

ASSEMBLY, No. 1674

STATE OF NEW JERSEY 220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

Sponsored by:

Assemblywoman ANNETTE QUIJANO

District 20 (Union)

Assemblyman WAYNE P. DEANGELO

District 14 (Mercer and Middlesex)

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

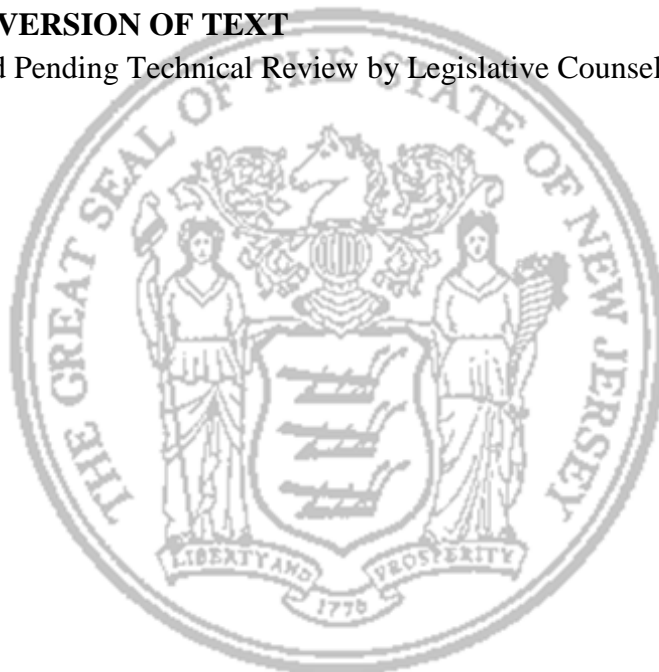
**Assemblywomen Timberlake, Speight, Assemblymen Giblin, Spearman,
Conaway and Assemblywoman McKnight**

SYNOPSIS

Prohibits use of education, occupation, and credit score as rating factors in automobile insurance underwriting.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning certain automobile insurance underwriting
2 rules, amending P.L.1997, c.151 and supplementing P.L.1972,
3 c.70 (C.39:6A-1 et seq.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. Section 15 of P.L.1997, c.151 (C.17:29A-46.2) is amended
9 to read as follows:

10 15. a. Insurers shall put in writing all underwriting rules
11 applicable to each rate level utilized pursuant to section 14 of
12 P.L.1997, c.151 (C.17:29A-46.1). An insurer may take into account
13 factors, including, but not limited to, driving record characteristics
14 appropriate for underwriting and classification in formulating its
15 underwriting rules; provided that no underwriting rule based on
16 motor vehicle violations shall be formulated in such a manner as to
17 assign any named insured to a rating tier other than the standard
18 rating tier applicable to the insured's territory solely on the basis of
19 accumulating four motor vehicle points or less. No underwriting
20 rule shall operate in such a manner as to assign a risk to a rating
21 plan on the basis of the territory in which the insured resides or any
22 other factor which the commissioner finds is a surrogate for
23 territory. No underwriting rule shall operate in such a manner as to
24 assign a risk to a rating plan on the basis of an insured's: (1)
25 educational level; (2) employment, trade, business, occupation or
26 profession; or (3) credit score, or any information derived from an
27 insured's credit report. An insurer which knowingly fails to transact
28 automobile insurance consistently with its underwriting rules shall
29 be subject to a fine of not less than \$1,000 for each violation.

30 b. All underwriting rules applicable to each rate level as
31 provided for in section 14 of P.L.1997, c.151 (C.17:29A-46.1) shall
32 be filed with the commissioner and shall be subject to his prior
33 approval. All underwriting rules shall be subject to public
34 inspection. Except as provided in subsection d. of section 27 of
35 P.L.1990, c.8 (C.17:33B-15), insurers shall apply their underwriting
36 rules uniformly and without exception throughout the State, so that
37 every applicant or insured conforming with the underwriting rules
38 will be insured or renewed, and so that every applicant not
39 conforming with the underwriting rules will be refused insurance.

40 c. An insurer with more than one rating plan for private
41 passenger automobile insurance policies providing identical
42 coverages shall not adopt underwriting rules which would permit a
43 person to be insured for private passenger automobile insurance
44 under more than one of the rating plans.

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 d. An insurer that revises its underwriting rules with respect to
2 the assignment of insureds to rating tiers based on the number of
3 accumulated motor vehicle points, as provided by subsection a. of
4 this section, as amended by P.L.2003, c.89, shall certify to the
5 commissioner that the revised rule will produce rates that are
6 revenue neutral based upon the insurer's current coverages and book
7 of business.
8 (cf: P.L.2003, c.89, s.40)
9

10 2. (New section) No insurer shall inquire of an insured or
11 applicant for insurance, or of a third-party concerning an insured or
12 applicant, as to the: (1) educational level; (2) employment, trade,
13 business, occupation or profession; or (3) credit score, or any
14 information derived from the credit report, of an insured or
15 applicant.
16

17 3. This act shall take effect on the 90th day following
18 enactment.
19

20
21 STATEMENT
22

23 This bill prohibits automobile insurers from assigning an insured
24 or prospective insured to a rating tier based upon that person's: (1)
25 educational level; (2) employment, trade, business, occupation or
26 profession; or (3) credit score, or any information derived from an
27 insured's credit report. The bill also prohibits automobile insurers
28 from inquiring of an insured or applicant for insurance, or of a
29 third-party concerning an insured or applicant, as to these factors.