SENATE, No. 782

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
Senator NICHOLAS P. SCUTARI
District 22 (Middlesex, Somerset and Union)

SYNOPSIS

Repeals no-fault automobile insurance law and requires mandatory liability insurance law for motor vehicles.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

AN ACT concerning automobile insurance and revising various parts of the statutory law.

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

1. Section 1 of P.L.1972, c.197 (C.39:6B-1) is amended to read as follows:

1. a. Every owner or registered owner of a motor vehicle registered or principally garaged in this State shall maintain motor vehicle liability insurance coverage, under provisions approved by the Commissioner of Banking and Insurance, insuring against loss resulting from liability imposed by law for bodily injury, death and property damage sustained by any person arising out of the ownership, maintenance, operation or use of a motor vehicle wherein such coverage shall be at least in: (1) an amount or limit of **[**$15,000.00**]** $100,000, exclusive of interest and costs, on account of injury to, or death of, one person, in any one accident; and (2) an amount or limit, subject to such limit for any one person so injured or killed, of **[**$30,000.00**]** $200,000, exclusive of interest and costs, on account of injury to or death of, more than one person, in any one accident; and (3) an amount or limit of $5,000.00, exclusive of interest and costs, for damage to property in any one accident.

b. **[**Notwithstanding the provisions of subsection a. of this section, an owner or registered owner of an automobile, as defined in section 2 of P.L.1972, c.70 (C.39:6A-2), registered or primarily garaged in the State may satisfy the requirements of subsection a. of this section by maintaining a basic automobile insurance policy containing coverages provided pursuant to subsections a. and b. of section 4 of P.L.1998, c.21 (C.39:6A-3.1).**]** (Deleted by amendment, P.L. , c.) (pending before the Legislature as this bill)

c. **[**Notwithstanding the provisions of subsection a. of this section, an owner or registered owner of an automobile, as defined in section 2 of P.L.1972, c.70 (C.39:6A-2), registered or primarily garaged in the State may satisfy the requirements of subsection a. of this section by maintaining a special automobile insurance policy containing coverages provided pursuant to subsection b. of section 45 of P.L.2003, c.89 (C.39:6A-3.3).**]** (Deleted by amendment, P.L., c.) (pending before the Legislature as this bill)

(cf: P.L.2003, c.89, s.60)

2. Section 2 of P.L.1968, c.385 (C.17:28-1.1) is amended to read as follows:

2. a. **[**Except for a basic automobile insurance policy, no**]** No

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

motor vehicle liability policy or renewal of such policy of insurance, including a [standard] liability policy for an automobile [as defined in section 2 of P.L.1972, c.70 (C.39:6A-2)], insuring against loss resulting from liability imposed by law for bodily injury or death, sustained by any person arising out of the ownership, maintenance, operation or use of a motor vehicle, shall be issued in this State with respect to any motor vehicle registered or principally garaged in this State unless it includes coverage in limits for bodily injury or death at least as follows:

(1) an amount or limit of [$15,000.00] $100,000, exclusive of interest and costs, on account of injury to, or death of, one person, in any one accident, and

(2) an amount or limit, subject to such limit for any one person so injured or killed, of [$30,000.00] $200,000, exclusive of interest and costs, on account of injury to or death of more than one person, in any one accident, under provisions approved by the Commissioner of Banking and Insurance, for payment of all or part of the sums which the insured or his legal representative shall be legally entitled to recover as damages from the operator or owner of an uninsured motor vehicle, or hit and run motor vehicle, as defined in section 18 of P.L.1952, c.174 (C.39:6-78), because of bodily injury, sickness or disease, including death resulting therefrom, sustained by the insured, caused by accident and arising out of the ownership, maintenance, operation or use of such uninsured or hit and run motor vehicle anywhere within the United States or Canada [; except that uninsured motorist coverage shall provide that in order to recover for non-economic loss, as defined in section 2 of P.L.1972, c.70 (C.39:6A-2), for accidents to which the benefits of section 4 (C.39:6A-4) of that act apply, the tort option elected pursuant to section 8 (C.39:6A-8) of that act shall apply to that injured person].

