

[First Reprint]

SENATE, No. 2144

STATE OF NEW JERSEY
218th LEGISLATURE

INTRODUCED MARCH 5, 2018

Sponsored by:

Senator NICHOLAS P. SCUTARI

District 22 (Middlesex, Somerset and Union)

Senator VIN GOPAL

District 11 (Monmouth)

SYNOPSIS

“New Jersey Insurance Fair Conduct Act.”

CURRENT VERSION OF TEXT

As amended by the Senate on April 12, 2018.



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,
12 corporation, association, partnership or other legal entity asserting
13 an entitlement to benefits owed directly to or on behalf of an
14 insured under an insurance policy.

15 "Insurer" means any individual, corporation, association,
16 partnership or other legal entity which issues, executes, renews or
17 delivers an insurance policy in this State, or which is responsible
18 for determining claims made under the policy. ¹"Insurer" shall not
19 include an insurance producer as defined in section 3 of P.L.2001,
20 c.210 (C.17:22A-28) or a public entity.

21 "Public entity" means the State, any county, municipality,
22 district, public authority, public agency and any other political
23 subdivision or public body in the State, including a joint insurance
24 fund of a public entity.¹

25

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

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

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

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

38 c. Upon establishing that a violation of the provisions of this
39 act has occurred, the plaintiff shall be entitled to:

40 (1) actual damages caused by the violation of this act;

41 (2) prejudgment interest, reasonable attorney's fees, and all
42 reasonable litigation expenses; and

43 (3) treble damages.

44

45 4. This act shall take effect immediately.

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 floor amendments adopted April 12, 2018.