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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

"Assemblyman Ramos Jr.'s co-sponsored bill forcing insurance companies to sum up policies for consumers now law", Jersey Journal, 5/10/13

LAW/KR

P.L.2013, CHAPTER 53, *approved May 6, 2013*
Assembly, No. 3642 (*First Reprint*)

1 AN ACT concerning homeowners insurance consumer information
2 brochures and amending P.L.2001, c.409.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 4 of P.L.2001, c.409 (C.17:36-5.36) is amended to
8 read as follows:

9 4. a. No homeowners insurance policy shall be issued,
10 delivered or renewed in this State on or after the 90th day following
11 the effective date of this act unless the policy is accompanied by a
12 consumer information brochure written in a simple, clear,
13 understandable, and easily readable way which:

14 (1) explains the insurer's hurricane deductible program, if any[,
15 and which];

16 (2) includes the information on flood insurance required to be
17 provided pursuant to P.L.2000, c.84 (C.17:36-5.31 et al.) ¹;¹ and

18 (3) provides a one page summary of the policy, including
19 notable coverages and exclusions under the policy, as determined
20 by the Commissioner of Banking and Insurance. ¹The summary
21 shall not be considered a replacement for the terms of the policy of
22 insurance, shall not have the effect of altering the coverage afforded
23 by the policy, and shall not confer new or additional rights beyond
24 those expressly provided for in the policy. The summary shall
25 expressly state that the summary is only provided as guidance to the
26 homeowner in understanding the terms of the policy of insurance.¹

27 b. The board of directors of the New Jersey Insurance
28 Underwriting Association established pursuant to P.L.1968, c.129
29 (C.17:37A-1 et seq.) shall prepare and disseminate a consumer
30 information brochure in accordance with the requirements of this
31 section.

32 c. An insurer shall provide a consumer information brochure to
33 an insured at least annually at the time of policy renewal, or as
34 otherwise ordered by the commissioner.

35 (cf: P.L.2001, c.409, s.4)

36
37 2. This act shall take effect on the 90th day following
38 enactment except that the act's provisions shall not be
39 implemented until the Department of Banking and Insurance, by
40 regulation, issues a timeline for implementation¹.

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:

¹Assembly AFI committee amendments adopted January 14, 2013.

A3642 [1R]

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Requires homeowners insurance consumer information brochure

4

to contain one page summary of policy.

ASSEMBLY, No. 3642

STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED JANUARY 8, 2013

Sponsored by:

Assemblyman RUBEN J. RAMOS, JR.

District 33 (Hudson)

Assemblyman GARY S. SCHAER

District 36 (Bergen and Passaic)

Assemblywoman LINDA STENDER

District 22 (Middlesex, Somerset and Union)

Assemblyman PAUL D. MORIARTY

District 4 (Camden and Gloucester)

Co-Sponsored by:

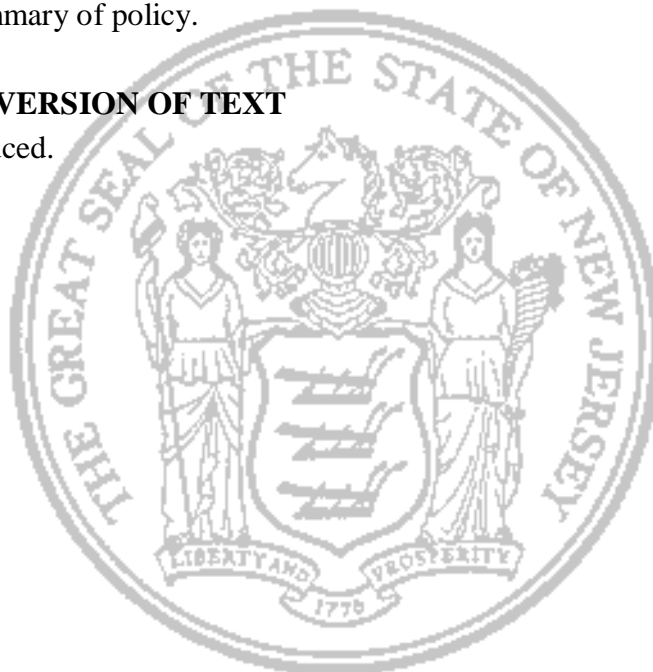
Assemblymen Amodeo, Wolfe, Assemblywoman Schepisi, Assemblymen Benson, DeAngelo, C.A.Brown, O'Donnell and Rumana

