

SENATE LAW AND PUBLIC SAFETY COMMITTEE

STATEMENT TO

SENATE, No. 1650

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 23, 1997

The Senate Law and Public Safety Committee reports favorably and with committee amendments Senate Bill No. 1650.

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 only to 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 provide private passenger automobile insurance rate reductions for persons who successfully complete approved defensive driving courses.

Under the committee amendments, an insured who qualified for a premium reduction under this bill would be permitted, at the end of the three year period, to take an approved defensive driving course and receive another premium reduction. The amendments also provide that subsequent completions of defensive driving courses would entitle the insured to subsequent discounts for additional three year periods. The committee amendments also amend the statute which provides the discount for completion of a defensive driving course to specify that the discount would be at least five percent, which is the discount currently authorized by regulations of the Commissioner of Insurance. The committee amendments also make changes that are technical in nature.