

**SENATE, No. 1728**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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INTRODUCED FEBRUARY 13, 2020

**Sponsored by:**

**Senator JOSEPH A. LAGANA**

**District 38 (Bergen and Passaic)**

**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】** P.L.1985, c.179  
10 (C.17:23A-1 et seq.):

11 a. "Adverse underwriting decision" means:

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

15 (a) A declination of insurance coverage,

16 (b) A termination of insurance coverage,

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

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

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

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

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

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

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

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

40 (c) The rescission of a policy.

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

44 c. "Agent" means any person defined in chapter 22 of Title 17  
45 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 certificate holder;

34 (2) In the case of life, health or disability insurance, is a past,  
35 present or proposed principal insured or certificate holder;

36 (3) Is a past, present or proposed policy owner;

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 P.L.1985, c.179 (C.17:23A-1 et seq.).

42 k. "Institutional source" means any person or governmental  
43 entity that provides information about an individual to an agent,  
44 insurance institution or insurance support organization, other than:

45 (1) An agent,

46 (2) The individual who is the subject of the information, or

47 (3) A natural person acting in a personal capacity rather than in  
48 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 1 of  
11 P.L.1938, c.366 (C.17:48-1), section 1 of P.L.1985, c.236  
12 (C.17:48E-1), section 2 of P.L.1968, c.305 (C.17:48C-2), section 2  
13 of P.L.1979, c.478 (C.17:48D-2), and P.L.1970, c.215 (C.17:29D-1  
14 et seq.) 【and P.L.1983, c.65 (C.17:29A-33 et al.)】, respectively.  
15 "Insurance institution" shall not include agents or insurance-support  
16 organizations.

17       m. "Insurance-support organization" means:

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

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

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

30       (2) Notwithstanding paragraph (1) of this subsection, the  
31 following persons shall not be considered "insurance-support  
32 organizations" for the purposes of **【this act】** P.L.1985, c.179  
33 (C.17:23A-1 et seq.): agents, government institutions, insurance  
34 institutions, medical-care institutions, medical professionals and  
35 rating organizations as defined in section 1 of P.L.1944, c.27  
36 (C.17:29A-1).

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

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

42       (2) The servicing of an insurance application, policy, contract or  
43 certificate.

44       o. "Investigative consumer report" means a consumer report or  
45 portion thereof in which information about a natural person's  
46 character, general reputation, personal characteristics or mode of  
47 living is obtained through personal interviews with the person's

1 neighbors, friends, associates, acquaintances or others who may  
2 have knowledge concerning those items of information.

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

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

14 r. "Medical-record information" means personal information  
15 which:

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

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

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

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

30 u. "Policyholder" means any person who:

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

33 (2) In the case of individual life, health or disability insurance,  
34 is a present policy owner; or

35 (3) In the case of group insurance which is individually  
36 underwritten, is a present group certificate holder.

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

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

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

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

43 (4) Refuses to identify himself upon request.

44 w. "Privileged information" means any individually identifiable  
45 information that:

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

(2) Is collected in connection with or in reasonable anticipation of a claim for insurance benefits or civil or criminal proceeding involving **an individual** any person concerning an insurance transaction; except that information otherwise meeting the requirements of this subsection shall nevertheless be considered personal information under **this act** P.L.1985, c.179 (C.17:23A-1 et seq.) if it is disclosed in violation of section 13 of **this act** P.L.1985, c.179 (C.17:23A-13).

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

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

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

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

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

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

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

(1) If the authorization is submitted by another insurance institution, agent or insurance-support organization, the authorization meets the requirements of section 6 of **this act** P.L.1985, c.179 (C.17:23A-6), or

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

(a) Dated,

(b) Signed by the individual, and

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

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

(1) To enable the person to perform a business, professional or insurance function for the disclosing insurance institution, agent or

1 insurance-support organization, and the person agrees not to  
2 disclose the information further without the individual's written  
3 authorization unless the further disclosure:

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

6 (b) Is reasonably necessary for the person to perform its  
7 function for the disclosing insurance institution, agent or insurance-  
8 support organization; or

9 (2) To enable the person to provide information to the disclosing  
10 insurance institution, agent or insurance-support organization for  
11 the purpose of:

12 (a) Determining an individual's eligibility for an insurance  
13 benefit or payment, or

14 (b) Detecting or preventing criminal activity, fraud, material  
15 misrepresentation or material nondisclosure in connection with, or  
16 in reasonable anticipation of, an insurance transaction;

17 c. To an insurance institution, agent, insurance-support  
18 organization or self-insurer, if the information disclosed is limited  
19 to that which is reasonably necessary:

