agreed amount in installments with respect to all claims for injuries or damages resulting from the accident, **[**and in the event of an accident involving an automobile, required to have coverage for personal injury protection benefits pursuant to P.L.1972, c.70 (C.39:6A-1 et seq.), has also reimbursed or has executed a duly acknowledged written agreement to pay an agreed amount in installments to reimburse the Unsatisfied Claim and Judgment Fund for the payment of all personal injury protection benefits the fund has made or shall make pursuant to section 7 or section 10 of P.L.1972, c.198 (C.39:6-86.1 and C.39:6-86.4) by reason of the failure of such person to have the requisite insurance coverage in effect,**]**the director shall determine the amount of security which may be necessary in his judgment to satisfy

any reimbursement, judgment or judgments for damages resulting from such accident as may be recovered against each operator or owner in view of the total insurance protection available to the injured party. The Director of the Division of Motor Vehicles shall promulgate such rules as may be necessary to set forth those instances where deposit of security is necessary.

(b) The director may, within 90 days after the receipt of such report of a motor vehicle accident, suspend the license of each operator and all registrations of each owner of a motor vehicle in any manner involved in such accident, and if such operator is a nonresident the privilege of operating a motor vehicle within this State, and if such owner is a nonresident the privilege of the use within this State of any motor vehicle owned by him, unless such operator or owner or both shall deposit security in the sum so determined by the director; provided, notice of such suspension shall be sent by the director to such operator and owner not less than 10 days prior to the effective date of such suspension and shall state the amount required as security. Where erroneous information is given the director with respect to the matters set forth in paragraph (1), (2) or (3) of subsection (c) of this section, he may take appropriate action as hereinbefore provided, within 90 days after receipt by him of correct information with respect to said matters.

(c) This section shall not apply under the conditions stated in section 4 of this act nor:

(1) To such operator or owner, if such owner had in effect, at the time of such accident, a motor vehicle liability policy with respect to the motor vehicle involved in such accident;

(2) To such operator, if not the owner of such motor vehicle, if there was in effect at the time of such accident a motor vehicle liability policy or bond with respect to his operation of motor vehicles not owned by him;

(3) To such operator or owner if the liability of such operator or owner for damages resulting from such accident is, in the judgment of the director, covered by any other form of liability insurance policy or bond; **[**nor**]** <u>or</u>

(4) To any person qualifying as a self-insurer under section 30 of this act, or to any person operating a motor vehicle for such self-insurer.

No such policy or bond shall be effective under this section unless issued by an insurance company or surety company authorized to do business in this State, except that if such motor vehicle was not registered in this State, or was a motor vehicle which was registered elsewhere than in this State at the effective date of the policy or bond, or the most recent renewal thereof, such policy or bond shall not be effective under this section unless the insurance company or surety company if not authorized to do business in this State shall execute a

power of attorney authorizing the director to accept service on its behalf of notice or process in any action upon such policy or bond arising out of such accident; provided, however, every such policy or bond is subject, if the accident has resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than $15,000.00 because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, to a limit of not less than $30,000.00 because of bodily injury to or death of two or more persons in any one accident, and, if the accident has resulted in injury to or destruction of property, to a limit of not less than**[**$5,000.00**]** $3,000.00 because of injury to or destruction of property of others in any one accident **[**and if policy or bond is applicable to an automobile required to have coverage for personal injury protection benefits pursuant to P.L.1972, c.70 (C.39:6A-1 et seq.), it shall include an amount to cover personal injury protection benefits as required by that act**]**.

(cf: P.L.1988, c.119, s.12)

9. Section 4 of P.L.1952, c.173 (C.39:6-26) is amended to read as follows:

4. The requirements as to security and suspension in section 3 of this act shall not apply:

(a) to the operator or the owner of a motor vehicle involved in an accident wherein no injury or damage was caused to the person or property of any one other than such operator or owner;

(b) to the operator or the owner of a motor vehicle legally parked at the time of the accident;

(c) to the owner of a motor vehicle if at the time of the accident the vehicle was being operated without his permission, express or implied, or was parked by a person who had been operating such motor vehicle without such permission; or to the operator if he was a chauffeur or operator employed by the owner of the motor vehicle and was operating with the permission of the owner**[**.**]**;

