

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR

SENATE, No. 3169

STATE OF NEW JERSEY

DATED: FEBRUARY 11, 2021

The Senate Commerce Committee reports favorably the Senate Committee Substitute for Senate Bill No. 3169.

This committee substitute requires the Department of Banking and Insurance to publish on its internet website, on or before the 90th day after the date of enactment of the bill, a one page summary of common insurance clauses concerning coverage for the loss of use and occupancy of a commercial property and business interruption that may be used in a commercial insurance policy. The summary is to be developed through a public stakeholder process, be written in easily understandable language, and include certain information, statements, and disclaimers.

Under the bill, an authorized insurer is to provide the summary to any potential purchaser of, or any policyholder seeking renewal of, a policy that provides coverage for the loss of use and occupancy of a commercial property and business interruption in this State with the application for the policy or renewal.

The bill provides that an authorized insurer that has issued a policy insuring against loss of use and occupancy of a commercial property and business interruption in the State that is in effect on the date the summary is published is to deliver the summary to each policyholder by written or electronic means before 90 days after the date the summary is published.

The provisions of the bill are to expire on the 30th day after the effective date of any federal legislation or regulation that is determined by the Department of Banking and Insurance to be substantially similar to the provisions of the bill.

As reported by the committee, this bill is identical to the Assembly Committee Substitute for Assembly Bill No. 4805, as amended and reported by the committee.