

ASSEMBLY, No. 833

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

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District 15 (Hunterdon and Mercer)

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Co-Sponsored by:

Assemblyman Verrelli

SYNOPSIS

Concerns automobile insurance practices.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning automobile insurance practices and
2 supplementing Title 17 of the Revised Statutes.

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

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7 1. The Commissioner of Banking and Insurance shall conduct
8 an investigation of practices of the automobile insurance industry of
9 this State in regard to increases in automobile insurance premiums
10 for drivers who have had motor vehicle driver's license suspensions
11 and prepare a comparison between increases for drivers whose
12 suspensions are for offenses relating to driving and increases for
13 drivers whose suspensions are for offenses not related to driving.
14 As part of the investigation, the commissioner shall evaluate the use
15 of credit ratings and addresses in determining automobile insurance
16 premiums for drivers. In performing the investigation, the
17 commissioner shall determine whether factors such as non-driving
18 related suspensions and credit ratings justify an increase in
19 automobile insurance premiums. A report of the findings of the
20 investigation shall be transmitted to the Governor and, pursuant to
21 section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature no
22 later than two years after the start of the investigation.

23

24 2. This act shall take effect on the first day of the sixth month
25 after enactment and shall expire on the 90th day following
26 transmittal of the report required by section 1 of this act.

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STATEMENT

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31 This bill requires the Department of Banking and Insurance to
32 conduct an investigation of practices of the automobile insurance
33 industry in regard to increases in automobile insurance premiums
34 for drivers who have had motor vehicle driver's license suspensions
35 for any reason — either driving related or not. Further, the
36 commissioner of the department is to investigate the use of credit
37 ratings and addresses in determining premiums for drivers. In
38 performing its investigation, the department is to determine whether
39 increases are justified for certain offenses not related to driving
40 including credit ratings.

41 This bill was prompted by a recommendation from the Motor
42 Vehicles Affordability and Fairness Task Force.