All motor vehicle liability policies [, except basic automobile insurance policies,] shall also include coverage for the payment of all or part of the sums which persons insured thereunder shall be legally entitled to recover as damages from owners or operators of uninsured motor vehicles, other than hit and run motor vehicles, because of injury to or destruction to the personal property of such insured, with a limit in the aggregate for all insurers involved in any one accident of $5,000.00, and subject, for each insured, to an exclusion of the first $500.00 of such damages.

b. Uninsured and underinsured motorist coverage shall be provided [as an option by an insurer] to the named insured [electing a standard automobile insurance policy up to at least the following limits: $250,000.00 each person and $500,000.00 each accident for bodily injury; $100,000.00 each accident for property damage or $500,000.00 single limit] in amounts or limits equal to the insured's motor vehicle liability coverage, subject to an

exclusion of the first $500.00 of such damage to property for each accident[, except that the limits for uninsured and underinsured motorist coverage shall not exceed the insured's motor vehicle liability policy limits for bodily injury and property damage, respectively].

Rates for uninsured and underinsured motorist coverage for the same limits shall, for each filer, be uniform on a Statewide basis without regard to classification or territory.

c. Uninsured and underinsured motorist coverage provided for in this section shall not be increased by stacking the limits of coverage of multiple motor vehicles covered under the same policy of insurance nor shall these coverages be increased by stacking the limits of coverage of multiple policies available to the insured. If the insured had uninsured motorist coverage available under more than one policy, any recovery shall not exceed the higher of the applicable limits of the respective coverages and the recovery shall be prorated between the applicable coverages as the limits of each coverage bear to the total of the limits.

d. Uninsured and underinsured motorist coverage shall be subject to the policy terms, conditions and exclusions approved by the Commissioner of Banking and Insurance, including, but not limited to, unauthorized settlements, non-duplication of coverage, subrogation and arbitration.

e. For the purpose of this section, (1) "underinsured motorist coverage" means insurance for damages because of bodily injury and property damage resulting from an accident arising out of the ownership, maintenance, operation or use of an underinsured motor vehicle. [Underinsured motorist coverage shall not apply to an uninsured motor vehicle.] A motor vehicle is underinsured when the sum of the limits of liability under all bodily injury and property damage liability bonds and insurance policies available to a person against whom recovery is sought for bodily injury or property damage is, at the time of the accident, less than the applicable limits for underinsured motorist coverage afforded under the motor vehicle insurance policy held by the person seeking that recovery. A motor vehicle shall not be considered an underinsured motor vehicle under this section unless the limits of all bodily injury liability insurance or bonds applicable at the time of the accident have been exhausted by payment of settlements or judgments. The limits of underinsured motorist coverage available to an injured person shall be reduced by the amount he has recovered under all bodily injury liability insurance or bonds;

(2) "uninsured motor vehicle" means:

(a) a motor vehicle with respect to the ownership, operation, maintenance, or use of which there is no bodily injury liability insurance or bond applicable at the time of the accident;

(b) a motor vehicle with respect to the ownership, operation, maintenance, or use of which there is bodily injury liability

insurance in existence but the liability insurer denies coverage or is unable to make payment with respect to the legal liability of its insured because the insurer has become insolvent or bankrupt, or the Commissioner of Banking and Insurance has undertaken control of the insurer for the purpose of liquidation;

(c) a hit and run motor vehicle as described in section 18 of P.L.1952, c.174 (C.39:6-78); or

(d) an automobile covered by a special automobile insurance policy pursuant to section 45 of P.L.2003, c.89 (C.39:6A-3.3).

