

# ASSEMBLY, No. 2054

## STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED FEBRUARY 8, 2010

**Sponsored by:**

**Assemblyman WAYNE P. DEANGELO**  
**District 14 (Mercer and Middlesex)**

**SYNOPSIS**

Broadens scope of information sharing and civil immunity therefor, related to insurance fraud.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning insurance fraud, amending P.L.1985, c.179,  
2 and amending and supplementing P.L.1983, c.320.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. Section 2 of P.L.1985, c.179 (C.17:23A-2) is amended to  
8 read as follows:

9 2. **【Definitions.】** As used in this act:

10 a. "Adverse underwriting decision" means:

11 (1) Any of the following actions with respect to insurance  
12 transactions involving insurance coverage which is individually  
13 underwritten for an individual:

14 (a) A declination of insurance coverage,

15 (b) A termination of insurance coverage,

16 (c) Failure of an agent to apply for insurance coverage with a  
17 specific insurance institution which the agent represents and which  
18 is requested by an applicant,

19 (d) In the case of a property or casualty insurance coverage:

20 (i) Placement by an insurance institution or agent of a risk with  
21 a residual market mechanism or an unauthorized insurer, or

22 (ii) The charging of a higher rate on the basis of information  
23 which differs from that which the applicant or policyholder  
24 furnished,

25 (e) In the case of a life, health or disability insurance coverage,  
26 an offer to insure at a higher rate than the insurance institution's  
27 table of premium rates applicable to the age and class of risk of  
28 each person to be covered under that coverage and to the type and  
29 amount of insurance provided.

30 (2) Notwithstanding paragraph (1) above, the following actions,  
31 if permitted by law, shall not be considered adverse underwriting  
32 decisions but the insurance institution or agent responsible for their  
33 occurrence shall nevertheless provide the applicant or policyholder  
34 with the specific reason or reasons for their occurrence:

35 (a) The termination of an individual policy form on a class or  
36 Statewide basis,

37 (b) A declination of insurance coverage solely because such  
38 coverage is not available on a class or Statewide basis, or

39 (c) The rescission of a policy.

40 b. "Affiliate" or "affiliated" means a person that directly, or  
41 indirectly through one or more intermediaries, controls, is  
42 controlled by or is under common control with another person.

43 c. "Agent" means any person defined in chapter 22 of Title 17  
44 of the Revised Statutes **【**, chapter 22 of Title 17B of the New Jersey

**EXPLANATION – Matter enclosed in bold-faced brackets **【thus】** in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

- 1 Statutes] and in R.S.17:35-23. “Agent” includes an insurance  
2 producer as defined in section 3 of P.L.2001, c.210 (C.17:22A-28).
- 3 d. "Applicant" means a person who seeks to contract for  
4 insurance coverage other than a person seeking group insurance that  
5 is not individually underwritten.
- 6 e. "Commissioner" means the Commissioner of Banking and  
7 Insurance.
- 8 f. "Consumer report" means any written, oral or other  
9 communication of information bearing on a natural person's  
10 creditworthiness, credit standing, credit capacity, character, general  
11 reputation, personal characteristics or mode of living which is used  
12 or expected to be used in connection with an insurance transaction.
- 13 g. "Consumer reporting agency" means any person who:  
14 (1) Regularly engages, in whole or in part, in the practice of  
15 assembling or preparing consumer reports, for a monetary fee,  
16 **[and]**  
17 (2) Obtains information primarily from sources other than  
18 insurance institutions, and  
19 (3) Furnishes consumer reports to other persons.
- 20 h. "Control," including the terms "controlled by" or "under  
21 common control with," means the possession, direct or indirect, of  
22 the power to direct or cause the direction of the management and  
23 policies of a person, whether through the ownership of voting  
24 securities, by contract other than a commercial contract of goods or  
25 nonmanagement services, or otherwise, unless the power is the  
26 result of an official position with or corporate office held by the  
27 person.
- 28 i. "Declination of insurance coverage" means a denial, in  
29 whole or in part, by an insurance institution or agent of requested  
30 insurance coverage.
- 31 j. "Individual" means any natural person who:  
32 (1) In the case of property or casualty insurance, is a past,  
33 present or proposed named insured or certificateholder;  
34 (2) In the case of life, health or disability insurance, is a past,  
35 present or proposed principal insured or certificateholder;  
36 (3) Is a past, present or proposed policyowner;  
37 (4) Is a past or present applicant; **[or]**  
38 (5) Is a past or present claimant; or  
39 (6) Derived, derives or is proposed to derive insurance coverage  
40 under an insurance policy or certificate subject to this act.
- 41 k. "Institutional source" means any person or governmental  
42 entity that provides information about an individual to an agent,  
43 insurance institution or insurance support organization, other than:  
44 (1) An agent,  
45 (2) The individual who is the subject of the information, or  
46 (3) A natural person acting in a personal capacity rather than in  
47 a business or professional capacity.

