

P.L. 2022, CHAPTER 87, *approved August 5, 2022*
Senate, No. 481 (*First Reprint*)

1 AN ACT concerning automobile insurance and amending P.L.1968,
2 ¹ ~~[c.35 and] c.385,~~¹ P.L.1972, c.197 ¹, and P.L.1972, c.170¹.

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]~~ ¹ ~~[\$50,000]~~ \$15,000 for
20 plans issued or renewed prior to January 1, 2023, \$25,000 for plans
21 issued or renewed on or after January 1, 2023 but prior to January
22 1, 2026, and \$35,000 for plans issued or renewed on or after
23 January 1, 2026¹, exclusive of interest and costs, on account of
24 injury to, or death of, one person, in any one accident, and

25 (2) an amount or limit, subject to such limit for any one person
26 so injured or killed, of ~~[\$30,000.00]~~ ¹ ~~[\$100,000]~~ \$30,000 for
27 plans issued or renewed prior to January 1, 2023, \$50,000 for plans
28 issued or renewed on or after January 1, 2023 but prior to January
29 1, 2026, and \$70,000 for plans issued or renewed on or after
30 January 1, 2026¹, exclusive of interest and costs, on account of
31 injury to or death of more than one person, in any one accident,
32 under provisions approved by the Commissioner of Banking and
33 Insurance, for payment of all or part of the sums which the insured
34 or his legal representative shall be legally entitled to recover as
35 damages from the operator or owner of an uninsured motor vehicle,
36 underinsured motor vehicle, or hit and run motor vehicle, as defined
37 in section 18 of P.L.1952, c.174 (C.39:6-78), because of bodily
38 injury, sickness or disease, including death resulting therefrom,
39 sustained by the insured, caused by accident and arising out of the
40 ownership, maintenance, operation or use of such uninsured ,

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted June 27, 2022.

1 underinsured or hit and run motor vehicle anywhere within the
2 United States or Canada; except that uninsured motorist coverage
3 shall provide that in order to recover for non-economic loss, as
4 defined in section 2 of P.L.1972, c.70 (C.39:6A-2), for accidents to
5 which the benefits of section 4 (C.39:6A-4) of that act apply, the
6 tort option elected pursuant to section 8 (C.39:6A-8) of that act
7 shall apply to that injured person.

8 All motor vehicle liability policies, except basic automobile
9 insurance policies, shall also include coverage for the payment of
10 all or part of the sums which persons insured thereunder shall be
11 legally entitled to recover as damages from owners or operators of
12 uninsured and underinsured motor vehicles, other than hit and run
13 motor vehicles, because of injury to or destruction to the personal
14 property of such insured, with a limit in the aggregate for all
15 insurers involved in any one accident of ~~【\$5,000.00】~~ \$25,000 ¹for
16 plans issued or renewed on or after January 1, 2023¹, and subject,
17 for each insured, to an exclusion of the first \$500.00 of such
18 damages.

19 b. Uninsured and underinsured motorist coverage shall be
20 provided, as an option by an insurer to the named insured electing a
21 standard automobile insurance policy, up to at least the following
22 limits: \$250,000.00 each person and \$500,000.00 each accident for
23 bodily injury; \$100,000.00 each accident for property damage or
24 \$500,000.00 single limit, subject to an exclusion of the first \$500.00
25 of such damage to property for each accident, except that the limits
26 for uninsured and underinsured motorist coverage shall not exceed
27 the insured's motor vehicle liability policy limits for bodily injury
28 and property damage, respectively.

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

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

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

47 e. For the purpose of this section, (1) "underinsured motorist
48 coverage" means insurance for damages because of bodily injury

1 and property damage resulting from an accident arising out of the
2 ownership, maintenance, operation or use of an underinsured motor
3 vehicle. Underinsured motorist coverage shall not apply to an
4 uninsured motor vehicle. A motor vehicle is underinsured when the
5 sum of the limits of liability under all bodily injury and property
6 damage liability bonds and insurance policies available to a person
7 against whom recovery is sought for bodily injury or property
8 damage is, at the time of the accident, less than the applicable limits
9 for underinsured motorist coverage afforded under the motor
10 vehicle insurance policy held by the person seeking that recovery.
11 A motor vehicle shall not be considered an underinsured motor
12 vehicle under this section unless the limits of all bodily injury
13 liability insurance or bonds applicable at the time of the accident
14 have been exhausted by payment of settlements or judgments. The
15 limits of underinsured motorist coverage available to an injured
16 person shall be reduced by the amount he has recovered under all
17 bodily injury liability insurance or bonds;

18 (2) "uninsured motor vehicle" means:

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

22 (b) a motor vehicle with respect to the ownership, operation,
23 maintenance, or use of which there is bodily injury liability
24 insurance in existence but the liability insurer denies coverage or is
25 unable to make payment with respect to the legal liability of its
26 insured because the insurer has become insolvent or bankrupt, or
27 the Commissioner of Banking and Insurance has undertaken control
28 of the insurer for the purpose of liquidation;

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

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

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

46 f. Notwithstanding the provisions of this section or any other
47 law to the contrary, a motor vehicle liability policy or renewal of
48 such policy of insurance, insuring against loss resulting from

1 liability imposed by law for bodily injury or death, sustained by any
2 person arising out of the ownership, maintenance or use of a motor
3 vehicle, issued in this State to a corporate or business entity with
4 respect to any motor vehicle registered or principally garaged in this
5 State, shall not provide less uninsured or underinsured motorist
6 coverage for an individual employed by the corporate or business
7 entity than the coverage provided to the named insured under the
8 policy. A policy that names a corporate or business entity as a
9 named insured shall be deemed to provide the maximum uninsured
10 or underinsured motorist coverage available under the policy to an
11 individual employed by the corporate or business entity, regardless
12 of whether the individual is an additional named insured under that
13 policy or is a named insured or is covered under any other policy
14 providing uninsured or underinsured motorist coverage.
15 (cf: P.L.2007, c.163)

