

# SENATE, No. 481

## STATE OF NEW JERSEY 220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

**Sponsored by:**

**Senator NICHOLAS P. SCUTARI**

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

**Senator JON M. BRAMNICK**

**District 21 (Morris, Somerset and Union)**

**Co-Sponsored by:**

**Senator Diegnan**

**SYNOPSIS**

Requires automobile insurance policies to provide certain minimum amounts of liability, uninsured motorist, and underinsured motorist coverage.

**CURRENT VERSION OF TEXT**

As reported by the Senate Commerce Committee with technical review.



**(Sponsorship Updated As Of: 6/20/2022)**

1 AN ACT concerning automobile insurance and amending P.L.1968,  
2 c.35 and P.L.1972, c.197.

3

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

6

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

9 2. a. Except for a basic automobile insurance policy, no motor  
10 vehicle liability policy or renewal of such policy of insurance,  
11 including a standard liability policy for an automobile as defined in  
12 section 2 of P.L.1972, c.70 (C.39:6A-2), insuring against loss  
13 resulting from liability imposed by law for bodily injury or death,  
14 sustained by any person arising out of the ownership, maintenance  
15 or use of a motor vehicle, shall be issued in this State with respect  
16 to any motor vehicle registered or principally garaged in this State  
17 unless it includes coverage in limits for bodily injury or death as  
18 follows:

19 (1) an amount or limit of **[\$15,000.00]** \$50,000, exclusive of  
20 interest and costs, on account of injury to, or death of, one person,  
21 in any one accident, and

22 (2) an amount or limit, subject to such limit for any one person  
23 so injured or killed, of **[\$30,000.00]** \$100,000, exclusive of interest  
24 and costs, on account of injury to or death of more than one person,  
25 in any one accident, under provisions approved by the  
26 Commissioner of Banking and Insurance, for payment of all or part  
27 of the sums which the insured or his legal representative shall be  
28 legally entitled to recover as damages from the operator or owner of  
29 an uninsured motor vehicle, underinsured motor vehicle, or hit and  
30 run motor vehicle, as defined in section 18 of P.L.1952, c.174  
31 (C.39:6-78), because of bodily injury, sickness or disease, including  
32 death resulting therefrom, sustained by the insured, caused by  
33 accident and arising out of the ownership, maintenance, operation  
34 or use of such uninsured, underinsured or hit and run motor vehicle  
35 anywhere within the United States or Canada; except that uninsured  
36 motorist coverage shall provide that in order to recover for non-  
37 economic loss, as defined in section 2 of P.L.1972, c.70 (C.39:6A-  
38 2), for accidents to which the benefits of section 4 (C.39:6A-4) of  
39 that act apply, the tort option elected pursuant to section 8  
40 (C.39:6A-8) of that act shall apply to that injured person.

41 All motor vehicle liability policies, except basic automobile  
42 insurance policies, shall also include coverage for the payment of  
43 all or part of the sums which persons insured thereunder shall be  
44 legally entitled to recover as damages from owners or operators of  
45 uninsured and underinsured motor vehicles, other than hit and run

**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.

1 motor vehicles, because of injury to or destruction to the personal  
2 property of such insured, with a limit in the aggregate for all  
3 insurers involved in any one accident of ~~【\$5,000.00】~~\$25,000, and  
4 subject, for each insured, to an exclusion of the first \$500.00 of  
5 such damages.

6 b. Uninsured and underinsured motorist coverage shall be  
7 provided, as an option by an insurer to the named insured electing a  
8 standard automobile insurance policy, up to at least the following  
9 limits: \$250,000.00 each person and \$500,000.00 each accident for  
10 bodily injury; \$100,000.00 each accident for property damage or  
11 \$500,000.00 single limit, subject to an exclusion of the first \$500.00  
12 of such damage to property for each accident, except that the limits  
13 for uninsured and underinsured motorist coverage shall not exceed  
14 the insured's motor vehicle liability policy limits for bodily injury  
15 and property damage, respectively.

