

SENATE, No. 357

STATE OF NEW JERSEY 220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

Sponsored by:

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District 34 (Essex and Passaic)

Senator M. TERESA RUIZ

District 29 (Essex)

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District 5 (Camden and Gloucester)

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District 35 (Bergen and Passaic)

Co-Sponsored by:

Senators Turner and Gopal

SYNOPSIS

Prohibits use of education, occupation, homeownership status, marital status, or credit score in certain automobile insurance determinations.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning certain automobile insurance underwriting rules
2 and amending P.L.1997, c.151.

3

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

6

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

9 15. a. Insurers shall put in writing all underwriting rules
10 applicable to each rate level utilized pursuant to section 14 of
11 P.L.1997, c.151 (C.17:29A-46.1). An insurer may take into account
12 factors, including, but not limited to, driving record characteristics
13 appropriate for underwriting and classification in formulating its
14 underwriting rules; provided that no underwriting rule based on
15 motor vehicle violations shall be formulated in such a manner as to
16 assign any named insured to a rating tier other than the standard
17 rating tier applicable to the insured's territory solely on the basis of
18 accumulating four motor vehicle points or less. No underwriting
19 rule shall operate in such a manner as to assign a risk to a rating
20 plan on the basis of the territory in which the insured resides or any
21 other factor which the commissioner finds is a surrogate for
22 territory. No underwriting rule shall operate in such a manner as to
23 assign a risk to a rating plan on the basis of an insured's: (1)
24 educational level; (2) employment, trade, business, occupation or
25 profession; (3) employment status; (4) homeownership status; (5)
26 marital status; or (6) credit score, or any information derived from
27 an insured's credit report. An insurer shall not take any of these
28 factors into consideration in determining a consumer's eligibility
29 for insurance or in calculating a rate for an insured, or in any
30 insurance score used to calculate an insured's rate. An insurer
31 which knowingly fails to transact automobile insurance consistently
32 with its underwriting rules shall be subject to a fine of not less than
33 \$1,000 for each violation.

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

44 c. An insurer with more than one rating plan for private
45 passenger automobile insurance policies providing

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 identical coverages shall not adopt underwriting rules which would
2 permit a person to be insured for private passenger automobile
3 insurance under more than one of the rating plans.

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

11 (cf: P.L.2003, c.89, s.40)

12
13 2. This act shall take effect on the 90th day following
14 enactment.

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16
17 STATEMENT
18

19 This bill prohibits automobile insurers from assigning an insured
20 or prospective insured to a rating tier based upon that person's: (1)
21 educational level; (2) employment, trade, business, occupation or
22 profession; (3) employment status; (4) homeownership status; (5)
23 marital status; or (6) credit score, or any information derived from
24 an insured's credit report.

25 This bill also prohibits insurers from taking education,
26 occupation, homeownership status, marital status, or credit score
27 into consideration in determining a consumer's eligibility for
28 insurance or in calculating a rate for an insured, or in any insurance
29 score used to calculate an insured's rate.