1 l. "Insurance institution" means any corporation, association,  
2 partnership, reciprocal exchange, interinsurer, Lloyd's insurer,  
3 fraternal benefit society or other person engaged in the business of  
4 insurance, including health maintenance organizations, medical  
5 service corporations, hospital service corporations, health service  
6 corporations, dental service corporations, dental plan organizations  
7 and automobile insurance plans **【and the New Jersey Automobile**  
8 **Full Insurance Underwriting Association】**, as defined in section 2  
9 of P.L.1973, c.337 (C.26:2J-2), section 1 of P.L.1940, c.74  
10 (C.17:48A-1), section 1 of P.L.1960, c.1 (C.17:48B-1), section 2 of  
11 P.L.1968, c.305 (C.17:48C-2), section 2 of P.L.1979, c.478  
12 (C.17:48D-2), section 2 of P.L.1985, c.236 (C.17:48E-2) and  
13 P.L.1970, c.215 (C.17:29D-1 et seq.) **【and P.L.1983, c.65**  
14 **(C.17:29A-33 et al.)】**, respectively. "Insurance institution" shall not  
15 include agents or insurance-support organizations.

16 m. "Insurance-support organization" means:

17 (1) Any person who regularly engages, in whole or in part, in  
18 the practice of assembling or collecting information about **【natural】**  
19 persons for the primary purpose of providing the information to an  
20 insurance institution or agent for insurance transactions, including:

21 (a) The furnishing of consumer reports or investigative  
22 consumer reports to an insurance institution or agent for use in  
23 connection with an insurance transaction, or

24 (b) The collection of **【personal】** information from insurance  
25 institutions, agents or other insurance-support organizations for the  
26 purpose of detecting or preventing fraud, material misrepresentation  
27 or material nondisclosure in connection with insurance underwriting  
28 or insurance claim activity.

29 (2) Notwithstanding paragraph (1) of this subsection, the  
30 following persons shall not be considered "insurance-support  
31 organizations" for the purposes of this act: agents, government  
32 institutions, insurance institutions, medical-care institutions,  
33 medical professionals and rating organizations as defined in section  
34 1 of P.L.1944, c.27 (C.17:29A-1).

35 n. "Insurance transaction" means any transaction involving  
36 insurance primarily for personal, family or household needs rather  
37 than business or professional needs which entails:

38 (1) The determination of an individual's eligibility for an  
39 insurance coverage, benefit or payment, or

40 (2) The servicing of an insurance application, policy, contract or  
41 certificate.

42 o. "Investigative consumer report" means a consumer report or  
43 portion thereof in which information about a natural person's  
44 character, general reputation, personal characteristics or mode of  
45 living is obtained through personal interviews with the person's  
46 neighbors, friends, associates, acquaintances or others who may  
47 have knowledge concerning those items of information.

1 p. "Medical-care institution" means a facility or institution that  
2 is licensed to provide health care services to natural persons,  
3 including but not limited to hospitals, skilled nursing facilities,  
4 nursing facilities, home-health agencies, medical clinics,  
5 rehabilitation agencies, public health agencies or health  
6 maintenance organizations.

7 q. "Medical professional" means any person providing health  
8 care services to natural persons, including but not limited to a  
9 physician, podiatrist, dentist, nurse, optometrist, chiropractor,  
10 physical therapist, occupational therapist, pharmacist, psychologist,  
11 dietitian, psychiatric social worker or speech therapist.

12 r. "Medical-record information" means personal information  
13 which:

14 (1) Relates to an individual's physical or mental condition,  
15 medical history or medical treatment, and

16 (2) Is obtained from a medical professional or medical-care  
17 institution, from the individual, or from the individual's spouse,  
18 parent or legal guardian.

19 s. "Person" means any natural person, corporation, association,  
20 partnership or other legal entity.

