SENATE, No. 4943

STATE OF NEW JERSEY

222nd LEGISLATURE

INTRODUCED NOVEMBER 23, 2026

Sponsored by:
Senator JON M. BRAMNICK
District 21 (Middlesex, Morris, Somerset and Union)
Senator JOSEPH A. LAGANA
District 38 (Bergen)

SYNOPSIS

Prohibits use of lapse in automobile insurance coverage as rating factor in automobile insurance underwriting following death of policyholder.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning private passenger automobile insurance rating plans and amending P.L.1997, c.151.

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

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

15. a. Insurers shall put in writing all underwriting rules applicable to each rate level utilized pursuant to section 14 of P.L.1997, c.151 (C.17:29A-46.1). An insurer may take into account factors, including, but not limited to, driving record characteristics appropriate for underwriting and classification in formulating its underwriting rules; provided that:

(1) no underwriting rule based on motor vehicle violations shall be formulated in such a manner as to assign any named insured to a rating tier other than the standard rating tier applicable to the insured's territory solely on the basis of accumulating four motor vehicle points or less**[**. No**]**;

(2) no underwriting rule shall operate in such a manner as to assign a risk to a rating plan on the basis of the territory in which the insured resides or any other factor which the commissioner finds is a surrogate for territory**[**. No**]**;

(3) no underwriting rule shall operate in such a manner as to assign a risk to a rating plan on the basis of an insured holding a standard motorcycle license or standard basic driver's license issued pursuant to R.S.39:3-10, or standard probationary license issued pursuant to section 4 of P.L.1950, c.127 (C.39:3-13.4); and

(4) no underwriting rule shall operate in such a manner as to assign a risk to a rating plan or deny coverage on the basis that a previously insured applicant has had a lapse in automobile insurance coverage for a period of no more than 30 days following the date of the lapse in coverage, provided that the lapse in coverage occurred within 90 days of the death of the policyholder of the lapsed coverage with whom the applicant was a named insured.

An insurer which knowingly fails to transact automobile insurance consistently with its underwriting rules shall be subject to a fine of not less than $1,000 for each violation.

b. All underwriting rules applicable to each rate level as provided for in section 14 of P.L.1997, c.151 (C.17:29A-46.1) shall be filed with the commissioner and shall be subject to the commissioner's prior approval. All underwriting rules shall be subject to public inspection. Except as provided in subsection d. of section 27 of P.L.1990, c.8 (C.17:33B-15), insurers shall apply their

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.

underwriting rules uniformly and without exception throughout the State, so that every applicant or insured conforming with the underwriting rules will be insured or renewed, and so that every applicant not conforming with the underwriting rules will be refused insurance.

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

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

(cf: P.L.2019, c.271, s.19)

2. This act shall take effect on the 90th day next following enactment.

STATEMENT

This bill prohibits automobile insurance underwriting rules from assigning risk or denying coverage on the basis that a previously insured applicant has had a lapse in automobile insurance coverage for a period of 30 days following the lapse in coverage, provided that the lapse in coverage occurred within 90 days of the death of a policyholder of the lapsed coverage with whom the applicant was a named insured.