

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### **SENATE, No. 481**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 27, 2022

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 481.

As amended, this bill requires automobile insurance policies to provide certain minimum amounts of liability, uninsured motorist, and underinsured motorist coverage.

This bill raises the minimum amount of coverage for a standard automobile insurance policy and for uninsured motorist and underinsured motorist coverage under a standard automobile insurance policy to at least: (1) an amount or limit of, \$25,000 for plans issued or renewed on or after January 1, 2023 but prior to January 1, 2026, and \$35,000 for plans issued or renewed on or after January 1, 2026, exclusive of interest and costs, on account of injury to, or death of, one person, in any one accident; and (2) an amount or limit, subject to such limit for any one person so injured or killed, of \$50,000 for plans issued or renewed after January 1, 2023 but prior to January 1, 2026, and \$70,000 for plans issued or renewed after January 1, 2026, exclusive of interest and costs, on account of injury to or death of, more than one person, in any one accident; and (3) for plans issued or renewed after January 1, 2023, an amount or limit of \$25,000, exclusive of interest and costs, for damage to property in any one accident.

The bill also requires an insurer, upon the renewal of a policy of insurance that under its original policy limits would not meet the minimum bodily injury liability coverage requirements established under the bill, to notify the named insured of the increase in policy limits to meet the requirements of the bill. In addition, the bill stipulates that an insurer increasing policy limits to comply with the provisions of the bill is not required to receive a signed coverage selection form as is otherwise required.

As amended and reported, this bill is identical to Assembly Bill No. 4291 (1R).

#### COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) change the minimum amount of liability coverage for a standard automobile insurance policy and for uninsured motorist and

underinsured motorist coverage under a standard automobile insurance policy to (a) for injury to or death of, one person in any one accident, \$25,000 for plans issued or renewed on or after January 1, 2023 but prior to January 1, 2026 and \$35,000 for plans issued or renewed on or after January 1, 2026; (b) for all persons injured or killed in any one accident, \$50,000 for plans issued or renewed on or after January 1, 2023 but prior to January 1, 2026 and \$70,000 for plans issued or renewed on or after January 1, 2026; and (c) for damage to property in any one accident, \$25,000 for plans issued or renewed on or after January 1, 2023;

(2) require an insurer, upon the renewal of a policy of insurance that under its original policy limits would not meet the minimum bodily injury liability coverage requirements established under the bill, to notify the named insured of the increase in policy limits to meet the requirements of the bill; and

(3) stipulate that an insurer increasing policy limits to comply with the provisions of the bill is not required to receive a signed coverage selection form as is otherwise required.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.