ASSEMBLY, No. 3920

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED APRIL 9, 2020

Sponsored by:
Assemblyman JON M. BRAMNICK
District 21 (Morris, Somerset and Union)
Assemblyman ROY FREIMAN
District 16 (Hunterdon, Mercer, Middlesex and Somerset)
Assemblywoman SHANIQUE SPEIGHT
District 29 (Essex)

Co-Sponsored by:
Assemblyman Holley, Assemblywoman Carter, Assemblymen Moen, DeAngelo, Assemblywoman Swain, Assemblyman Tully, Assemblywomen Quijano, Vainieri Huttle, Assemblymen Giblin and Benson

SYNOPSIS
Prohibits cancellation or nonrenewal of insurance for a period of at least 60 days under certain circumstances after declaration of public health emergency, or state of emergency, or both.

CURRENT VERSION OF TEXT
As introduced.

(Sponsorship Updated As Of: 5/7/2020)
AN ACT concerning cancellation of insurance policies during a public health emergency or state of emergency and supplementing Title 17 of the Revised Statutes.

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

1. Notwithstanding the provisions of any other law, rule or regulation to the contrary, upon the declaration by the Governor, of a public health emergency, pursuant to the “Emergency Health Powers Act,” P.L.2005, c.222 (C.26:13-1 et seq.), or a state of emergency, pursuant to P.L.1942, c.251 (C.App.A.9-33 et seq.), or both, and upon a further determination by the Commissioner of Banking and Insurance, after consultation with the Governor, that the emergency or emergencies shall be of such duration and severity as to require certain actions with respect to policies of insurance, then the Commissioner of Banking and Insurance shall issue a bulletin requiring that for a period of at least 60 days, no policy of insurance issued to an insured in this State and subject to regulation pursuant to Title 17 of the Revised Statutes, or Title 17B of the New Jersey Statutes shall be cancelled or not renewed for nonpayment of premium. The commissioner shall direct insurers to take appropriate actions to protect policyholders impacted by COVID-19, which actions may include but shall not limited to extending grace periods beyond the minimum grace periods required by this section, waiving late fees and penalties, relaxing or extending due dates for premium payments and policy based loan payments or allowing extended payment plans, extending timeframes to complete property inspections or undergo medical examinations, and taking any and all similar actions so as to avoid the cancellation or nonrenewal of policies.

2. This act shall take effect immediately and shall be retroactive to March 1, 2020, and shall apply to any policy of insurance in effect in this State on that date, and to any policy of insurance delivered, issued, executed or renewed in this State, or approved for issuance or renewal in the State by the Commissioner of Banking and Insurance, on or after that date.

STATEMENT

This bill would authorize the Commissioner of Banking and Insurance, upon the declaration by the Governor of a public health emergency, pursuant to the “Emergency Health Powers Act,” P.L.2005, c.222 (C.26:13-1 et seq.), or a state of emergency, pursuant to P.L.1942, c.251 (C.App.A.9-33 et seq.), or both, and upon a further determination by the commissioner, after
consultation with the Governor, that the emergency or emergencies are of such duration and severity as to require certain actions with respect to policies of insurance, to issue a bulletin requiring that for a period of at least 60 days, no policy of insurance issued to an insured in this State and subject to regulation pursuant to Title 17 of the Revised Statutes, or Title 17B of the New Jersey Statutes could be cancelled or not renewed for nonpayment of premium.

The commissioner would direct insurers to take appropriate actions to protect policyholders impacted by COVID-19, which actions may include but shall not limited to extending grace periods beyond the minimum grace periods required by this section, waiving late fees and penalties, relaxing or extending due dates for premium payments and policy based loan payments or allowing extended payment plans, extending timeframes to complete property inspections or undergo medical examinations, and taking any and all similar actions so as to avoid the cancellation or nonrenewal of policies.

The bill applies to all lines of insurance subject to regulation by the Department of Banking and Insurance. It takes effect immediately and is retroactive to March 1, 2020, and applies to policies in effect on that date, and policies delivered, issued, executed or renewed, or approved for issuance or renewal, on or after that date.