

ASSEMBLY, No. 119

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman JONES

1 AN ACT concerning certain fraudulent insurance practices and  
2 amending and supplementing P.L.1983, c.320.

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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. (New section) Notwithstanding any other provision of law to  
8 the contrary and excluding information given for rating purposes, a  
9 contract or policy of motor vehicle insurance issued or delivered in  
10 this State shall be void , with respect to the first party coverages of the  
11 named insured and any person holding a security interest in the motor  
12 vehicle, from the date the contract or policy was purchased or renewed  
13 or from the annual anniversary date of the contract or policy,  
14 whichever date occurs later; any premium paid therefor shall be  
15 forfeited for the current policy term; and the named insured shall be  
16 liable for any claims paid by the insurer under the contract or policy,  
17 from the date the contract or policy was purchased or renewed or from  
18 the annual anniversary date of the contract or policy, whichever date  
19 occurs later, if the named insured or a person acting in concert with,  
20 or with the knowledge of, the named insured:

21 a. Presents, prepares or makes, or causes to be presented to any  
22 insurance company, as part of, or in support of, any written or oral  
23 statement including computer-generated documents or data when  
24 making application for coverage or renewal or providing information,  
25 or filing a claim for payment or other benefit pursuant to an insurance  
26 policy, knowing that such statement contains any false or misleading  
27 information concerning any fact or thing material to that application,  
28 claim or benefit; or

29 b. Conceals or knowingly fails to disclose as part of, or in support  
30 of, an application for coverage or renewal, a request by the insurance  
31 company for information, a claim for payment or other benefit  
32 pursuant to an insurance policy, any material fact or thing that affects:

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 (1) any person's initial or continued right or entitlement to any  
2 insurance benefit or payment; or (2) the amount of any benefit or  
3 payment to which the person is entitled.

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5 2. Section 6 of P.L.1983, c.320 (C.17:33A-6) is amended to read  
6 as follows:

7 6. a. Insurance claim forms shall contain a statement in a form  
8 approved by the commissioner that clearly states in substance the  
9 following: "Any person who knowingly files a statement of claim  
10 containing any false or misleading information is subject to criminal  
11 and civil penalties."

12 b. (Deleted by amendment, P.L.1987, c.342.)

13 c. Insurance application forms for motor vehicle policies and  
14 renewal forms shall contain [a statement] the following statements in  
15 10-point, boldface type, in a form approved by the commissioner that  
16 clearly [states] and conspicuously state in substance the following: (1)  
17 "Any person who knowingly makes an application for motor vehicle  
18 insurance coverage containing  
19 any statement that the applicant resides or is domiciled in this State  
20 when, in fact that applicant resides or is domiciled in a state other than  
21 this State, is subject to criminal and civil penalties;" and (2) "This  
22 contract or policy shall be void with respect to the first party  
23 coverages of the named insured and any person holding a security  
24 interest in the motor vehicle, from the date the contract or policy was  
25 purchased or renewed or from the annual anniversary date of the  
26 contract or policy, whichever date occurs later ; any premium paid  
27 therefor shall be forfeited for the current policy term; and the named  
28 insured shall be liable for any claims paid by the insurer under the  
29 contract or policy from the date the contract or policy was purchased  
30 or renewed or from the annual anniversary date of the contract or  
31 policy, whichever date occurs later , if the person making application  
32 for coverage knowingly presents, prepares or makes, or causes to be  
33 presented to his insurer any written or oral statement containing any  
34 false or misleading information."

35 d. No initial policy of motor vehicle insurance shall be issued until  
36 an applicant has personally signed: (1) the application form for motor  
37 vehicle insurance coverage; and (2) a statement, in a form approved  
38 by the commissioner, that conforms to the provisions of paragraph (2)  
39 of subsection c. of this section and additionally states that by the  
40 applicant's signature he attests to the fact that he has read that  
41 statement and fully understands its meaning and the importance of his  
42 statements being true and correct, to the best of his knowledge, since  
43 the insurance company may rely upon such information in the issuance  
44 of any policy.

45 (cf: P.L.1991, c.331, s.4)