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

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

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

34 e. For the purpose of this section, (1) "underinsured motorist  
35 coverage" means insurance for damages because of bodily injury  
36 and property damage resulting from an accident arising out of the  
37 ownership, maintenance, operation or use of an underinsured motor  
38 vehicle. Underinsured motorist coverage shall not apply to an  
39 uninsured motor vehicle. A motor vehicle is underinsured when the  
40 sum of the limits of liability under all bodily injury and property  
41 damage liability bonds and insurance policies available to a person  
42 against whom recovery is sought for bodily injury or property  
43 damage is, at the time of the accident, less than the applicable limits  
44 for underinsured motorist coverage afforded under the motor  
45 vehicle insurance policy held by the person seeking that recovery.  
46 A motor vehicle shall not be considered an underinsured motor  
47 vehicle under this section unless the limits of all bodily injury  
48 liability insurance or bonds applicable at the time of the accident

1 have been exhausted by payment of settlements or judgments. The  
2 limits of underinsured motorist coverage available to an injured  
3 person shall be reduced by the amount he has recovered under all  
4 bodily injury liability insurance or bonds;

5 (2) "uninsured motor vehicle" means:

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

9 (b) a motor vehicle with respect to the ownership, operation,  
10 maintenance, or use of which there is bodily injury liability  
11 insurance in existence but the liability insurer denies coverage or is  
12 unable to make payment with respect to the legal liability of its  
13 insured because the insurer has become insolvent or bankrupt, or  
14 the Commissioner of Banking and Insurance has undertaken control  
15 of the insurer for the purpose of liquidation;

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

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

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

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

1 policy or is a named insured or is covered under any other policy  
2 providing uninsured or underinsured motorist coverage.  
3 (cf: P.L.2007, c.163)  
4

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

7 1. a. Every owner or registered owner of a motor vehicle  
8 registered or principally garaged in this State shall maintain motor  
9 vehicle liability insurance coverage, under provisions approved by  
10 the Commissioner of Banking and Insurance, insuring against loss  
11 resulting from liability imposed by law for bodily injury, death and  
12 property damage sustained by any person arising out of the  
13 ownership, maintenance, operation or use of a motor vehicle  
14 wherein such coverage shall be at least in: (1) an amount or limit of  
15 ~~【\$15,000.00】~~ \$50,000, exclusive of interest and costs, on account  
16 of injury to, or death of, one person, in any one accident; and (2) an  
17 amount or limit, subject to such limit for any one person so injured  
18 or killed, of ~~【\$30,000.00】~~ \$100,000, exclusive of interest and costs,  
19 on account of injury to or death of, more than one person, in any  
20 one accident; and (3) an amount or limit of ~~【\$5,000.00】~~ \$25,000,  
21 exclusive of interest and costs, for damage to property in any one  
22 accident.

23 b. Notwithstanding the provisions of subsection a. of this  
24 section, an owner or registered owner of an automobile, as defined  
25 in section 2 of P.L.1972, c.70 (C.39:6A-2), registered or primarily  
26 garaged in the State may satisfy the requirements of subsection a. of  
27 this section by maintaining a basic automobile insurance policy  
28 containing coverages provided pursuant to subsections a. and b. of  
29 section 4 of P.L.1998, c.21 (C.39:6A-3.1).

30 c. Notwithstanding the provisions of subsection a. of this  
31 section, an owner or registered owner of an automobile, as defined  
32 in section 2 of P.L.1972, c.70 (C.39:6A-2), registered or primarily  
33 garaged in the State may satisfy the requirements of subsection a. of  
34 this section by maintaining a special automobile insurance policy  
35 containing coverages provided pursuant to subsection b. of section  
36 45 of P.L.2003, c.89 (C.39:6A-3.3).

37 (cf: P.L.2003, c.89, s.60)  
38

39 3. This act shall take effect immediately.