(d) if, prior to the date that the director would otherwise suspend license and registration or nonresident's operating privilege under section 3 of this act, there shall be filed with the director evidence satisfactory to him that the person who would otherwise have to file security has been released from liability or been finally adjudicated not to be liable or has executed a duly acknowledged written agreement providing for the payment of an agreed amount in installments, with respect to all claims for injuries or damages resulting from the accident **[**and with respect to an accident involving an automobile, required to have coverage for personal injury protection benefits pursuant to P.L.1972, c.70, has also reimbursed or executed a duly acknowledged written agreement to pay an agreed amount in installments to reimburse the Unsatisfied Claim and Judgment Fund for the payments

it has made or shall make pursuant to section 7 or section 10 of P.L.1972, c.198 (Assembly Bill No. 803 presently pending in the Legislature) by reason of the failure of such person to have the requisite insurance coverage in effect**]**.
(cf: P.L.1972, c. 199, s.2)

10. Section 5 of P.L.1952, c.173 (C.39:6-27) is amended to read as follows:

5. The license and registration and nonresident's operating privilege suspended as provided in section three of this act shall remain so suspended and shall not be renewed nor shall any such license or registration be issued to such person until:

(a) such person shall deposit or there shall be deposited on his behalf the security required under said section 3 of this act; or

(b) one year shall have elapsed following the date of such suspension and evidence satisfactory to the director has been filed with him that during such period no action for damages arising out of the accident has been instituted; or

(c) evidence satisfactory to the director has been filed with him of a release from liability, or a final adjudication of nonliability, or a duly acknowledged written agreement, in accordance with section 4(d) of P.L.1952, c.173 (C.39:6-26) **[**and with respect to an automobile required to have coverage for personal injury protection benefits pursuant to P.L.1972, c.70 has filed evidence satisfactory to the director that he has also met the additional requirements of section 4(d) of P.L.1952, c.173 (C.39:6-26) pertaining to such automobile**]**; provided, however, in the event there shall be any default in the payment of any installment under any duly acknowledged written agreement, then, upon notice of such default, the director shall forthwith suspend the license and registration or nonresident's operating privilege of such person defaulting which shall not be restored unless **[**and until**]**

(1) such person deposits and thereafter maintains security as required under said section 3 of this act in such amount as the director may then determine; or

(2) one year shall have elapsed following the date when such security was required and during such period no action upon such agreement has been instituted in a court in this State.

Subsections 5(b) and 5(c)(1) of this section shall not apply to amounts in reimbursement of the Unsatisfied Claim and Judgment Fund which remain unpaid after 1 year.
(cf: P.L.1972, c.199, s.3)

11. Section 8 of P.L.1952, c.173 (C.39:6-30) is amended to read as follows:

8. Security deposited in compliance with the requirements of this

act shall be applicable only to the payment of a judgment or judgments rendered against the person or persons on whose behalf the deposit was made, for damages arising out of the accident in question in a civil action, begun not later than 1 year after the date of such accident, or within 1 year after the date of deposit of any security under subparagraph (c) of section 5 of this act, or to the payment in settlement, agreed to by the depositor, of a claim or claims arising out of such accident **[**or to the reimbursement of the Unsatisfied Claim and Judgment Fund for the payment of personal injury protection benefits pursuant to section 7 or section 10 of P.L.1972, c.198 (Assembly Bill No. 803 presently pending in the Legislature)**]**. Such deposit or any balance thereof shall be returned to the depositor or his personal representative when evidence satisfactory to the director has been filed with him that there has been a release from liability, or a final adjudication of nonliability, or a duly acknowledged agreement in accordance with subparagraph (d) of section 4 of this act**[**, and in the event of an accident involving an automobile required to have coverage for personal injury protection benefits pursuant to P.L.1972, c.70, if the depositor has also met the additional requirements of section 4(d) of P.L.1952, c.173 (C.39:6-26) pertaining to such automobile or whenever, after the expiration of 1 year (1) from the date of the accident, or (2) from the date of any security under subparagraph (c) of section 5 of this act, the director shall be given reasonable evidence that there is no such action pending and no judgment rendered in such action left unpaid and no amount in reimbursement, to the Unsatisfied Claim and Judgment Fund for payment of personal injury protection benefits, remains unpaid by such person**]**.
(cf: P.L.1972, c.199, s.4)

