

**SENATE, No. 2153**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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INTRODUCED MARCH 16, 2020

**Sponsored by:**  
**Senator JOSEPH F. VITALE**  
**District 19 (Middlesex)**

**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 introduced.



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 “Insurance producer” means the same as that term is defined in  
18 section 3 of P.L.2001, c.210 (C.17:22A-28).  
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 or  
23 insurance producer 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 or insurance producer has  
27 engaged in the business of insurance in connection with a cannabis-  
28 related business;

29 c. recommend, incentivize, or encourage an insurer or  
30 insurance\_producer 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  
45 operator of the real estate or equipment leased the equipment or real  
46 estate to a cannabis-related business, as applicable.

## 3

- a. solely for engaging in the business of insurance; or
- b. for further investing any income derived from that business of insurance.

b. interfere with the regulation of the business of insurance pursuant to current law, except as expressly provided in this act.

## STATEMENT

(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.

**S2153 VITALE**

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

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