

SENATE, No. 3280

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED DECEMBER 14, 2020

Sponsored by:
Senator VIN GOPAL
District 11 (Monmouth)

SYNOPSIS

Authorizes insurers issuing business interruption insurance to offer rider for global virus transmission and pandemic coverage.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning business interruption insurance and
2 supplementing Title 17 of the Revised Statutes.

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

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7 1. An insurer which issues policies insuring against loss or
8 damage to property, which include the loss of use and occupancy
9 and business interruption in this State, may offer to its insureds and
10 prospective insureds a rider to such an insurance policy which
11 includes, as a covered peril under that policy, coverage for global
12 virus transmission or pandemic, or both.

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14 2. The Commissioner of Banking and Insurance shall, on an
15 expedited basis, review and approve, as appropriate, any insurance
16 policy rider submitted by an insurer and designed to provide the
17 coverage offered pursuant to section 1 of this act.

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19 3. This act shall take effect immediately and apply to policies
20 of insurance issued on or after the date that the Commissioner of
21 Banking and Insurance approves a rider offered pursuant to section
22 1 of this act.

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STATEMENT

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27 This bill authorizes insurers which issue policies insuring against
28 loss or damage to property which include the loss of use and
29 occupancy and business interruption in this State, to offer to their
30 insureds and prospective insureds a rider to such an insurance
31 policy which includes, as a covered peril under that policy,
32 coverage for global virus transmission or pandemic, or both.

33 Industry sources have indicated that the Insurance Services
34 Office, ISO, has developed such a rider, but to date, no states have
35 yet approved the form.

36 The bill also requires the Commissioner of Banking and
37 Insurance to review and approve, as appropriate, any insurance
38 policy rider submitted by an insurer and designed to provide the
39 coverage offered pursuant to the bill on an expedited basis.