

SENATE, No. 3169

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED NOVEMBER 9, 2020

Sponsored by:

Senator NELLIE POU

District 35 (Bergen and Passaic)

Senator VIN GOPAL

District 11 (Monmouth)

SYNOPSIS

Requires certain insurers to disclose whether business interruption insurance policy provides pandemic coverage.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/17/2020)

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:*

6
7 1. An insurer shall disclose, in a form and manner prescribed
8 by the Commissioner of Banking and Insurance, to any potential
9 purchaser of or any policyholder seeking renewal of a policy
10 insuring against loss or damage to property that includes the loss of
11 use and occupancy and business interruption in this State whether
12 the policy provides coverage for global virus transmission or
13 pandemic coverage.

14
15 2. An insurer that has issued a policy insuring against loss or
16 damage to property that includes the loss of use and occupancy and
17 business interruption in this State that is in effect as of the date of
18 enactment of this act, shall notify the policyholder within 30 days of
19 the date of enactment of this act, through a written statement
20 delivered by mail or electronic means, of whether the policy
21 provides coverage for global virus transmission or pandemic
22 coverage.

23
24 3. Section 1 of this act shall take effect on the 30th day next
25 following the date of enactment, except that the commissioner shall
26 establish the form and manner for disclosure prior to that date.
27 Section 2 shall take effect immediately.

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30 STATEMENT

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32 This bill requires insurers that issue policies of business
33 interruption in New Jersey to disclose to any potential purchaser or
34 policyholder seeking renewal whether the policy provides coverage
35 for global virus transmission or pandemic coverage. The disclosure
36 to potential purchasers of business interruption insurance shall be in
37 a form and manner prescribed by the Commissioner of Banking and
38 Insurance.

39 The bill also requires insurers issuing business interruption
40 insurance in New Jersey to notify the policyholder, within 30 days
41 of the date of enactment of the bill, of whether the policy provides
42 coverage for global virus transmission or pandemic coverage. The
43 notification of policyholders of business interruption insurance is to
44 be in a written statement delivered by mail or electronic means.