

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 4805

STATE OF NEW JERSEY
219th LEGISLATURE

ADOPTED OCTOBER 22, 2020

Sponsored by:

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SYNOPSIS

Requires certain insurers to provide summary concerning business interruption insurance.

CURRENT VERSION OF TEXT

Substitute as adopted by the Assembly Commerce and Economic Development Committee.



(Sponsorship Updated As Of: 10/29/2020)

1 AN ACT concerning business interruption insurance and
2 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:

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7 1. The Department of Banking and Insurance shall publish on
8 its internet website, on or before the 90th day after the date of
9 enactment of P.L. , c. (C.) (pending before the Legislature
10 as this bill), a one page summary of common insurance clauses
11 concerning coverage for the loss of use and occupancy of a
12 commercial property and business interruption that may be used in a
13 commercial insurance policy. The summary shall:

- 14 a. be developed through a public stakeholder process;
- 15 b. be written in easily understandable language; and
- 16 c. include:

- 17 (1) information concerning common coverage triggers;
- 18 (2) examples of perils typically covered;
- 19 (3) a summary of common exclusions;

20 (4) the following statement, in a prominent place in the
21 summary: “Your policy may not cover pandemics or viruses”;

22 (5) the following statement: “Most business interruption
23 insurance policies cover losses sustained due to a suspension of
24 business where the suspension was caused by direct physical loss of
25 or damage to property or the insured’s premises, and where the loss
26 or damage is caused by or results from a specified peril or covered
27 cause of loss. For such policies, a government ordered shutdown
28 may not trigger business interruption insurance coverage in the
29 absence of physical damage to the insured property.”; and

30 (6) the following disclaimer: “This summary is not a
31 replacement for the terms of the policy of insurance, shall not have
32 the effect of altering the coverage afforded by the policy, and shall
33 not confer new or additional rights beyond those expressly provided
34 for in the policy. This information is only provided as guidance to
35 the policyholder in understanding the terms of the policy of
36 insurance. You should consult your policy, agent and insurer if you
37 have questions about your particular coverage.”

38

39 2. An insurer shall provide the summary published pursuant to
40 section 1 of P.L. , c. (C.) (pending before the Legislature
41 as this bill) to any potential purchaser of, or any policyholder
42 seeking renewal of, a policy that provides coverage for the loss of
43 use and occupancy of a commercial property and business
44 interruption in this State with the application for the policy or
45 renewal.

46

47 3. An insurer that has issued a policy insuring against loss of
48 use and occupancy of a commercial property or business

1 interruption that is in effect on the date the summary is published
2 pursuant to section 1 of P.L. , c. (C.) (pending before the
3 Legislature as this bill), shall deliver the summary to each
4 policyholder by written or electronic means before 90 days after the
5 date the summary is published.
6
7 4. Sections 1 and 3 of this act shall take effect immediately.
8 Section 2 of this act shall take effect on the 90th day following the
9 date on which the summary is published pursuant to section 1 of
10 this act.