21 t. "Personal information" means any individually identifiable  
22 information gathered in connection with an insurance transaction  
23 from which judgments can be made about an individual's character,  
24 habits, avocations, finances, occupation, general reputation, credit,  
25 health or any other personal characteristics. "Personal information"  
26 includes an individual's name and address and medical-record  
27 information but does not include privileged information.

28 u. "Policyholder" means any person who:

29 (1) In the case of individual property or casualty insurance, is a  
30 present named insured;

31 (2) In the case of individual life, health or disability insurance,  
32 is a present policyowner; or

33 (3) In the case of group insurance which is individually  
34 underwritten, is a present group certificateholder.

35 v. "Pretext interview" means an interview whereby a person, in  
36 an attempt to obtain information about a natural person, performs  
37 one or more of the following acts:

38 (1) Pretends to be someone he is not,

39 (2) Pretends to represent a person he is not in fact representing,

40 (3) Misrepresents the true purpose of the interview, or

41 (4) Refuses to identify himself upon request.

42 w. "Privileged information" means any individually identifiable  
43 information that:

44 (1) Relates to a claim for insurance benefits or a civil or  
45 criminal proceeding involving **【an individual】** any person  
46 concerning an insurance transaction, and

47 (2) Is collected in connection with or in reasonable anticipation  
48 of a claim for insurance benefits or civil or criminal proceeding

1 involving **【an individual】** any person concerning an insurance  
2 transaction; except that information otherwise meeting the  
3 requirements of this subsection shall nevertheless be considered  
4 personal information under this act if it is disclosed in violation of  
5 section 13 of this act.

6 x. "Residual market mechanism" means any insurance pooling  
7 mechanism, joint underwriting association, or reinsurance facility  
8 created pursuant to law or regulation which provides insurance  
9 coverage for any risk that is not insurable in the voluntary market.

10 y. "Termination of insurance coverage" or "termination of an  
11 insurance policy" means either a cancellation or nonrenewal of an  
12 insurance policy, in whole or in part, for any reason other than the  
13 failure to pay a premium as required by the policy.

14 z. "Unauthorized insurer" means an insurance institution that  
15 has not been granted a certificate of authority by the commissioner  
16 to transact the business of insurance in this State.

17 (cf: P.L.1985, c.179, s.2)

18

19 2. Section 13 of P.L.1985, c.179 (C.17:23A-13) is amended to  
20 read as follows:

21 13. **【Disclosure limitations and conditions.】** An insurance  
22 institution, agent or insurance-support organization shall not  
23 disclose any personal or privileged information **【about an**  
24 **individual】** collected or received in connection with, or in  
25 reasonable anticipation of, an insurance transaction, unless the  
26 disclosure is:

27 a. With the written authorization of the individual to whom the  
28 information relates, provided:

29 (1) If the authorization is submitted by another insurance  
30 institution, agent or insurance-support organization, the  
31 authorization meets the requirements of section 6 of this act, or

32 (2) If the authorization is submitted by a person other than an  
33 insurance institution, agent or insurance-support organization, the  
34 authorization is:

35 (a) Dated,

36 (b) Signed by the individual, and

37 (c) Obtained one year or less prior to the date a disclosure is  
38 sought pursuant to this subsection;

39 b. To a person other than an insurance institution, agent or  
40 insurance-support organization, provided the disclosure is  
41 reasonably necessary:

42 (1) To enable the person to perform a business, professional or  
43 insurance function for the disclosing insurance institution, agent or  
44 insurance-support organization, and the person agrees not to  
45 disclose the information further without the individual's written  
46 authorization unless the further disclosure:

47 (a) Would otherwise be permitted by this section if made by an  
48 insurance institution, agent or insurance-support organization, or

