

**STATEMENT RE:**           **S-1208**  
  “An Act concerning auto body repair facilities and  
  amending P.L. 2001, c. 53

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

**BY:**                            Professional Insurance Agents of New Jersey  
  Leon Zimmerman, Legislative Representative

**ON:**                            January 18, 2007

PIANJ thanks the committee for the opportunity to testify regarding S-1208. 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.

PIANJ supports S-1208, a bill that would provide needed clarification regarding the types of liability insurance coverage required by licensed auto body repair facilities.

Current law requires auto body repair facilities to maintain insurance coverage for damage to property and for liability arising from bodily injury, including garage keepers' liability in a minimum amount of \$300,000. S-1028 would change the insurance requirement from “garage keepers” liability to “garage” liability insurance. The substitution makes sense since garage liability insurance is a more encompassing type of insurance that covers a facility's exposure to both property damage and bodily injury liability for all operations necessary or incidental to the business operations. This includes automobile liability, premises and operations liability, as well as products and completed operations liability. In contrast, garage keepers' coverage is a more limited type of insurance that only provides coverage for damages to a customer's vehicle left in the care, custody, or control of the repair facility.

Since the goal of the insurance requirement is to protect the public from a damages resulting from the operations of an auto repair facility, it is appropriate to require repair facilities to carry garage liability, as opposed to garage keepers' liability, insurance.

PIANJ urges the committee to support this vital piece of clarifying legislation.