

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

STATEMENT TO ASSEMBLY, No. 377

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 13, 2020

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments Assembly Bill No. 377.

As amended, this bill creates certain protections for insurers and insurance producers engaging in the business of insurance in connection with cannabis-related businesses.

Specifically, the bill provides that, notwithstanding any law to the contrary, no State or local government agency may:

(1) prohibit, penalize, or otherwise discourage an insurer or insurance producer from engaging in the business of insurance in connection with a cannabis-related business;

(2) terminate, cancel, or otherwise limit the policies of an insurer solely because the insurer or insurance producer has engaged in the business of insurance in connection with a cannabis-related business;

(3) recommend, incentivize, or encourage an insurer or insurance producer not to engage in the business of insurance in connection with a policyholder, or downgrade or cancel the insurance and insurance services offered to a policyholder solely because the policyholder is or becomes the owner, operator, or employee of a cannabis-related business; or

(4) take any adverse or corrective supervisory action on an insurance policy against a cannabis-related business or a person that does business with or is employed by a cannabis-related business, solely because the business or person owns or operates or does business with or is employed by a cannabis-related business, as applicable.

The bill provides that insurers and insurance producers, and the officers, directors, and employees of insurers and insurance producers, that engage in the business of insurance with a cannabis-related business or who otherwise engage with a person in a transaction permissible under State law related to cannabis, may not be held liable pursuant to any State law or regulation solely for engaging in the business of insurance, or for further investing any income derived from that business of insurance.

The bill also provides that nothing in the bill requires an insurer or insurance producer to engage in the business of insurance in connection with a cannabis-related business and that it does not interfere with the regulation of the business of insurance pursuant to current law, except as expressly provided in the bill.

This bill was pre-filed for introduction in the 2020-2021 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amended the bill to extend the provisions of the bill to insurance producers in addition to insurers.