16

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

19 1. a. Every owner or registered owner of a motor vehicle
20 registered or principally garaged in this State shall maintain motor
21 vehicle liability insurance coverage, under provisions approved by
22 the Commissioner of Banking and Insurance, insuring against loss
23 resulting from liability imposed by law for bodily injury, death and
24 property damage sustained by any person arising out of the
25 ownership, maintenance, operation or use of a motor vehicle
26 wherein such coverage shall be at least in: (1) an amount or limit of
27 ~~[\$15,000.00]~~ ¹~~[\$50,000]~~ \$15,000 for plans issued or renewed prior
28 to January 1, 2023, \$25,000 for plans issued or renewed on or after
29 January 1, 2023 but prior to January 1, 2026, and \$35,000 for plans
30 issued or renewed on or after January 1, 2026¹, exclusive of interest
31 and costs, on account of injury to, or death of, one person, in any
32 one accident; and (2) an amount or limit, subject to such limit for
33 any one person so injured or killed, of ~~[\$30,000.00]~~ ¹~~[\$100,000]~~
34 \$30,000 for plans issued or renewed prior to January 1, 2023,
35 \$50,000 for plans issued or renewed on or after January 1, 2023 but
36 prior to January 1, 2026, and \$70,000 for plans issued or renewed
37 on or after January 1, 2026¹, exclusive of interest and costs, on
38 account of injury to or death of, more than one person, in any one
39 accident; and (3) an amount or limit of ~~[\$5,000.00]~~ \$25,000 ¹for
40 plans issued or renewed on or after January 1, 2023¹, exclusive of
41 interest and costs, for damage to property in any one accident.

42 b. Notwithstanding the provisions of subsection a. of this
43 section, an owner or registered owner of an automobile, as defined
44 in section 2 of P.L.1972, c.70 (C.39:6A-2), registered or primarily
45 garaged in the State may satisfy the requirements of subsection a. of
46 this section by maintaining a basic automobile insurance policy

1 containing coverages provided pursuant to subsections a. and b. of
2 section 4 of P.L.1998, c.21 (C.39:6A-3.1).

3 c. Notwithstanding the provisions of subsection a. of this
4 section, an owner or registered owner of an automobile, as defined
5 in section 2 of P.L.1972, c.70 (C.39:6A-2), registered or primarily
6 garaged in the State may satisfy the requirements of subsection a. of
7 this section by maintaining a special automobile insurance policy
8 containing coverages provided pursuant to subsection b. of section
9 45 of P.L.2003, c.89 (C.39:6A-3.3).

10 ¹d. Upon the renewal of a policy of insurance that, under its
11 original policy limits, would no longer meet the minimum
12 requirements established pursuant to this section, an insurer shall
13 notify the named insured that the policy limits have been increased
14 to meet the requirements established pursuant to this section. Notice
15 provided pursuant to this subsection shall specify the limit or limits
16 that have been increased to meet the requirements established
17 pursuant to this section. Notwithstanding the provisions of any law,
18 rule, or regulation to the contrary, an insurer shall not be required to
19 receive a signed coverage selection form pursuant to N.J.A.C.11:3-
20 15.7, to increase a policy's limits pursuant to this section.¹
21 (cf: P.L.2003, c.89, s.60)

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23 ¹3. Section 3 of P.L.1972, c.170 (C.39:6A-3) is amended to read
24 as follows:

25 3. Compulsory automobile insurance coverage; limits. Except
26 as provided by section 4 of P.L.1998, c.21 (C.39:6A-3.1), every
27 owner or registered owner of an automobile registered or
28 principally garaged in this State shall maintain automobile liability
29 insurance coverage, under provisions approved by the
30 Commissioner of Banking and Insurance, insuring against loss
31 resulting from liability imposed by law for bodily injury, death and
32 property damage sustained by any person arising out of the
33 ownership, maintenance, operation or use of an automobile wherein
34 such coverage shall be at least in:

35 a. an amount or limit of \$15,000.00 for plans issued or renewed
36 prior to January 1, 2023, \$25,000 for plans issued or renewed on or
37 after January 1, 2023 but prior to January 1, 2026, and \$35,000 for
38 plans issued or renewed on or after January 1, 2026, exclusive of
39 interest and costs, on account of injury to, or death of, one person,
40 in any one accident; and

41 b. an amount or limit, subject to such limit for any one person
42 so injured or killed, of \$30,000.00 for plans issued or renewed prior
43 to January 1, 2023, \$50,000 for plans issued or renewed on or after
44 January 1, 2023 but prior to January 1, 2026, and \$70,000 for plans
45 issued or renewed on or after January 1, 2026, exclusive of interest
46 and costs, on account of injury to or death of, more than one person,
47 in any one accident; and

1 c. an amount or limit of ~~【\$5,000.00】~~ \$25,000 for plans issued
2 or renewed on or after January 1, 2023, exclusive of interest and
3 costs, for damage to property in any one accident.

4 No licensed insurance carrier shall refuse to renew the required
5 coverage stipulated by this act of an eligible person as defined in
6 section 25 of P.L.1990, c.8 (C.17:33B-13) except in accordance
7 with the provisions of section 26 of P.L.1988, c.119 (C.17:29C-7.1)
8 or with the consent of the Commissioner of Banking and Insurance.
9 (cf: P.L.1998, c.21, s.3)¹

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11 ¹~~【3.】~~ 4.¹ This act shall take effect immediately.

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