

SENATE, No. 2006

STATE OF NEW JERSEY

INTRODUCED APRIL 17, 1997

By Senator ADLER

1 AN ACT concerning automobile insurance rates.

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

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6 1. a. Notwithstanding any other provision of law to the contrary,
7 rates and premiums for private passenger automobile insurance shall
8 be determined by the application of the following factors in decreasing
9 order of importance:

10 (1) The insured's driving safety record, including motor vehicle
11 points as provided in Title 39 of the Revised Statutes, at-fault
12 accidents and convictions pursuant to R.S.39:4-50 or section 2 of
13 P.L.1981, c.512 (C.39:4-50.4a) or offenses of a substantially similar
14 nature committed in another jurisdiction;

15 (2) The number of miles the insured drives annually;

16 (3) The type of private passenger automobile driven;

17 (4) Such other factors as the Commissioner of Banking and
18 Insurance may adopt by regulation which have a substantial
19 relationship to the risk of loss. The regulations shall also set forth the
20 respective weight to be given to each factor in determining automobile
21 insurance rates and premiums.

22 b. Notwithstanding any provision of subsection a. of this section
23 to the contrary, rates and premiums for private passenger automobile
24 insurance shall not be determined, in whole or in part, directly or
25 indirectly, upon the age, gender or marital status of the persons
26 insured.

27 c. The commissioner shall, no later than January 1, 1998,
28 promulgate a plan providing for the implementation of the provisions
29 of subsections a. and b. of this section which shall take effect no later
30 than one year following the date of promulgation.

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32 2. This act shall take effect immediately.

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STATEMENT

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37 This bill provides that rates and premiums for private passenger

1 automobile insurance shall be determined only on certain factors,
2 including: the insured's driving safety record; the number of miles
3 driven annually; the type of automobile driven; and such other factors
4 as the Commissioner of Banking and Insurance may adopt by
5 regulation which have a substantial relationship to the risk of loss.
6 The bill prohibits the use of age, gender or marital status as rating
7 factors.

8 In addition, the bill provides that the commissioner shall promulgate
9 a plan providing for the implementation of this rating system, which
10 shall take effect no later than one year following the date of the plan's
11 promulgation.

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16 Establishes system for determining automobile insurance rates.