- 1 (b) Is reasonably necessary for the person to perform its  
2 function for the disclosing insurance institution, agent or insurance-  
3 support organization; or
- 4 (2) To enable the person to provide information to the disclosing  
5 insurance institution, agent or insurance-support organization for  
6 the purpose of:
- 7 (a) Determining an individual's eligibility for an insurance  
8 benefit or payment, or
- 9 (b) Detecting or preventing criminal activity, fraud, material  
10 misrepresentation or material nondisclosure in connection with, or  
11 in reasonable anticipation of, an insurance transaction;
- 12 c. To an insurance institution, agent, insurance-support  
13 organization or self-insurer, if the information disclosed is limited  
14 to that which is reasonably necessary:
- 15 (1) To detect or prevent criminal activity, fraud, material  
16 misrepresentation or material nondisclosure in connection with, or  
17 in reasonable anticipation of, insurance transactions, or
- 18 (2) For either the disclosing or receiving insurance institution,  
19 agent or insurance-support organization to perform its functions in  
20 connection with an insurance transaction involving the individual;
- 21 d. To a medical-care institution or medical professional for the  
22 purpose of:
- 23 (1) Verifying insurance coverage or benefits;
- 24 (2) Informing an individual of a medical problem of which the  
25 individual may not be aware; or
- 26 (3) Conducting an operations or services audit, provided only  
27 that information is disclosed as is reasonably necessary to  
28 accomplish the foregoing purposes; **[or]**
- 29 e. To an insurance regulatory authority; **[or]**
- 30 f. To a law enforcement or other governmental authority:
- 31 (1) To protect the interests of the insurance institution, agent or  
32 insurance-support organization in preventing or prosecuting the  
33 perpetration of fraud upon it, or
- 34 (2) If the insurance institution, agent or insurance-support  
35 organization reasonably believes that illegal activities have been  
36 conducted by **[the individual]** any person;
- 37 g. Otherwise permitted or required by law;
- 38 h. In response to a facially valid administrative or judicial  
39 order, including a search warrant or subpena;
- 40 i. Made for the purpose of conducting actuarial or research  
41 studies, provided:
- 42 (1) No individual may be identified in any actuarial or research  
43 report,
- 44 (2) Materials allowing the individual to be identified are  
45 returned or destroyed as soon as they are no longer needed, and
- 46 (3) The actuarial or research organization agrees not to disclose  
47 the information unless the disclosure would otherwise be permitted

- 1 by this section if made by an insurance institution, agent or  
2 insurance-support organization;
- 3 j. To a party or a representative of a party to a proposed or  
4 consummated sale, transfer, merger or consolidation of all or part of  
5 the business of the insurance institution, agent or insurance-support  
6 organization, except that:
- 7 (1) Prior to the consummation of the sale, transfer, merger or  
8 consolidation only such information is disclosed as is reasonably  
9 necessary to enable the recipient to make business decisions about  
10 the purchase, transfer, merger or consolidation, and
- 11 (2) The recipient agrees not to disclose the information unless  
12 the disclosure would otherwise be permitted by this section if made  
13 by an insurance institution, agent or insurance-support organization;
- 14 k. To a person whose only use of such information will be in  
15 connection with the marketing of a product or service, if:
- 16 (1) No medical-record information, privileged information, or  
17 personal information relating to an individual's character, personal  
18 habits, mode of living or general reputation is disclosed, and no  
19 classification derived from that information is disclosed,
- 20 (2) The individual has been given an opportunity to indicate that  
21 he does not want personal information disclosed for marketing  
22 purposes and has given no indication that he does not want the  
23 information disclosed, and
- 24 (3) The person receiving the information agrees not to use it  
25 except in connection with the marketing of a product or service;
- 26 l. To an affiliate whose only use of the information will be in  
27 connection with an audit of the insurance institution or agent or the  
28 marketing of an insurance product or service, if the affiliate agrees  
29 not to disclose the information for any other purpose or to  
30 unaffiliated persons;
- 31 m. By a consumer reporting agency, if the disclosure is to a  
32 person other than an insurance institution or agent;
- 33 n. To a group policyholder for the purpose of reporting claims  
34 experience or conducting an audit of the insurance institution's or  
35 agent's operations or services, if the information disclosed is  
36 reasonably necessary for the recipient to conduct the review or  
37 audit;
- 38 o. To a professional peer review organization for the purpose  
39 of reviewing the services or conduct of a medical-care institution or  
40 medical professional;
- 41 p. To a governmental authority for the purpose of determining  
42 the individual's eligibility for health benefits for which the  
43 governmental authority may be liable;
- 44 q. To a certificateholder or policyholder for the purpose of  
45 providing information regarding the status of an insurance  
46 transaction; or

1 r. To a lienholder, mortgagee, assignee, lessor or other person  
2 shown on the records of an insurance institution or agent as having  
3 a legal or beneficial interest in a policy of insurance, provided:

4 (1) No medical-record information is disclosed unless the  
5 disclosure would otherwise be permitted by this section of this act;  
6 and

7 (2) The information disclosed is limited to that reasonably  
8 necessary to permit the person to protect its interests in the policy.