"Uninsured motor vehicle" shall not include an automobile covered by a basic automobile insurance policy; an underinsured motor vehicle; a motor vehicle owned by or furnished for the regular use of the named insured or any resident of the same household; a self-insurer within the meaning of any financial responsibility or similar law of the state in which the motor vehicle is registered or principally garaged; a motor vehicle which is owned by the United States or Canada, or a state, political subdivision or agency of those governments or any of the foregoing; a land motor vehicle or trailer operated on rails or crawler treads; a motor vehicle used as a residence or stationary structure and not as a vehicle; or equipment or vehicles designed for use principally off public roads, except while actually upon public roads.

f. Notwithstanding the provisions of this section or any other law to the contrary, a motor vehicle liability policy or renewal of such policy of insurance, insuring against loss resulting from liability imposed by law for bodily injury or death, sustained by any person arising out of the ownership, maintenance or use of a motor vehicle, issued in this State to a corporate or business entity with respect to any motor vehicle registered or principally garaged in this State, shall not provide less uninsured or underinsured motorist coverage for an individual employed by the corporate or business entity than the coverage provided to the named insured under the policy. A policy that names a corporate or business entity as a named insured shall be deemed to provide the maximum uninsured or underinsured motorist coverage available under the policy to an individual employed by the corporate or business entity, regardless of whether the individual is an additional named insured under that policy or is a named insured or is covered under any other policy providing uninsured or underinsured motorist coverage.

(cf: P.L.2007, c.163, s.1)

3. Section 18 of P.L.1985, c.520 (C.17:28-1.4) is amended to read as follows:

18. Any insurer authorized to transact or transacting automobile or motor vehicle insurance business in this State, or controlling or controlled by, or under common control by, or with, an insurer authorized to transact or transacting insurance business in this State, which sells a policy providing automobile or motor vehicle liability

insurance coverage, or any similar coverage, in any other state or in any province of Canada, shall include in each policy coverage to satisfy at least the [personal injury protection benefits coverage pursuant to section 4 of P.L.1972, c.70 (C.39:6A-4) or section 19 of P.L.1983, c.362 (C.17:28-1.3) for any New Jersey resident who is not required to maintain personal injury protection coverage pursuant to section 4 of P.L.1972, c.70 (C.39:6A-4) or section 4 of P.L.1998, c.21 (C.39:6A-3.1) and who is not otherwise eligible for such benefits, whenever the automobile or motor vehicle insured under the policy is used or operated in this State. In addition, any insurer authorized to transact or transacting automobile or motor vehicle insurance business in this State, or controlling or controlled by, or under common control by, or with, an insurer authorized to transact or transacting automobile or motor vehicle insurance business in this State, which sells a policy providing automobile or motor vehicle liability insurance coverage, or any similar coverage, in any other state or in any province of Canada, shall include in each policy coverage to satisfy at least the] liability insurance requirements of [subsection a. of] section 1 of P.L.1972, c.197 (C.39:6B-1) [or section 3 of P.L.1972, c.70 (C.39:6A-3), the uninsured motorist insurance requirements of subsection a. of section 2 of P.L.1968, c.385 (C.17:28-1.1), and personal injury protection benefits coverage pursuant to section 4 of P.L.1972, c.70 (C.39:6A-4) or of section 19 of P.L.1983, c.362 (C.17:28-1.3),] whenever the automobile or motor vehicle insured under the policy is used or operated in this State.

Any liability insurance policy subject to this section shall be construed as providing the coverage required herein[, and any named insured, and any immediate family member as defined in section 14.1 of P.L.1983, c.362 (C.39:6A-8.1), under that policy, shall be subject to the tort option specified in subsection a. of section 8 of P.L.1972, c.70 (C.39:6A-8)].

Each insurer authorized to transact or transacting automobile or motor vehicle insurance business in this State and subject to the provisions of this section shall file and maintain with the Department of Banking and Insurance written certification of compliance with the provisions of this section.

