

[First Reprint]

## **ASSEMBLY, No. 377**

# **STATE OF NEW JERSEY**

## **219th LEGISLATURE**

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

**Sponsored by:**

**Assemblyman JOE DANIELSEN**

**District 17 (Middlesex and Somerset)**

**Assemblyman JOHN F. MCKEON**

**District 27 (Essex and Morris)**

**Assemblywoman JOANN DOWNEY**

**District 11 (Monmouth)**

**Co-Sponsored by:**

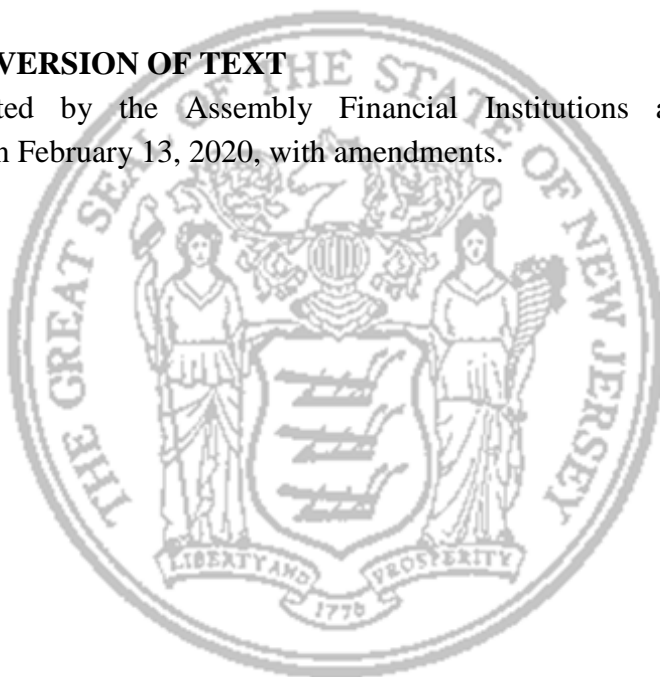
**Assemblyman Houghtaling and Assemblywoman Quijano**

### **SYNOPSIS**

Creates certain protections for insurers and insurance producers engaging in business of insurance in connection with cannabis-related businesses.

### **CURRENT VERSION OF TEXT**

As reported by the Assembly Financial Institutions and Insurance Committee on February 13, 2020, with amendments.



**(Sponsorship Updated As Of: 2/24/2020)**

1 AN ACT concerning insurance and cannabis-related businesses and  
2 supplementing P.L.2009, c.307 (C.24:6I-1 et seq.).

3

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

6

7 1. As used in this act:

8 “Cannabis-related business” means any person that participates  
9 in any business or organized activity that involves handling  
10 cannabis or cannabis products, including cultivating, producing,  
11 manufacturing, selling, transporting, displaying, dispensing,  
12 distributing, or purchasing or facilitating the purchase of cannabis  
13 or cannabis products, and engages in that activity pursuant to a law  
14 established by the State of New Jersey.

15 “Insurer” means an insurance company authorized to issue  
16 insurance under the laws of this State.

17 <sup>1</sup>“Insurance producer” means the same as that term is defined in  
18 section 3 of P.L.2001, c.210 (C.17:22A-28).<sup>1</sup>

19

20 2. Notwithstanding any law to the contrary, a State or local  
21 government agency shall not:

22 a. prohibit, penalize, or otherwise discourage an insurer <sup>1</sup>or  
23 insurance producer<sup>1</sup> from engaging in the business of insurance in  
24 connection with a cannabis-related business;

25 b. terminate, cancel, or otherwise limit the policies of an  
26 insurer solely because the insurer <sup>1</sup>or insurance producer<sup>1</sup> has  
27 engaged in the business of insurance in connection with a cannabis-  
28 related business;

29 c. recommend, incentivize, or encourage an insurer <sup>1</sup>or  
30 insurance producer<sup>1</sup> not to engage in the business of insurance in  
31 connection with a policyholder, or downgrade or cancel the  
32 insurance and insurance services offered to a policyholder solely  
33 because the policyholder is or becomes the owner, operator, or  
34 employee of a cannabis-related business; or

35 d. take any adverse or corrective supervisory action on an  
36 insurance policy against:

37 (1) a cannabis-related business, solely because the owner or  
38 operator owns or operates a cannabis-related business;

39 (2) an employee, owner, or operator of a cannabis-related  
40 business, solely because the employee, owner, or operator is  
41 employed by, owns, or operates a cannabis-related business, as  
42 applicable; or

43 (3) an owner or operator of real estate or equipment that is  
44 leased to a cannabis-related business, solely because the owner or

**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:

<sup>1</sup>Assembly AFI committee amendments adopted February 13, 2020.

- 1 operator of the real estate or equipment leased the equipment or real  
2 estate to a cannabis-related business, as applicable.  
3
- 4 3. An insurer 'or insurance producer'<sup>1</sup> that engages in the  
5 business of insurance with a cannabis-related business or who  
6 otherwise engages with a person in a transaction permissible under  
7 State law related to cannabis, and the officers, directors, and  
8 employees of that insurer 'or insurance producer'<sup>1</sup> shall not be held  
9 liable pursuant to any State law or regulation:  
10 a. solely for engaging in the business of insurance; or  
11 b. for further investing any income derived from that business  
12 of insurance.  
13
- 14 4. Nothing in this act shall:  
15 a. require an insurer 'or insurance producer'<sup>1</sup> to engage in the  
16 business of insurance in connection with a cannabis-related  
17 business; or  
18 b. interfere with the regulation of the business of insurance  
19 pursuant to current law, except as expressly provided in this act.  
20
- 21 5. This act shall take effect on the 90th day next following  
22 enactment.