9 (cf: P.L.1985, c.179, s.13)

10

11 3. Section 20 of P.L.1985, c.179 (C.17:23A-20) is amended to  
12 read as follows:

13 20. **Individual remedies.** a. If any insurance institution, agent  
14 or insurance-support organization fails to comply with section 8, 9  
15 or 10 of this act with respect to the rights granted under those  
16 sections, any person whose rights are violated may apply to the  
17 Superior Court of this State, or any other court of competent  
18 jurisdiction, for appropriate equitable relief.

19 b. An insurance institution, agent or insurance-support  
20 organization which discloses information in violation of section 13  
21 of this act shall be liable for damages sustained by the **individual**  
22 person about whom the information relates; except that no  
23 **individual** person shall be entitled to a monetary award which  
24 exceeds the actual damages sustained by the **individual** person as  
25 a result of a violation of section 13 of this act.

26 c. In any action brought pursuant to this section, the court may  
27 award the costs of the action and reasonable attorney's fees to the  
28 prevailing party.

29 d. An action under this section shall be brought within two  
30 years from the date the alleged violation is or should have been  
31 discovered.

32 e. Except as specifically provided in this section, there shall be  
33 no remedy or recovery available to **individuals** persons, in law or  
34 in equity, for occurrences constituting a violation of any provision  
35 of this act.

36 (cf: P.L.1985, c.179, s.20)

37

38 4. Section 21 of P.L.1985, c.179 (C.17:23A-21) is amended to  
39 read as follows:

40 21. **Immunity.** No civil liability shall be imposed and no  
41 cause of action **in the** of any nature **of defamation, invasion of**  
42 **privacy or negligence** shall arise against any person for disclosing  
43 personal or privileged information in accordance with this act, **nor**  
44 **shall such a cause of action arise** or against any person for  
45 furnishing personal or privileged information to an insurance  
46 institution, agent or insurance-support organization; except this

1 section shall provide no immunity for disclosing or furnishing false  
2 information with malice or willful intent to injure any person.

3 (cf: P.L.1985, c.179, s.21)

4

5 5. Section 9 of P.L.1983, c.320 (C.17:33A-9) is amended to  
6 read as follows:

7 9. a. Any person who believes that a violation of this act has  
8 been or is being made shall notify the division immediately after  
9 discovery of the alleged violation of this act and shall send to the  
10 division, on a form and in a manner prescribed by the  
11 commissioner, the information requested and **such** any additional  
12 information relative to the alleged violation as the division may  
13 require. The division shall review the reports and select those  
14 alleged violations as may require further investigation. It shall then  
15 cause an independent examination or evaluation of the facts  
16 surrounding the alleged violation to be made to determine the  
17 extent, if any, to which fraud, deceit, or intentional  
18 misrepresentation of any kind exists.

19 b. No person shall be subject to civil liability **for libel,**  
20 **violation of privacy or otherwise** or to a cause of action of any  
21 nature by virtue of the filing of reports or furnishing of other  
22 information, in good faith and without malice, required by this  
23 section or required by the division as a result of the authority  
24 conferred upon it by law.

25 c. The commissioner may, by regulation, require insurance  
26 companies licensed to do business in this State to keep such records  
27 and other information as he deems necessary for the effective  
28 enforcement of this act.

29 (cf: P.L.1991, c.331, s.6)

30

31 6. (New section) a. In addition to the civil immunity provided  
32 to a person by subsection b. of section 9 of P.L.1983, c.320  
33 (C.17:33A-9), a person shall also be immune from any civil liability  
34 and not subject to a cause of action of any nature for making a  
35 report or otherwise providing information to, or receiving  
36 information from, any of the following, when any party involved in  
37 the information sharing believes that a violation of the "New Jersey  
38 Insurance Fraud Prevention Act," P.L.1983, c.320 (C.17:33A-1 et  
39 seq.), has been or is being made:

40 (1) the commissioner, or any employee, agent, or representative  
41 of the commissioner;

42 (2) federal, State, or local law enforcement, including the Office  
43 of the Insurance Fraud Prosecutor, or other governmental authority;

44 (3) any person performing a business, professional, or insurance  
45 function concerning the detection or prevention of criminal activity,  
46 fraud, material misrepresentation, or material nondisclosure which  
47 violates the provisions of the "New Jersey Insurance Fraud  
48 Prevention Act," P.L.1983, c.320 (C.17:33A-1 et seq.);

1 (4) the National Association of Insurance Commissioners, or its  
2 successor organization, and its affiliates or subsidiaries, or any  
3 agency or committee thereof; or

4 (5) the National Insurance Crime Bureau, or its successor  
5 organization, and its affiliates or subsidiaries, or any agency or  
6 committee thereof.