"Automobile" means [an automobile as defined in section 2 of P.L.1972, c.70 (C.39:6A-2)] a private passenger automobile of a private passenger or station wagon type that is owned or hired and is neither used as a public or livery conveyance for passengers nor rented to others with a driver; and a motor vehicle with a pickup body, a delivery sedan, a van, or a panel truck or a camper type vehicle used for recreational purposes owned by an individual or by husband and wife who are residents of the same household, not customarily used in the occupation, profession or business of the insured other than farming or ranching. An automobile owned by a

farm family copartnership or corporation, which is principally garaged on a farm or ranch and otherwise meets the definitions contained in this section, shall be considered a private passenger automobile owned by two or more relatives resident in the same household**.**

(cf: P.L.1998, c.21, s.72)

4. Section 12 of P.L.1974, c.17 (C.17:30A-12) is amended to read as follows:

12. a. Any person having a covered claim which may be recovered from more than one insurance guaranty association or its equivalent shall be required to exhaust first his rights under the statute governing the association of the place of residence of the insured at the time of the insured event except that if it is a first party claim for damage to property with a permanent location, he shall seek recovery first from the association of the location of the property. If recovery is denied or deferred by that association, a person may proceed to seek recovery from any other insurance guaranty association or its equivalent from which recovery may be legally sought.

b. Any person having a claim**[**, except for a claim for coverage for personal injury protection benefits issued pursuant to section 4 of P.L.1972, c.70 (C.39:6A-4) and section 4 of P.L.1998, c.21 (C.39:6A-3.1)**]**, under an insurance policy other than a policy of an insolvent insurer, shall be required to exhaust first his right under that other policy.

For purposes of this subsection b., a claim under an insurance policy shall include a claim under any kind of insurance, whether it is a first-party or third-party claim, and shall include without limitation, general liability, accident and health insurance, workers' compensation, health benefits plan coverage, primary and excess coverage, if applicable, and all other private, group or governmental coverages **[**except coverage for personal injury protection benefits issued pursuant to section 4 of P.L.1972, c.70 (C.39:6A-4) and section 4 of P.L.1998, c.21 (C.39:6A-3.1)**]**.

(cf: P.L.2004, c.175, s.7.)

5. Section 3 of P.L.1952, c.173 (C.39:6-25) is amended to read as follows:

3. (a) If 20 days after the receipt of a report of a motor vehicle accident within this State which has resulted in bodily injury or death, or damage to the property of any one person in excess of $500.00, the director does not have on file evidence satisfactory to him that the person who would otherwise be required to file security under subsection (b) of this section has been released from liability, or has been finally adjudicated not to be liable, or has executed a duly acknowledged written agreement providing for the payment of an agreed amount in installments with respect to all claims for

injuries or damages resulting from the accident, [and in the event of an accident involving an automobile, required to have coverage for personal injury protection benefits pursuant to P.L.1972, c.70 (C.39:6A-1 et seq.), has also reimbursed or has executed a duly acknowledged written agreement to pay an agreed amount in installments to reimburse the Unsatisfied Claim and Judgment Fund for the payment of all personal injury protection benefits the fund has made or shall make pursuant to section 7 or section 10 of P.L.1972, c.198 (C.39:6-86.1 and C.39:6-86.4) by reason of the failure of such person to have the requisite insurance coverage in effect,] the [director] chief administrator shall determine the amount of security which may be necessary in his judgment to satisfy any reimbursement, judgment or judgments for damages resulting from such accident as may be recovered against each operator or owner in view of the total insurance protection available to the injured party. The [Director of the Division of Motor Vehicles] Chief Administrator of the New Jersey Motor Vehicle Commission shall promulgate such rules as may be necessary to set forth those instances where deposit of security is necessary.

(b) The [director] chief administrator may, within 90 days after the receipt of such report of a motor vehicle accident, suspend the license of each operator and all registrations of each owner of a motor vehicle in any manner involved in such accident, and if such operator is a nonresident the privilege of operating a motor vehicle within this State, and if such owner is a nonresident the privilege of the use within this State of any motor vehicle owned by him, unless such operator or owner or both shall deposit security in the sum so determined by the [director] chief administrator; provided, notice of such suspension shall be sent by the [director] chief administrator to such operator and owner not less than 10 days prior to the effective date of such suspension and shall state the amount required as security. Where erroneous information is given the director with respect to the matters set forth in paragraph (1), (2) or (3) of subsection (c) of this section, he may take appropriate action as hereinbefore provided, within 90 days after receipt by him of correct information with respect to said matters.