20 (1) To detect or prevent criminal activity, fraud, material  
21 misrepresentation or material nondisclosure in connection with, or  
22 in reasonable anticipation of, insurance transactions, or

23 (2) For either the disclosing or receiving insurance institution,  
24 agent or insurance-support organization to perform its functions in  
25 connection with an insurance transaction involving the individual;

26 d. To a medical-care institution or medical professional for the  
27 purpose of:

28 (1) Verifying insurance coverage or benefits;

29 (2) Informing an individual of a medical problem of which the  
30 individual may not be aware; or

31 (3) Conducting an operations or services audit, provided only  
32 that information is disclosed as is reasonably necessary to  
33 accomplish the foregoing purposes; **[or]**

34 e. To an insurance regulatory authority; **[or]**

35 f. To a law enforcement or other governmental authority:

36 (1) To protect the interests of the insurance institution, agent or  
37 insurance-support organization in preventing or prosecuting the  
38 perpetration of fraud upon it, or

39 (2) If the insurance institution, agent or insurance-support  
40 organization reasonably believes that illegal activities have been  
41 conducted by **[the individual]** any person;

42 g. Otherwise permitted or required by law;

43 h. In response to a facially valid administrative or judicial  
44 order, including a search warrant or subpoena;

45 i. Made for the purpose of conducting actuarial or research  
46 studies, provided:

47 (1) No individual may be identified in any actuarial or research  
48 report,

1       (2) Materials allowing the individual to be identified are  
2 returned or destroyed as soon as they are no longer needed, and

3       (3) The actuarial or research organization agrees not to disclose  
4 the information unless the disclosure would otherwise be permitted  
5 by this section if made by an insurance institution, agent or  
6 insurance-support organization;

7       j. To a party or a representative of a party to a proposed or  
8 consummated sale, transfer, merger or consolidation of all or part of  
9 the business of the insurance institution, agent or insurance-support  
10 organization, except that:

11       (1) Prior to the consummation of the sale, transfer, merger or  
12 consolidation only such information is disclosed as is reasonably  
13 necessary to enable the recipient to make business decisions about  
14 the purchase, transfer, merger or consolidation, and

15       (2) The recipient agrees not to disclose the information unless  
16 the disclosure would otherwise be permitted by this section if made  
17 by an insurance institution, agent or insurance-support organization;

18       k. To a person whose only use of such information will be in  
19 connection with the marketing of a product or service, if:

20       (1) No medical-record information, privileged information, or  
21 personal information relating to an individual's character, personal  
22 habits, mode of living or general reputation is disclosed, and no  
23 classification derived from that information is disclosed,

24       (2) The individual has been given an opportunity to indicate that  
25 he does not want personal information disclosed for marketing  
26 purposes and has given no indication that he does not want the  
27 information disclosed, and

28       (3) The person receiving the information agrees not to use it  
29 except in connection with the marketing of a product or service;

30       l. To an affiliate whose only use of the information will be in  
31 connection with an audit of the insurance institution or agent or the  
32 marketing of an insurance product or service, if the affiliate agrees  
33 not to disclose the information for any other purpose or to  
34 unaffiliated persons;

35       m. By a consumer reporting agency, if the disclosure is to a  
36 person other than an insurance institution or agent;

37       n. To a group policyholder for the purpose of reporting claims  
38 experience or conducting an audit of the insurance institution's or  
39 agent's operations or services, if the information disclosed is  
40 reasonably necessary for the recipient to conduct the review or  
41 audit;

42       o. To a professional peer review organization for the purpose  
43 of reviewing the services or conduct of a medical-care institution or  
44 medical professional;

45       p. To a governmental authority for the purpose of determining  
46 the individual's eligibility for health benefits for which the  
47 governmental authority may be liable;



1 q. To a certificateholder or policyholder for the purpose of  
2 providing information regarding the status of an insurance  
3 transaction; or

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

7 (1) No medical-record information is disclosed unless the  
8 disclosure would otherwise be permitted by this section **of this**  
9 **act**; and

10 (2) The information disclosed is limited to that reasonably  
11 necessary to permit the person to protect its interests in the policy.  
12 (cf: P.L.1985, c.179, s.13)

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

16 20. **Individual remedies.** a. If any insurance institution,  
17 agent or insurance-support organization fails to comply with section  
18 8, 9 or 10 of **this act** P.L.1985, c.179 (C.17:23A-8, 17:23A-9 or  
19 17:23A-10) with respect to the rights granted under those sections,  
20 any person whose rights are violated may apply to the Superior  
21 Court of this State, or any other court of competent jurisdiction, for  
22 appropriate equitable relief.

