

[Second Reprint]

ASSEMBLY, No. 1659

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblywoman ANNETTE QUIJANO

District 20 (Union)

Assemblyman JON M. BRAMNICK

District 21 (Morris, Somerset and Union)

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

Assemblywoman SHAVONDA E. SUMTER

District 35 (Bergen and Passaic)

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District 11 (Monmouth)

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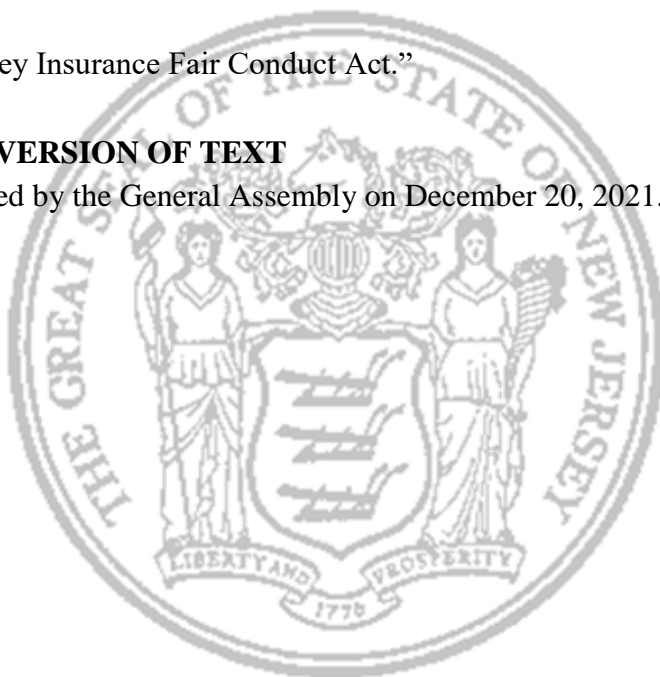
District 12 (Burlington, Middlesex, Monmouth and Ocean)

SYNOPSIS

“New Jersey Insurance Fair Conduct Act.”

CURRENT VERSION OF TEXT

As amended by the General Assembly on December 20, 2021.



(Sponsorship Updated As Of: 1/27/2020)

1 AN ACT concerning certain unreasonable practices in the business
2 of insurance and supplementing Title 17 of the Revised Statutes.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. This act shall be known and may be cited as the “New Jersey
8 Insurance Fair Conduct Act.”

9
10 2. As used in this act:

11 "First-party claimant" or “claimant” means an individual¹ **],**
12 corporation, association, partnership or other legal entity **]** injured in
13 a motor vehicle accident and entitled to the uninsured or
14 underinsured motorist coverage of an insurance policy¹ asserting an
15 entitlement to benefits owed directly to or on behalf of an insured
16 under ¹**[an]** that¹ insurance policy.

17 "Insurer" means any individual, corporation, association,
18 partnership or other legal entity which issues, executes, renews or
19 delivers an insurance policy in this State, or which is responsible
20 for determining claims made under the policy. “Insurer” shall not
21 include an insurance producer as defined in section 3 of P.L.2001,
22 c.210 (C.17:22A-28) or a public entity.

23 "Public entity" means the State, any county, municipality,
24 district, public authority, public agency and any other political
25 subdivision or public body in the State, including a joint insurance
26 fund of a public entity.

27
28 3. a. In addition to the enforcement authority provided to the
29 Commissioner of Banking and Insurance pursuant to the provisions
30 of P.L.1947, c.379 (C.17:29B-1 et seq.) or any other law, a claimant
31 ², who is unreasonably denied a claim for coverage or payment of
32 benefits, or who experiences an unreasonable delay for coverage or
33 payment of benefits, under an uninsured or underinsured motorist
34 policy by an insurer² may, regardless of any action by the
35 commissioner, file a civil action in a court of competent jurisdiction
36 against its ¹automobile¹ insurer for:

37 (1) an unreasonable delay or unreasonable denial of a claim for
38 payment of benefits under an insurance policy; or

39 (2) any violation of the provisions of section 4 of P.L.1947,
40 c.379 (C.17:29B-4).

41 b. In any action filed pursuant to this act, the claimant shall not
42 be required to prove that the insurer’s actions were of such a
43 frequency as to indicate a general business practice.

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:

¹Assembly AFI committee amendments adopted December 13, 2021.

²Assembly floor amendments adopted December 20, 2021.

- 1 c. ¹No rate increase shall be passed on to the consumer or
2 policyholder as a result of compliance with P.L. , c. (C.)
3 (pending before the Legislature as this bill) and dissemination of
4 inaccurate or misleading information to policyholders or consumers
5 concerning P.L. , c. (C.) (pending before the Legislature as
6 this bill) shall be strictly prohibited.¹
- 7 ²The commissioner may determine whether an insurer's rates are
8 constitutionally adequate pursuant to the provisions of
9 P.L. , c. (C.) (pending before the Legislature as this bill). If
10 the commissioner determines that rate relief is necessary, the
11 commissioner shall determine an appropriate rate adjustment.²
- 12 ¹d. ¹Upon establishing that a violation of the provisions of this
13 act has occurred, the plaintiff shall be entitled to ²;² ¹]:
- 14 (1) ¹ ²(1)² actual damages caused by the violation of this act ¹];
15 (2) prejudgment interest, reasonable attorney's fees, and all
16 reasonable litigation expenses; and
17 (3) treble damages] which shall include, but need not be limited
18 to, actual trial verdicts¹ ²that shall not exceed three times the
19 applicable coverage amount; and
20 (2) pre- and post-judgment interest, reasonable attorney's fees,
21 and reasonable litigation expenses.
- 22 e. If any portion of P.L. , c. (C.) (pending before the
23 Legislature as this bill) is determined to be invalid, the remaining
24 portion of P.L. , c. (C.) (pending before the Legislature as
25 this bill) shall remain in full force.²
- 26
- 27 4. This act shall take effect immediately.