(c) This section shall not apply under the conditions stated in section 4 of this act nor:

(1) To such operator or owner, if such owner had in effect, at the time of such accident, a motor vehicle liability policy with respect to the motor vehicle involved in such accident;

(2) To such operator, if not the owner of such motor vehicle, if there was in effect at the time of such accident a motor vehicle liability policy or bond with respect to his operation of motor vehicles not owned by him;

(3) To such operator or owner if the liability of such operator or owner for damages resulting from such accident is, in the judgment

of the [director] chief administrator, covered by any other form of liability insurance policy or bond; [nor] or

(4) To any person qualifying as a self-insurer under section 30 of this act, or to any person operating a motor vehicle for such self-insurer.

No such policy or bond shall be effective under this section unless issued by an insurance company or surety company authorized to do business in this State, except that if such motor vehicle was not registered in this State, or was a motor vehicle which was registered elsewhere than in this State at the effective date of the policy or bond, or the most recent renewal thereof, such policy or bond shall not be effective under this section unless the insurance company or surety company if not authorized to do business in this State shall execute a power of attorney authorizing the [director] chief administrator to accept service on its behalf of notice or process in any action upon such policy or bond arising out of such accident; provided, however, every such policy or bond is subject, if the accident has resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than [$15,000.00] $100,000 because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, to a limit of not less than [$30,000.00] $200,000 because of bodily injury to or death of two or more persons in any one accident, and, if the accident has resulted in injury to or destruction of property, to a limit of not less than $5,000.00 because of injury to or destruction of property of others in any one accident [and if policy or bond is applicable to an automobile required to have coverage for personal injury protection benefits pursuant to P.L.1972, c.70 (C.39:6A-1 et seq.), it shall include an amount to cover personal injury protection benefits as required by that act].

(cf: P.L.1988, c.119, s.12)

6. Section 4 of P.L.1952, c.173 (C.39:6-26) is amended to read as follows:

4. The requirements as to security and suspension in section 3 of [this act] P.L.1952, c.173 (C.39:6-25) shall not apply:

(a) to the operator or the owner of a motor vehicle involved in an accident wherein no injury or damage was caused to the person or property of any one other than such operator or owner;

(b) to the operator or the owner of a motor vehicle legally parked at the time of the accident;

(c) to the owner of a motor vehicle if at the time of the accident the vehicle was being operated without his permission, express or implied, or was parked by a person who had been operating such motor vehicle without such permission; or to the operator if he was a chauffeur or operator employed by the owner of the motor vehicle and was operating with the permission of the owner[.];

(d) if, prior to the date that the ⟦director⟧ chief administrator would otherwise suspend license and registration or nonresident's operating privilege under section 3 of ⟦this act⟧ P.L.1952, c.173 (C.39:6-25), there shall be filed with the ⟦director⟧ chief administrator evidence satisfactory to him that the person who would otherwise have to file security has been released from liability or been finally adjudicated not to be liable or has executed a duly acknowledged written agreement providing for the payment of an agreed amount in installments, with respect to all claims for injuries or damages resulting from the accident ⟦and with respect to an accident involving an automobile, required to have coverage for personal injury protection benefits pursuant to P.L.1972, c.70, has also reimbursed or executed a duly acknowledged written agreement to pay an agreed amount in installments to reimburse the Unsatisfied Claim and Judgment Fund for the payments it has made or shall make pursuant to section 7 or section 10 of P.L.1972, c.198 (Assembly Bill No. 803 presently pending in the Legislature) by reason of the failure of such person to have the requisite insurance coverage in effect⟧.

(cf: P.L.1972, c.199, s.2)

7. Section 5 of P.L.1952, c.173 (C.39:6-27) is amended to read as follows:

5. The license and registration and nonresident's operating privilege suspended as provided in section ⟦three⟧ 3 of ⟦this act⟧ P.L.1952, c.173 (C.39:6-25) shall remain so suspended and shall not be renewed nor shall any such license or registration be issued to such person until:

(a) such person shall deposit or there shall be deposited on his behalf the security required under said section 3 of ⟦this act⟧ P.L.1952, c.173 (C.39:6-25); or

