

ASSEMBLY INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR **SENATE, No. 1650 and ASSEMBLY, No. 2408**

STATE OF NEW JERSEY

DATED: NOVEMBER 6, 1997

The Assembly Insurance Committee reports favorably the Assembly Committee Substitute for Senate Bill No. 1650 and Assembly Bill No. 2408.

This committee substitute requires private passenger automobile insurers to provide at least a five percent premium reduction for first-time drivers who have successfully completed a high school driver education classroom course pursuant to N.J.S.18A:26-2 or first-time drivers who have successfully completed a driver education classroom course offered by a commercial driving school approved in accordance with the provisions of the bill. The reduction is available to the insured for a three-year period but an insurer may terminate the reduction if the insured's driver's license is suspended or he accumulates four or more motor vehicle penalty points within the three-year period. The foregoing provisions will not apply to any insured who qualifies for this premium reduction after the first day of the 48th month following the bill's effective date. The bill provides that financially impaired insurers would not be required to provide this premium reduction.

The bill requires the Director of the Division of Motor Vehicles to prescribe regulations for a classroom course offered by a commercial drivers' school pertaining to class size, course curricula and standards for satisfactory completion of the course. 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 driving under the influence of alcohol or drugs. In order to qualify as an approved course, the effectiveness of the course in terms of either reduced moving violation convictions or accident involvement, or both, by persons attending the classroom course must be demonstrated to the director.

The bill establishes a task force consisting of representatives from the Driving School Association of New Jersey, the Division 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 to assist the director in promulgating these regulations,.

The bill also provides that a person who qualifies for a premium reduction under this bill would be permitted, at the end of a three-year period, to take an approved defensive driving course and receive a subsequent premium reduction as provided in section 1 of P.L.1995, c.308 (C.17:33B-45.1).