12. Section 18 of P.L.1985, c.520 (C.17:28-1.4) is amended to read as follows:

18. Any insurer authorized to transact or transacting automobile or motor vehicle insurance business in this State, or controlling or controlled by, or under common control by, or with, an insurer authorized to transact or transacting insurance business in this State, which sells a policy providing automobile or motor vehicle liability insurance coverage, or any similar coverage, in any other state or in any province of Canada, shall include in each policy coverage to satisfy at least the liability insurance requirements of section 1 of P.L.1972, c.197 (C.39:6B-1) or **[**section 3 of P.L.1972, c.70 (C.39:6A-3),**]**the uninsured <u>and underinsured</u> motorist insurance requirements of subsection a. of section 2 of P.L.1968, c.385 (C.17:28-1.1)**[**, and personal injury protection benefits coverage pursuant to section 4 of P.L.1972, c.70 (C.39:6A-4) or of section 19 of P.L.1983, c.362 (C.17:28-1.3)**]**, whenever the automobile or motor

vehicle insured under the policy is used or operated in this State.

Any liability insurance policy subject to this section shall be construed as providing the coverage required herein**[**, and any named insured, and any immediate family member as defined in section 14.1 of P.L.1983, c.362 (C.39:6A-8.1), under that policy, shall be subject to the tort option specified in subsection a. of section 8 of P.L.1972, c.70 (C.39:6A-8)**]**.

Each insurer authorized to transact or transacting automobile or motor vehicle insurance business in this State and subject to the provisions of this section shall, within 30 days of the effective date of P.L.1985, c.520, file and maintain with the Department of Insurance written certification of compliance with the provisions of this section.

"Automobile" means an automobile as defined in section **[**2 of P.L.1972, c.70 (C.39:6A-2)**]**1 of P.L. , c. (C.)(pending before the Legislature as this bill).

(cf: P.L.1988, c.119, s.1)

13. (New section) The commissioner shall, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate rules and regulations as may be required to effectuate the purposes of this act.

14. (New section) This act shall be known and may be cited as the "Free Market Automobile Insurance Proposal Act."

15. The following are repealed:

P.L.1972, c.70 (C.39:6A-1 et seq.);

sections 9 through 11 inclusive of P.L.1972, c.203 (C.39:6A-19, 39:6A-20 and 39:6A-13.1);

section 1 of P.L.1983, c.212 (C.39:6A-4.1);

sections 12, 13, 14.1, 18, 19 and 20 of P.L.1983, c.362 (C.39:6A-4.2, 39:6A-4.3, 39:6A-8.1, 17:29A-15.1, 17:28-1.3, and 39:6A-9.1);

section 4 of P.L.1984, c.40 (C.39:6A-4.4);

section 14 of P.L.1985, c.520 (C.39:6A-4.5);

section 10 of P.L.1988, c.119 (C.39:6A-4.6); and

section 14 of P.L.1988, c.156 (C.17:29A-15.2).

16. Additionally, all acts or parts of acts which are inconsistent with the provisions of this act are repealed and superseded to the extent of such inconsistency.

17. This act shall take effect on the 180th day after enactment.

STATEMENT

This bill repeals the compulsory no-fault automobile insurance law; retains the requirement for personal injury and property damage liability insurance; and makes compulsory uninsured and underinsured automobile insurance coverage in the same amounts or limits as an insured's motor vehicle liability insurance coverage. The bill further requires motorists to carry automobile medical payment insurance, which is payable regardless of fault, in an amount or limit of at least $15,000. With respect to uninsured and underinsured motor vehicle insurance, the bill requires claims disputes to be settled through binding arbitration.

Under current law, the minimum required limits for motor vehicle liability insurance are $15,000 on account of injury to or death of one person in any one accident; $30,000 on account of injury to or death of more than one person in any one accident; and an amount or limit of $5,000 for damage to property in any one accident. The bill reduces the property damage limit requirement from $5,000 to $3,000.

"Free Market Automobile Insurance Proposal Act."