

**SENATE, No. 3408**

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**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

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INTRODUCED FEBRUARY 4, 2021

**Sponsored by:**

**Senator NICHOLAS P. SCUTARI**

**District 22 (Middlesex, Somerset and Union)**

**SYNOPSIS**

Requires consultation with insurance producer or provision of cost benefit analysis prior to sale of automobile insurance policy.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning automobile insurance and supplementing  
2 R.S.17:28-1.

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

6  
7 1. a. Except as provided in subsection b. of this section, no  
8 insurer shall issue a policy of motor vehicle liability insurance to an  
9 individual unless the individual consults with an insurance producer  
10 licensed pursuant to the "New Jersey Insurance Producer Licensing  
11 Act of 2001," P.L.2001, c.210 (C.17:22A-26 et seq.) about the  
12 policy prior to purchase.

13 b. Notwithstanding the provisions of subsection a. of this  
14 section to the contrary, an insurer may sell a policy of insurance  
15 through an internet website to an individual who has not consulted  
16 with an insurance producer if the insurer provides the individual  
17 with a cost benefit analysis prior to selling the policy of insurance.

18 c. The Department of Banking and Insurance shall adopt rules  
19 and regulations pursuant to the "Administrative Procedure Act,"  
20 P.L.1968, c.410 (C.52:14B-1 et seq.), to determine what constitutes  
21 a consultation and a cost benefit analysis and to effectuate the  
22 provisions of this act.

23 d. As used in this section, "insurer" means any insurer  
24 authorized or admitted to write motor vehicle insurance in this  
25 State, but does not include the New Jersey Automobile Full  
26 Insurance Underwriting Association created pursuant to sections 13  
27 through 34 of P.L.1983, c.65 (C.17:30E-1 et seq.) or any residual  
28 market mechanism implemented pursuant to section 1 of P.L.1970,  
29 c.215 (C.17:29D-1).

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31 2. This act shall take effect immediately.

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#### STATEMENT

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36 This bill prohibits an automobile insurer from issuing a policy of  
37 motor vehicle liability insurance to an individual unless the  
38 individual consults with an insurance producer about the policy  
39 prior to purchase.

40 In addition, the bill permits an insurer to sell a policy of  
41 insurance through an internet website to an individual who has not  
42 consulted with an insurance producer if the insurer provides the  
43 individual with a cost benefit analysis prior to selling the policy of  
44 insurance.