

ASSEMBLY, No. 5650

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MAY 12, 2021

Sponsored by:

Assemblywoman JOANN DOWNEY

District 11 (Monmouth)

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:

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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.