(b) one year shall have elapsed following the date of such suspension and evidence satisfactory to the ⟦director⟧ chief administrator has been filed with him that during such period no action for damages arising out of the accident has been instituted; or

(c) evidence satisfactory to the ⟦director⟧ chief administrator has been filed with him of a release from liability, or a final adjudication of nonliability, or a duly acknowledged written agreement, in accordance with section 4(d) of P.L.1952, c. 173 (C.39:6-26) ⟦and with respect to an automobile required to have coverage for personal injury protection benefits pursuant to P.L.1972, c.70 has filed evidence satisfactory to the director that he has also met the additional requirements of section 4(d) of P.L.1952, c.173 (C.39:6-26) pertaining to such automobile⟧; provided, however, in the event there shall be any default in the payment of any installment under any duly acknowledged written agreement, then, upon notice of such default, the ⟦director⟧ chief

administrator shall forthwith suspend the license and registration or nonresident's operating privilege of such person defaulting which shall not be restored unless [and until]

(1) such person deposits and thereafter maintains security as required under said section 3 of [this act] P.L.1952, c.173 (C.39:6-25) in such amount as the [director] chief administrator may then determine; or

(2) one year shall have elapsed following the date when such security was required and during such period no action upon such agreement has been instituted in a court in this State.

Subsections 5(b) and 5(c)(1) of this section shall not apply to amounts in reimbursement of the Unsatisfied Claim and Judgment Fund which remain unpaid after [1] one year.

(cf: P.L.1972, c.199, s.3)

8. Section 8 of P.L.1952, c.173 (C.39:6-30) is amended to read as follows:

8. Security deposited in compliance with the requirements of [this act] P.L.1952, c.173 (C.39:6-23 et seq.) shall be applicable only to the payment of a judgment or judgments rendered against the person or persons on whose behalf the deposit was made, for damages arising out of the accident in question in a civil action, begun not later than [1] one year after the date of such accident, or within [1] one year after the date of deposit of any security under [subparagraph] subsection (c) of section 5 of [this act] P.L.1952, c.173 (C.39:6-27), or to the payment in settlement, agreed to by the depositor, of a claim or claims arising out of such accident [or to the reimbursement of the Unsatisfied Claim and Judgment Fund for the payment of personal injury protection benefits pursuant to section 7 or section 10 of P.L.1972, c.192 (Assembly Bill No. 803 presently pending in the Legislature)]. Such deposit or any balance thereof shall be returned to the depositor or his personal representative when evidence satisfactory to the director has been filed with him that there has been a release from liability, or a final adjudication of nonliability, or a duly acknowledged agreement in accordance with [subparagraph] subsection (d) of section 4 of [this act, and in the event of an accident involving an automobile required to have coverage for personal injury protection benefits pursuant to P.L.1972, c.70, if the depositor has also met the additional requirements of section 4(d) of P.L.1952, c.173 (C.39:6-26) pertaining to such automobile] P.L.1952, c.173 (C.39:6-26)or whenever, after the expiration of [1] one year (1) from the date of the accident, or (2) from the date of any security under [subparagraph] subsection (c) of section 5 of this act, the director shall be given reasonable evidence that there is no such action pending and no judgment rendered in such action left unpaid [and no amount in reimbursement, to the Unsatisfied Claim and

Judgment Fund for payment of personal injury protection benefits, remains unpaid by such person**]**.
(cf: P.L.1972, c.199, s.4)

9. Section 2 of P.L.1952, c.174 (C.39:6-62) is amended to read as follows:

2. Definitions. As used in this act:

"Association" means the New Jersey Property-Liability Insurance Guaranty Association created pursuant to P.L.1974, c.17 (C.17:30A-1 et seq.).

"Commissioner" means the Commissioner of Banking and Insurance.

"Unsatisfied Claim and Judgment Fund" or "Fund" means the fund derived from the sources specified in **[**this act**]** P.L.1952, c.174 (C.39:6-61 et seq.).

