

[First Reprint]

SENATE, No. 1559

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

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District 22 (Middlesex, Somerset and Union)

Senator PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

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Senator Ruiz

SYNOPSIS

“New Jersey Insurance Fair Conduct Act.”

CURRENT VERSION OF TEXT

As reported by the Senate Commerce Committee on January 21, 2021, with amendments.



(Sponsorship Updated As Of: 1/28/2021)

1 AN ACT concerning certain unreasonable practices in the business
2 of insurance and supplementing Title 17 of the Revised Statutes.

3

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

6

7 1. This act shall be known and may be cited as the “New Jersey
8 Insurance Fair Conduct Act.”

9

10 2. As used in this act:

11 "First-party claimant" or "claimant" means an individual injured
12 in a motor vehicle accident and entitled to the uninsured or
13 underinsured motorist coverage of an insurance policy asserting an
14 entitlement to benefits owed directly to or on behalf of an insured
15 under that insurance policy.

16 "Insurer" means any individual, corporation, association,
17 partnership or other legal entity which issues, executes, renews or
18 delivers an insurance policy in this State, or which is responsible
19 for determining claims made under the policy. "Insurer" shall not
20 include an insurance producer as defined in section 3 of
21 P.L.2001, c.210 (C.17:22A-28) or a public entity.

22 "Public entity" means the State, any county, municipality,
23 district, public authority, public agency and any other political
24 subdivision or public body in the State, including a joint insurance
25 fund of a public entity.

26

27 3. a. In addition to the enforcement authority provided to the
28 Commissioner of Banking and Insurance pursuant to the provisions of
29 P.L.1947, c.379 (C.17:29B-1 et seq.) or any other law, a claimant may,
30 regardless of any action by the commissioner, file a civil action in a
31 court of competent jurisdiction against its automobile insurer for:

32 (1) an unreasonable delay or unreasonable denial of a claim for
33 payment of benefits under an insurance policy; or

34 (2) any violation of the provisions of section 4 of
35 P.L.1947, c.379 (C.17:29B-4).

36 b. In any action filed pursuant to this act, the claimant shall not be
37 required to prove that the insurer's actions were of such a frequency as
38 to indicate a general business practice.

39 c. Upon establishing that a violation of the provisions of this act
40 has occurred, the plaintiff shall be entitled to ¹]:

41 (1) ¹ actual damages caused by the violation of this act which shall
42 include, but need not be limited to, actual trial verdicts ¹]; and

43 (2) prejudgment interest, reasonable attorney's fees, and all
44 reasonable litigation expenses¹.

45

46 4. This act shall take effect immediately.

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SCM committee amendments adopted January 21, 2021.