23 b. An insurance institution, agent or insurance-support  
24 organization which discloses information in violation of section 13  
25 of **this act** P.L.1985, c.179 (C.17:23A-13) shall be liable for  
26 damages sustained by the **individual** person about whom the  
27 information relates; except that no **individual** person shall be  
28 entitled to a monetary award which exceeds the actual damages  
29 sustained by the **individual** person as a result of a violation of  
30 section 13 of **this act** P.L.1985, c.179 (C.17:23A-13).

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

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

37 e. Except as specifically provided in this section, there shall be  
38 no remedy or recovery available to **individuals** persons, in law or  
39 in equity, for occurrences constituting a violation of any provision  
40 of **this act** P.L.1985, c.179 (C.17:23A-1 et seq.).

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

42  
43 4. Section 21 of P.L.1985, c.179 (C.17:23A-21) is amended to  
44 read as follows:

45 21. **Immunity.** No civil liability shall be imposed and no  
46 cause of action **in the** of any nature **of defamation, invasion of**  
47 **privacy or negligence** shall arise against any person for disclosing

1 personal or privileged information in accordance with **【this act, nor**  
2 **shall such a cause of action arise】** P.L.1985, c.179 (C.17:23A-1 et  
3 seq.) or against any person for furnishing personal or privileged  
4 information to an insurance institution, agent or insurance-support  
5 organization; except this section shall provide no immunity for  
6 disclosing or furnishing false information with malice or willful  
7 intent to injure any person.  
8 (cf: P.L.1985, c.179, s.21)

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

12 9. a. (1) Any person who believes that a violation of **【this**  
13 **act】** P.L.1983, c.320 (C.17:33A-1 et seq.) has been or is being made  
14 shall notify the bureau and the Office of the Insurance Fraud  
15 Prosecutor immediately after discovery of the alleged violation of  
16 **【this act】** P.L.1983, c.320 (C.17:33A-1 et seq.) and shall send to  
17 the bureau and office, on a form and in a manner jointly prescribed  
18 by the commissioner and the Insurance Fraud Prosecutor, the  
19 information requested and such additional information relative to  
20 the alleged violation as the bureau or office may require. The  
21 bureau and the office shall jointly review the reports and select  
22 those alleged violations as may require further investigation by the  
23 office for possible criminal prosecution, and those that may warrant  
24 investigation and possible civil action or enforcement proceeding  
25 by the bureau in lieu of or in addition to criminal prosecution. The  
26 Insurance Fraud Prosecutor and the assistant commissioner shall  
27 meet monthly to ensure that reports are handled in an expedited  
28 fashion.

29 (2) Whenever the Bureau of Fraud Deterrence or any employee  
30 of the bureau obtains information or evidence of a reasonable  
31 possibility of criminal wrongdoing not previously known or  
32 disclosed to the Office of the Insurance Fraud Prosecutor, the  
33 bureau shall immediately refer that information or evidence to that  
34 office. In determining whether a referral to the office is appropriate,  
35 the bureau shall utilize appropriate levels of internal review, which  
36 shall include but not be limited to approval at the assistant  
37 commissioner level. Upon referral, the bureau shall provide the  
38 office with all documents related to the referral consistent with  
39 section 39 of P.L.1998, c.21 (C.17:33A-23).

40 b. No person shall be subject to civil liability **【for libel,**  
41 **violation of privacy or otherwise】** or to a cause of action of any  
42 nature by virtue of the filing of reports or furnishing of other  
43 information, in good faith and without malice, required by this  
44 section or required by the bureau or the Office of the Insurance  
45 Fraud Prosecutor as a result of the authority conferred upon it by  
46 law.

1 c. The commissioner may, by regulation, require insurance  
2 companies licensed to do business in this State to keep such records  
3 and other information as he deems necessary for the effective  
4 enforcement of **【this act】** P.L.1983, c.320 (C.17:33A-1 et seq.).  
5 (cf: P.L.2010, c.32, s.4)  
6

7 6. (New section) a. In addition to the civil immunity  
8 provided to a person by subsection b. of section 9 of P.L.1983,  
9 c.320 (C.17:33A-9), a person shall also be immune from any civil  
10 liability and not subject to a cause of action of any nature for  
11 making a report or otherwise providing information to, or receiving  
12 information from, any of the following, when any party involved in  
13 the information sharing believes that a violation of the “New Jersey  
14 Insurance Fraud Prevention Act,” P.L.1983, c.320 (C.17:33A-  
15 1 et seq.), has been or is being made:

