

[Second Reprint]

SENATE, No. 1559

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

Senator NICHOLAS P. SCUTARI

District 22 (Middlesex, Somerset and Union)

Senator PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

Co-Sponsored by:

Senator Ruiz

SYNOPSIS

“New Jersey Insurance Fair Conduct Act.”

CURRENT VERSION OF TEXT

As reported by the Assembly Financial Institutions and Insurance Committee on December 13, 2021, with amendments.



(Sponsorship Updated As Of: 1/28/2021)

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 individual injured
12 in a motor vehicle accident and entitled to the uninsured or
13 underinsured motorist coverage of an insurance policy asserting an
14 entitlement to benefits owed directly to or on behalf of an insured
15 under that insurance policy.

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

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

26
27 3. a. In addition to the enforcement authority provided to the
28 Commissioner of Banking and Insurance pursuant to the provisions
29 of P.L.1947, c.379 (C.17:29B-1 et seq.) or any other law, a claimant
30 may, regardless of any action by the commissioner, file a civil
31 action in a court of competent jurisdiction against its automobile
32 insurer for:

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

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

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

40 c. ²No rate increase shall be passed on to the consumer or
41 policyholder as a result of compliance with P.L. , c. (C.)
42 (pending before the Legislature as this bill) and dissemination of
43 inaccurate or misleading information to policyholders or consumers
44 concerning P.L. , c. (C.) (pending before the Legislature as
45 this bill) shall be strictly prohibited.

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:

¹Senate SCM committee amendments adopted January 21, 2021.

²Assembly AFI committee amendments adopted December 13, 2021.

1 d.² Upon establishing that a violation of the provisions of this
2 act has occurred, the plaintiff shall be entitled to ¹[']:

3 (1) ¹[' actual damages caused by the violation of this act which
4 shall include, but need not be limited to, actual trial verdicts ¹['; and

5 (2) prejudgment interest, reasonable attorney's fees, and all
6 reasonable litigation expenses ¹['.

7

8 4. This act shall take effect immediately.