SENATE, No. 1650

STATE OF NEW JERSEY

INTRODUCED OCTOBER 28, 1996

By Senators BENNETT, KOSCO, Girgenti, Martin and Kyrillos

AN ACT concerning reduced insurance rates for private passenger automobiles in certain cases and supplementing P.L.1990, c.8 (C.17:33B-1 et seq.).

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

1. a. No later than 180 days following the effective date of this act, every rate filing for private passenger automobile insurance shall contain at least a five percent reduction for personal injury protection coverage, bodily injury liability coverage, property damage coverage, and physical damage coverage for the successful completion, by the named insured or the principal operator of the insured automobile, if other than the named insured, of a classroom course conducted in accordance with the requirements promulgated pursuant to subsection b. of this section by a commercial drivers' school approved by the Director of the Division of Motor Vehicles and licensed pursuant to the provisions of P.L.1951, c.216 (C.39:12-1 et seq.).

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

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

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

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

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

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

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

STATEMENT

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

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

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

program and course curricula. The course must be at least six hours long and designed to promote safe driving, highway courtesy, an understanding of and respect for the State's motor vehicle laws, and instruction in the dangers of and penalties for drunk and drugged driving. To assist the director in promulgating these regulations, the bill establishes a task force consisting of representatives from the Driving School Association of New Jersey, the Office of Highway Traffic Safety in the Department of Law and Public Safety, the Department of Education, the Department of Transportation, the New Jersey State Safety Council, and the Automobile Association of America.

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

Requires insurance premium reductions for completion of certain driving courses.