

**GOVERNOR'S STATEMENT UPON SIGNING FOR
SENATE BILL NO. 2432 (First Reprint) AND
SENATE BILL NO. 3963**

Today I am pleased to sign Senate Bill Nos. 2432 (First Reprint) and 3963, permitting a party injured in an automobile accident to recover, as part of the recovery of uncompensated economic loss, unreimbursed medical expenses that exceed the party's personal injury protection (PIP) limits. The bills are intended to overturn the March 26, 2019 decision of the New Jersey Supreme Court in Haines v. Taft. In Haines, the Court ruled that a party to an automobile accident may not recover unreimbursed medical expenses in excess of the party's PIP policy limits from the other driver. Recognizing that a plausible reading of the State's no-fault insurance laws could permit such a recovery, the Court "invited" the Legislature to clarify the statutory language at issue if the Legislature disagreed with the Court's decision. I applaud the sponsors of this bill for acting quickly to clarify the State's laws with regard to the recovery of unreimbursed medical expenses. The enactment of Senate Bill Nos. 2432 and 3963 will ensure that low-income drivers, who must settle for lesser PIP coverage options because they cannot afford better coverage, will not be denied the ability to recover their unreimbursed medical expenses from those who caused their injuries.

My signature of Senate Bill No. 3963 immediately follows my approval of Senate Bill No. 2432 (First Reprint), which overturns the Haines decision effective immediately and applies to causes of action pending on and arising after the effective date. Although I fully support the immediate reversal of the Haines decision, Senate Bill No. 2432 (First Reprint) contains a problematic provision that allows for the recovery of all medical expenses unpaid or uncovered by an injured party's PIP coverage, including expenses otherwise paid for through health insurance coverage. This provision appears to undermine the State's collateral source doctrine, which helps contain the cost of automobile insurance by preventing plaintiffs from recovering damages already paid by another source. The Legislature's inclusion of this provision is surprising, as it is unrelated to the bill's core mission of overturning the court's decision in Haines.

After my Administration expressed concerns to the sponsors of Senate Bill No. 2432 that this provision could have a negative impact on automobile insurance rates, the Legislature worked collaboratively with my Administration to draft and pass Senate Bill No. 3963. Senate Bill No. 3963 omits the offending language contained in the prior bill, making clear that the collateral source doctrine still applies to automobile cases. In addition, Senate Bill No. 3963 further protects drivers and contains insurance premium rates by subjecting unreimbursed medical expenses in excess of a driver's PIP policy limits to the automobile medical fee schedules. The bill also prohibits balance billing of any medical expenses claimed as damages and paid pursuant to the medical fee schedules. Together, the two bills

adequately protect drivers while ensuring that automobile insurance premium rates remain steady.

Date: August 15, 2019

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor