

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 2144

STATE OF NEW JERSEY

DATED: APRIL 5, 2018

The Senate Commerce Committee reports favorably Senate Bill No. 2144.

This bill, the “New Jersey Insurance Fair Conduct Act,” establishes a private cause of action for first-party claimants regarding certain unfair or unreasonable practices by their insurer.

Under the bill, a claimant may file a civil action in a court of competent jurisdiction against its insurer for:

- (1) an unreasonable delay or unreasonable denial of a claim for payment of benefits under an insurance policy; or
- (2) any violation of the provisions of section 4 of P.L.1947, c.379 (C.17:29B-4).

Section 4 of P.L.1947, c.379 (C.17:29B-4) defines certain activities as unfair methods of competition and unfair and deceptive acts or practices in the business of insurance including, among other things, misrepresentations and false advertising of policy contracts, false information and advertising generally, defamation, unfair discrimination, unfair claim settlement practices and failure to maintain complaint handling procedures.

The bill provides that, in any action filed pursuant to the bill, the claimant shall not be required to prove that the insurer’s actions were of such a frequency as to indicate a general business practice.

The bill also provides that, upon establishing that a violation of the provisions of the bill has occurred, the claimant shall be entitled to:

- (1) actual damages caused by the violation;
- (2) prejudgment interest, reasonable attorney’s fees, and all reasonable litigation expenses; and
- (3) treble damages.