7 b. (1) This section shall not abrogate or modify any existing  
8 statutory or common law privilege or immunity enjoyed by any  
9 person described in subsection a. of this section.

10 (2) This section shall not provide any immunity to any person  
11 for disclosing or furnishing false information with malice or willful  
12 intent to injure another person.

13

14 7. This act shall take effect on the first day of the fourth month  
15 next following enactment, except that the Commissioner of Banking  
16 and Insurance may take any anticipatory administrative action in  
17 advance thereof as shall be necessary for the implementation of this  
18 act.

19

20

21

STATEMENT

22

23 This bill broadens the scope of information a person or entity,  
24 such as an insurance carrier, may disclose to other parties related to  
25 actual or potential insurance fraud, and the scope of the related civil  
26 immunity covering the person's or entity's distribution of that  
27 information. Based upon recommended legislative reforms set forth  
28 in the 2006 Annual Report of the New Jersey Office of the  
29 Insurance Fraud Prosecutor (pages 62-65), the bill concerns  
30 information disclosure practices related to insurance fraud, with the  
31 intent of strengthening State and insurance industry efforts to  
32 hamper fraudulent activities.

33 To that end, the bill amends and supplements the State statutes  
34 governing insurance information practices, P.L.1985, c.179  
35 (C.17:23A-1 et seq.), popularly referred to as the "Insurance  
36 Information Practices Act," and the "New Jersey Insurance Fraud  
37 Prevention Act," P.L.1983, c.320 (C.17:33A-1 et seq.).  
38 Specifically, the bill:

39 - Expands the definition of "insurance-support organization"  
40 regarding insurance information practices, to permit any such  
41 organization to collect and report information about any person or  
42 entity in connection with an insurance transaction, going beyond the  
43 current scope as expressed in the definition, which focuses only on  
44 information collecting and reporting concerning an individual  
45 insured, applicant, or claimant;

46 - Similarly expands the definition of "privileged information"  
47 regarding insurance information practices, to indicate that such

1 information may relate to any person or entity concerning an  
2 insurance transaction;

3 - Modifies the scope of permitted information disclosures with  
4 respect to insurance information practices, so that an insurance  
5 carrier, among other insurance institutions, or an agent or  
6 insurance-support organization may disclose privileged information  
7 (as defined above) about a person or entity in connection with, or in  
8 reasonable anticipation of, an insurance transaction, to: 1) another  
9 insurance institution, agent, or insurance-support organization; 2)  
10 any other person or entity involved in detecting or preventing  
11 criminal activity or insurance fraud; or 3) a law enforcement or  
12 other governmental authority;

13 - Expands the existing immunity provided to any person or entity  
14 for disclosing information, as well as the existing immunity  
15 associated with the mandatory reporting requirements and  
16 information furnishings set forth under the “New Jersey Insurance  
17 Fraud Prevention Act,” to apply to a cause of action “of any  
18 nature,” instead of the current law’s more limited immunity against  
19 causes of action in the nature of defamation, invasion of privacy, or  
20 other related actions; and

21 - Establishes a new, similarly expansive immunity under the  
22 “New Jersey Insurance Fraud Prevention Act” relating to making  
23 reports to, or providing information to, or receiving information  
24 from: 1) the Commissioner of Banking and Insurance, or any  
25 employee, agent, or representative of the commissioner; 2) federal,  
26 State, or local law enforcement, including the Office of the  
27 Insurance Fraud Prosecutor, or other governmental authority; 3) any  
28 person performing a business, professional, or insurance function  
29 concerning the detection or prevention of criminal activity, fraud,  
30 material misrepresentation, or material nondisclosure which violates  
31 the provisions of the “New Jersey Insurance Fraud Prevention Act”;  
32 4) the National Association of Insurance Commissioners, a national  
33 nonprofit organization which assists state insurance regulators,  
34 individually and collectively, in serving the public interest and  
35 achieving insurance regulatory and market goals; or 5) the National  
36 Insurance Crime Bureau, a national nonprofit organization  
37 dedicated to preventing, detecting, and eliminating insurance fraud.

38 By establishing a legal framework for the greater flowing of  
39 information between the insurance industry and law enforcement, as  
40 well as between various parties within the insurance industry, the  
41 bill intends to strengthen the efforts of the Office of the Insurance  
42 Fraud Prosecutor and the insurance industry to hamper fraudulent  
43 activities.