"Qualified person" means a resident of this State or the owner of a motor vehicle registered in this State or a resident of another state, territory, or federal district of the United States or province of Canada or of a foreign country, in which recourse is afforded, to residents of this State, of substantially similar character to that provided for by this act; provided, however, that no person shall be a qualified person where such person is an insured under a policy provision providing coverage for damages sustained by the insured as a result of the operation of an uninsured motor vehicle in a form authorized to be included in automobile liability policies of insurance delivered or issued for delivery in this State, pursuant to the provisions of, or any supplement to, chapter 28 of Title 17 of the Revised Statutes or in a form substantially similar thereto.

"Uninsured motor vehicle" means a motor vehicle as to which there is not in force a liability policy meeting the requirements of section 3 or 26 of the "Motor Vehicle Security-Responsibility Law," P.L.1952, c.173 (C.39:6-25 or C.39:6-48), and which is not owned by a holder of a certificate of self-insurance under said law**[**, but shall not include a motor vehicle with a policy in force which is insured pursuant to section 4 of P.L.1998, c.21 (C.39:6A-3.1)**]**.

"Person" includes natural persons, firms, copartnerships, associations and corporations.

"Insurer" means any insurer authorized in this State to write the kinds of insurance specified in paragraphs d. and e. of R.S.17:17-1.

"Net direct written premiums" means direct gross premiums written on policies, insuring against legal liability for bodily injury or death and for damage to property arising out of the ownership, operation or maintenance of motor vehicles, which are principally garaged in this State, less return premiums thereon and dividends paid to policyholders on such direct business.
(cf: P.L.2003, c.89, s.8.)

10. Section 10 of P.L.1952, c.174 (C.39:6-70) is amended to read as follows:

10. Hearing on application for payment of judgment. The court shall proceed upon such application, in a summary manner, and, upon the hearing thereof, the applicant shall be required to show:

(a) He is not a person covered with respect to such injury or death by any workers' compensation law, or the personal representative of such a person,

(b) He is not a spouse, parent or child of the judgment debtor, or the personal representative of such spouse, parent or child,

(c) He was not at the time of the accident a person (1) operating or riding in a motor vehicle which he had stolen or participated in stealing or (2) operating or riding in a motor vehicle without the permission of the owner, and is not the personal representative of such a person,

(d) He was not at the time of the accident, the owner or registrant of an uninsured motor vehicle, or was not operating a motor vehicle in violation of an order of suspension or revocation,

(e) He has complied with all of the requirements of section 5 of P.L.1952, c.174 (C.39:6-65),

(f) The judgment debtor at the time of the accident was not insured under a policy of automobile liability insurance under the terms of which the insurer is liable to pay in whole or in part the amount of the judgment,

(g) He has obtained a judgment as set out in section 9 of **[**this act**]** P.L.1952, c.174 (C.39:6-69), stating the amount thereof and the amount owing thereon at the date of the application,

(h) He has caused to be issued a writ of execution upon said judgment and the sheriff or officer executing the same has made a return showing that no personal or real property of the judgment debtor, liable to be levied upon in satisfaction of the judgment, could be found or that the amount realized on the sale of them or of such of them as were found, under said execution, was insufficient to satisfy the judgment, stating the amount so realized and the balance remaining due on the judgment after application thereon of the amount realized,

(i) He has caused the judgment debtor to make discovery under oath, pursuant to law, concerning his personal property and as to whether such judgment debtor was at the time of the accident insured under any policy or policies of insurance described in subsection (f) of this section,

(j) He has made all reasonable searches and inquiries to ascertain whether the judgment debtor is possessed of personal or real property or other assets, liable to be sold or applied in satisfaction of the judgment,

(k) By such search he has discovered no personal or real property or other assets, liable to be sold or applied or that he has discovered certain of them, describing them, owned by the

judgment debtor and liable to be so sold and applied and that he has taken all necessary action and proceedings for the realization thereof and that the amount thereby realized was insufficient to satisfy the judgment, stating the amount so realized and the balance remaining due on the judgment after application of the amount realized,