16 (1) the commissioner, or any employee, agent, or representative  
17 of the commissioner, including the Bureau of Fraud Deterrence;

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

20 (3) any person performing a business, professional, or insurance  
21 function concerning the detection or prevention of criminal activity,  
22 fraud, material misrepresentation, or material nondisclosure which  
23 violates the provisions of the “New Jersey Insurance Fraud  
24 Prevention Act,” P.L.1983, c.320 (C.17:33A-1 et seq.);

25 (4) the National Association of Insurance Commissioners, or its  
26 successor organization, and its affiliates or subsidiaries, or any  
27 agency or committee thereof; or

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

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

34 (2) This section shall not provide any immunity to any person  
35 for disclosing or furnishing false information with malice or willful  
36 intent to injure another person.  
37

38 7. This act shall take effect on the first day of the fourth month  
39 next following enactment, except that the Commissioner of Banking  
40 and Insurance may take any anticipatory administrative action in  
41 advance thereof as shall be necessary for the implementation of this  
42 act.  
43  
44

#### 45 STATEMENT

46  
47 This bill broadens the scope of information a person or entity,  
48 such as an insurance carrier, may disclose to other parties related to

1 actual or potential insurance fraud, and the scope of the related civil  
2 immunity covering the person's or entity's distribution of that  
3 information. Based upon recommended legislative reforms set forth  
4 in the 2006 Annual Report of the New Jersey Office of the  
5 Insurance Fraud Prosecutor (pages 62-65), the bill concerns  
6 information disclosure practices related to insurance fraud, with the  
7 intent of strengthening State and insurance industry efforts to  
8 hamper fraudulent activities.

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

15 -Expands the definition of "insurance-support organization"  
16 regarding insurance information practices, to permit any such  
17 organization to collect and report information about any person or  
18 entity in connection with an insurance transaction, going beyond the  
19 current scope as expressed in the definition, which focuses only on  
20 information collecting and reporting concerning an individual  
21 insured, applicant, or claimant;

22 -Similarly expands the definition of "privileged information"  
23 regarding insurance information practices, to indicate that such  
24 information may relate to any person or entity concerning an  
25 insurance transaction;

26 -Modifies the scope of permitted information disclosures with  
27 respect to insurance information practices, so that an insurance  
28 carrier, among other insurance institutions, or an agent or  
29 insurance-support organization may disclose privileged information  
30 (as defined above) about a person or entity in connection with, or in  
31 reasonable anticipation of, an insurance transaction, to: 1) another  
32 insurance institution, agent, or insurance-support organization; 2)  
33 any other person or entity involved in detecting or preventing  
34 criminal activity or insurance fraud; or 3) a law enforcement or  
35 other governmental authority;

36 -Expands the existing immunity provided to any person or entity  
37 for disclosing information, as well as the existing immunity  
38 associated with the mandatory reporting requirements and  
39 information furnishings set forth under the "New Jersey Insurance  
40 Fraud Prevention Act," to apply to a cause of action "of any  
41 nature," instead of the current law's more limited immunity against  
42 causes of action in the nature of defamation, invasion of privacy, or  
43 other related actions; and

44 -Establishes a new, similarly expansive immunity under the  
45 "New Jersey Insurance Fraud Prevention Act" relating to making  
46 reports to, or providing information to, or receiving information  
47 from: 1) the Commissioner of Banking and Insurance, or any  
48 employee, agent, or representative of the commissioner, including

1 the Bureau of Fraud Deterrence; 2) federal, State, or local law  
2 enforcement, including the Office of the Insurance Fraud  
3 Prosecutor, or other governmental authority; 3) any person  
4 performing a business, professional, or insurance function  
5 concerning the detection or prevention of criminal activity, fraud,  
6 material misrepresentation, or material nondisclosure which violates  
7 the provisions of the “New Jersey Insurance Fraud Prevention Act”;  
8 4) the National Association of Insurance Commissioners, a national  
9 nonprofit organization which assists state insurance regulators,  
10 individually and collectively, in serving the public interest and  
11 achieving insurance regulatory and market goals; or 5) the National  
12 Insurance Crime Bureau, a national nonprofit organization  
13 dedicated to preventing, detecting, and eliminating insurance fraud.

14 By establishing a legal framework for the greater flow of  
15 information between the insurance industry and law enforcement, as  
16 well as among various parties within the insurance industry, the bill  
17 intends to strengthen the efforts of the Office of the Insurance Fraud  
18 Prosecutor and the insurance industry to thwart fraudulent  
19 activities.