

SENATE, No. 1153

STATE OF NEW JERSEY

INTRODUCED MAY 16, 1996

By Senator KYRILLOS

1 AN ACT concerning the release to and use of motor vehicle  
2 information by insurers and supplementing chapter 3 of Title 39 of  
3 the Revised Statutes.

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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. As used in this act:

9 "Driver record information" means information maintained by the  
10 director with respect to licensed or previously licensed drivers,  
11 including, but not limited to: name; address; gender; date of birth;  
12 driver license number, type, issue date and expiration date; driver  
13 restrictions; and driving offenses including any record of penalty points  
14 maintained pursuant to section 2 of P.L.1982, c.43 (C.39:5-30.6) or  
15 any other violation of this Title.

16 "Insurance information business" means an insurance support  
17 organization pursuant to subsection m. of section 2 of P.L.1985, c.179  
18 (C.17:23A-2) or an organization which engages solely in the business  
19 of creating, maintaining, and purveying databases of information for  
20 use by insurers.

21 "Insurer" means a stock or mutual corporation or a reciprocal  
22 insurance exchange licensed, authorized, or admitted to conduct the  
23 business of insurance in this State pursuant to the provisions of subtitle  
24 3 of Title 17 of the Revised Statutes.

25 "Motor vehicle registration data" means all of the information  
26 maintained by the director with respect to registered or previously  
27 registered motor vehicles, including, but not limited to: registered  
28 owner's name; address; date of birth; driver license number; vehicle  
29 make, model, year, type; and vehicle identification number.

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31 2. The director is authorized to enter into agreements with  
32 insurance information businesses, insurers and their agents to receive,  
33 transmit and store driver record information and motor vehicle  
34 registration data electronically, on terms and conditions established by  
35 the director, and for fees that the director deems fair, reasonable and  
36 sufficient to defray the actual costs of administering this act.

37 Any organization or agent requesting information pursuant to this

1 act shall be preapproved by the director after registering with the  
2 division and providing proof that it is a bonafide insurance information  
3 business, insurer or agent, and such other information as the director  
4 may deem appropriate.

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6 3. An insurer may only use information received pursuant to  
7 section 2 of this act to:

8 a. Verify the accuracy of information provided to the insurer by  
9 applicants for motor vehicle insurance, persons covered or proposed  
10 to be covered under an automobile insurance policy issued by the  
11 insurer, or claimants under any such policy;

12 b. Determine whether or not to accept or continue a policy or risk;

13 c. Determine the proper rate for a policy or risk;

14 d. Determine whether to accept, deny or otherwise adjust a claim;

15 e. Determine whether or not to notify the Division of Insurance  
16 Fraud Prevention of a possible violation of the "New Jersey Insurance  
17 Fraud Prevention Act," P.L.1983, c.320 (C.17:33A-1 et seq.); or

18 f. For such other similar or related purposes deemed reasonable  
19 and appropriate by the director, after consulting with the  
20 Commissioner of the Department of Insurance, and specified in an  
21 agreement made pursuant to section 2 of this act.

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23 4. In addition or as an alternative to any other penalty, the director  
24 may impose a fine of up to \$5,000 for the first violation of section 3  
25 of this act, and not exceeding \$10,000 for each subsequent violation.

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27 5. This act shall take effect on the first day of the fifth month after  
28 enactment.

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31 **STATEMENT**

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33 This bill authorizes the Director of the Division of Motor Vehicles  
34 (DMV) to enter into agreements with insurance information  
35 businesses, insurers and their agents for the provision of driver record  
36 and motor vehicle registration information for automobile insurance  
37 purposes. It would permit insurers to use this information only for  
38 certain specified purposes, including underwriting and rating risks,  
39 evaluating claims, determining whether to file fraud reports with the  
40 Department of Insurance, and related purposes if approved by the  
41 director. Fines of up to \$5,000 and \$10,000 are imposed for  
42 unauthorized use of this information for the first and subsequent  
43 violations, respectively. The bill authorizes this information to be  
44 made available electronically and permits DMV to charge a fee for this  
45 information sufficient to cover the cost of providing it.

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3 Makes certain DMV information available to auto insurers.