



March 24, 2006

NJ BULLETIN 06-09 ADDRESSES NEW LOW-SPEED VEHICLES LAW

BACKGROUND

The New Jersey Department of Banking and Insurance recently issued Bulletin 06-09 addressing P.L. 2005, c.273, which is the Low-Speed Vehicles law effective April 6, 2006.

The new law permits certain low-speed vehicles to be operated on public roads and highways with a posted speed limit of 25 mph or less. However, the law requires that these vehicles must be registered and properly insured (as a motor vehicle) in accordance with NJSA 39:3-4.

DEFINITION

A low-speed vehicle is defined in the law as “.... a four-wheeled low-speed vehicle whose attainable speed is more than 20 miles per hour, but not more than 25 miles per hour which is not powered by gasoline or diesel fuel and complies with federal safety standards as set forth in 49 CFR s. 571.500”.

The federal safety standards require headlamps, front and rear turning signals, tail and stop lamps, reflectors, exterior rearview mirrors, parking brake, windshield and seat belts.

CHANGES

The New Jersey Department recognizes that insurers currently do not provide coverage for this type of risk. As of April 6, 2006, coverage for low-speed vehicles will be available through the New Jersey Personal Automobile Insurance Plan (PAIP). If an insurer wishes to write low-speed vehicles, it will have to file a rating system that provides at least the minimum liability and uninsured motorists coverage FR limits of \$15,000/30,000/5,000 and pedestrian PIP.

The MSO® personal lines forms generally do not provide liability coverage for vehicles that are required to be registered. However, certain golf carts that are used on golfing facilities or within golf communities are covered. We will file to add a provision that will exclude such golf carts if they are, or are required to be, registered as a low-speed vehicle in New Jersey. Coverage should be provided by a motor vehicle policy.

**EFFECTIVE
DATE**

April 6, 2006

AVAILABILITY

Bulletin 06-09 may be accessed on the Department's website at
http://www.state.nj.us/dobi/bulletins/blt06_09.pdf.

QUESTIONS

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