



**STATEMENT RE:** **A-3863**  
“An Act concerning provision of premium options for automobile insurance and amending P.L.2003, c.89 and P.L.1990, c.8.

**TO:** Assembly Financial Institutions and Insurance Committee

**BY:** Professional Insurance Agents of New Jersey Inc.  
Andrew Anderson, President

**ON:** May 10, 2007

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INSURANCE  
AGENTS**

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PIANJ supports A-3863, a bill that would eliminate certain outdated requirements that are no longer appropriate in the current automobile insurance market in New Jersey.

PIANJ is a trade association which represents more than 7,000 professional independent insurance agents and their employees doing business in communities throughout New Jersey.

First, A-3863 would delete the requirement for insurance agents to provide each eligible person seeking automobile insurance with premium quotations from every insurer represented by the agent or with which the agent places risks.

This requirement places an unnecessary obligation on insurance agents and does not serve consumers because it fails to take into account all factors that agents consider when offering coverage options to consumers.

Not every company that an agent represents offers appropriate coverage options for a customer. For example, an agent should not be required to provide a quote for a company that is facing financial problems, or for a company that offers the same coverage as another, but at a higher premium. Nor is it appropriate to provide quotes for all other companies when a consumer asks to purchase insurance from a specific insurance company. In addition, this requirement does not benefit all consumers, since those who purchase automobile insurance through a direct writer company or a captive agent company are only provided with one quote for that sole company.

Insurance agents are professionals who strive to offer the best products at the best prices to their customers. They do not need to be told how to best serve the interests of their customers.

Second, the bill deletes the requirement for insurers to provide each applicant seeking automobile insurance, and each insured upon request, with three premium scenarios

demonstrating the effect of different coverage choices. Experience has shown that this requirement offers very little benefit to consumers, who disregard these hypothetical coverage scenarios that are often not based on the individual's circumstances. Insurance professionals advise their customers about the different coverage options available to them as part of what they do everyday.

For these reasons, PIANJ urges you to pass this important legislation.