

[Third Reprint]  
**SENATE, No. 1559**  
—————  
**STATE OF NEW JERSEY**  
**219th LEGISLATURE**  
—————

INTRODUCED FEBRUARY 13, 2020

**Sponsored by:**

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**Assemblywoman JOANN DOWNEY**  
**District 11 (Monmouth)**  
**Assemblyman RONALD S. DANCER**  
**District 12 (Burlington, Middlesex, Monmouth and Ocean)**

**Co-Sponsored by:**

**Senator Ruiz**

**SYNOPSIS**

“New Jersey Insurance Fair Conduct Act.”

**CURRENT VERSION OF TEXT**

As amended by the Assembly on December 20, 2021.

(Sponsorship Updated As Of: 1/10/2022)

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  
30 claimant<sup>3</sup>, who is unreasonably denied a claim for coverage or  
31 payment of benefits, or who experiences an unreasonable delay for  
32 coverage or payment of benefits, under an uninsured or  
33 underinsured motorist policy by an insurer<sup>3</sup> may, regardless of any  
34 action by the commissioner, file a civil action in a court of  
35 competent jurisdiction against its automobile insurer for:

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

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

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

43 c. <sup>2</sup>No rate increase shall be passed on to the consumer or  
44 policyholder as a result of compliance with P.L. , c. (C. )  
45 (pending before the Legislature as this bill) and dissemination of

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:

<sup>1</sup>Senate SCM committee amendments adopted January 21, 2021.

<sup>2</sup>Assembly AFI committee amendments adopted December 13, 2021.

<sup>3</sup>Assembly floor amendments adopted December 20, 2021.

1 inaccurate or misleading information to policyholders or consumers  
2 concerning P.L. , c. (C. ) (pending before the Legislature as  
3 this bill) shall be strictly prohibited.

4 <sup>3</sup>The commissioner may determine whether an insurer's rates are  
5 constitutionally adequate pursuant to the provisions of P.L. ,  
6 c. (C. ) (pending before the Legislature as this bill). If the  
7 commissioner determines that rate relief is necessary, the  
8 commissioner shall determine an appropriate rate adjustment.<sup>3</sup>

9 d.<sup>2</sup> Upon establishing that a violation of the provisions of this  
10 act has occurred, the plaintiff shall be entitled to <sup>3,3</sup> <sup>1</sup> [

11 (1) <sup>1</sup> <sup>3</sup>(1)<sup>3</sup> actual damages caused by the violation of this act  
12 which shall include, but need not be limited to, actual trial verdicts  
13 <sup>3</sup>that shall not exceed three times the applicable coverage amount;  
14 and<sup>3</sup> <sup>1</sup> [; and

15 (2) prejudgment interest, reasonable attorney's fees, and all  
16 reasonable litigation expenses <sup>1</sup> [

17 <sup>3</sup>(2) pre- and post-judgment interest, reasonable attorney's fees,  
18 and reasonable litigation expenses.

19 e. If any portion of P.L. , c. (C. ) (pending before the  
20 Legislature as this bill) is determined to be invalid, the remaining  
21 portion of P.L. , c. (C. ) (pending before the Legislature as  
22 this bill) shall remain in full force<sup>3</sup>.

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4. This act shall take effect immediately.