(l) The application is not made by or on behalf of any insurer by reason of the existence of a policy of insurance, whereby the insurer is liable to pay, in whole or in part, the amount of the judgment and that no part of the amount to be paid out of the fund is sought in lieu of making a claim or receiving a payment which is payable by reason of the existence of such a policy of insurance and that no part of the amount so sought will be paid to an insurer to reimburse or otherwise indemnify the insurer in respect of any amount paid or payable by the insurer by reason of the existence of such a policy of insurance,

(m) Whether or not he has recovered a judgment in an action against any other person against whom he has a cause of action in respect of his damages for bodily injury or death or damage to property arising out of the accident and what amounts, if any, he has received by way of payments upon the judgment, or by way of settlement of such cause of action, in whole or in part, from or on behalf of such other person,

(n) **[**In order to recover for noneconomic loss, as defined in section 2 of P.L.1972, c.70 (C.39:6A-2) for accidents to which the benefits of sections 7 and 10 of P.L.1972, c.198 (C.39:6-86.1 and C.39:6-86.4) apply, the injured person shall have sustained an injury described in subsection a. of section 8 of P.L.1972, c.70 (C.39:6A-8).**]** (Deleted by amendment, P.L. , c. .) (pending before the Legislature as this bill)

Whenever the applicant satisfies the court that it is not possible to comply with one or more of the requirements enumerated in subsections (h) and (i) of this section and that the applicant has taken all reasonable steps to collect the amount of the judgment or the unsatisfied part thereof and has been unable to collect the same, the court may dispense with the necessity for complying with such requirements.

The association may appear and be heard on application and show cause why the order should not be made.

(cf: P.L.2003, c.89, s.15)

11. The following sections are repealed:

Sections 25 through 33 and section 51 of P.L.1990, c.8 (C.17:33B-13 through 17:33B-21, and 17:33B-42);

Sections 7 through 12 of P.L.1972, c.198 (C.39:6-86.1 through C.39:6-86.6);

P.L.1972, c.70 (C.39:6A-1 et seq.);

Sections 9 through 11 of P.L.1972, c.203 (C.39:6A-19, 39:6A-20 and 39:6A-13.1);
Section 1 of P.L.1983, c.212 (C.39:6A-4.1);
Sections 1 through 12 of P.L.1983, c.358 (C. 39:6A-24 through C.39:6A-35);
Sections 12, 13, 14.1, 17, 18, 19 and 20 of P.L.1983, c.362 (C.39:6A-4.2, 39:6A-4.3, 39:6A-8.1, 39:6A-23; 17:29A-15.1, 17:28-1.3, and 39:6A-9.1);
Section 4 of P.L.1984, c.40 (C.39:6A-4.4);
Section 14 of P.L.1985, c.520 (C.39:6A-4.5);
Section 10 of P.L.1988, c.119 (C.39:6A-4.6);
Section 14 of P.L.1988, c.156 (C.17:29A-15.2);
Sections 1, 4, 5, 12, 24, 25, 67 and 73 of P.L.1998, c.21 (C.39:6A-1.1, 39:6A-3.1, 39:6A-3.2, 39:6A-4.7, 39:6A-5.1, 39:6A-5.2, 17:29A-51 and 39:6A-1.2);
Section 45 of P.L.2003, c.89 (C.39:6A-3.3).

12. (New section) Additionally, all acts or parts of acts which are inconsistent with the provisions of this act are repealed and superseded to the extent of such inconsistency.

13. This act shall take effect on the 180th day next following the date of enactment.

STATEMENT

This bill repeals the compulsory no-fault automobile insurance law; changes the requirement for bodily injury and property damage liability insurance to at least $100,000 on account of injury to or death of one person and $200,000 on account of injury to or death of more than one person; and makes uninsured and underinsured motorist coverage compulsory, in the same amounts or limits as an insured's motor vehicle liability insurance coverage. With respect to uninsured and underinsured motor vehicle insurance, the bill requires claims disputes to be settled through binding arbitration.

Additionally, the bill repeals the mandatory arbitration of certain automobile insurance claims in the courts, the take-all-comers law which requires insurers to insure all "good" drivers who apply, and the basic and special automobile insurance policies.

Technical amendments to various statutory provisions to conform with these substantive reforms are accomplished by the bill, as well.