SYNOPSIS

Requires homeowners insurance consumer information brochure to contain one page summary of policy.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning homeowners insurance consumer information
2 brochures and amending P.L.2001, c.409.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. Section 4 of P.L.2001, c.409 (C.17:36-5.36) is amended to
8 read as follows:

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10 delivered or renewed in this State on or after the 90th day following
11 the effective date of this act unless the policy is accompanied by a
12 consumer information brochure written in a simple, clear,
13 understandable, and easily readable way which:

14 (1) explains the insurer's hurricane deductible program, if any[,
15 and which];

16 (2) includes the information on flood insurance required to be
17 provided pursuant to P.L.2000, c.84 (C.17:36-5.31 et al.) and

18 (3) provides a one page summary of the policy, including
19 notable coverages and exclusions under the policy, as determined
20 by the Commissioner of Banking and Insurance.

21 b. The board of directors of the New Jersey Insurance
22 Underwriting Association established pursuant to P.L.1968, c.129
23 (C.17:37A-1 et seq.) shall prepare and disseminate a consumer
24 information brochure in accordance with the requirements of this
25 section.

26 c. An insurer shall provide a consumer information brochure to
27 an insured at least annually at the time of policy renewal, or as
28 otherwise ordered by the commissioner.

29 (cf: P.L.2001, c.409, s.4)

30

31 2. This act shall take effect on the 90th day following
32 enactment.

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STATEMENT

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36 This bill requires that the homeowners insurance consumer
37 information brochure contains a one page summary of the policy.
38 Under current law, at the time the homeowners insurance policy is
39 issued and on an annual basis thereafter, insurers must provide a
40 consumer information brochure that explains the insurer's hurricane
41 deductible program, if any, and includes the information on the
42 National Flood Insurance Program. The bill expands the consumer
43 information brochure to also include a one page summary of the
44 policy, including notable coverages and exclusions under the

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.

A3642 RAMOS, SCHAER

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- 1 policy, as determined by the Commissioner of Banking and
- 2 Insurance.

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 3642

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 14, 2013

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments Assembly Bill No. 3642.

This bill, as amended, requires consumer information brochures issued by homeowners insurance companies to contain a one page summary of the homeowners insurance policy.

Under current law, at the time a homeowners insurance policy is issued in this State, and on an annual basis thereafter, insurers must provide a consumer information brochure that includes certain information about the National Flood Insurance Program and that explains the insurer's hurricane deductible program, if any. The bill expands the consumer information brochure to also include a one page summary of the homeowners insurance policy, including notable coverages and exclusions under the policy, as determined by the Commissioner of Banking and Insurance.

Further, the bill clarifies that the summary of the consumer information brochure shall not be considered a replacement for the terms of the insurance policy itself, and shall not alter the policy coverage or confer additional rights, but is only provided as guidance to the homeowner in understanding the policy. Finally, the bill provides that the bill's provisions shall not be implemented until the Department of Banking and Insurance issues regulations providing a timeline for implementation.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) Clarify that the summary of the consumer information brochure shall not be considered a replacement for the terms of the insurance policy itself, and shall not alter the policy coverage or confer additional rights, but is only provided as guidance to the homeowner; and

2) Provide that the bill's provisions shall not be implemented until the Department of Banking and Insurance issues regulations providing a timeline for implementation.

SENATE COMMERCE COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 3642

STATE OF NEW JERSEY

DATED: FEBRUARY 4, 2013

The Senate Commerce Committee reports favorably Assembly Bill No. 3642 (1R).

This bill requires consumer information brochures issued by homeowners insurance companies to contain a one page summary of the homeowners insurance policy.

Under current law, at the time a homeowners insurance policy is issued in this State, and on an annual basis thereafter, insurers must provide a consumer information brochure that includes certain information about the National Flood Insurance Program and that explains the insurer's hurricane deductible program, if any. The bill expands the consumer information brochure to also include a one page summary of the homeowners insurance policy, including notable coverages and exclusions under the policy, as determined by the Commissioner of Banking and Insurance.

Further, the bill clarifies that the summary of the consumer information brochure shall not be considered a replacement for the terms of the insurance policy itself, and shall not alter the policy coverage or confer additional rights, but is only provided as guidance to the homeowner in understanding the policy. Finally, the bill provides that the bill's provisions shall not be implemented until the Department of Banking and Insurance issues regulations providing a timeline for implementation.

The bill is identical to Senate Bill No. 2502, which also was reported favorably by the Senate Commerce Committee on February 4, 2013.

SENATE, No. 2502

STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED JANUARY 28, 2013

Sponsored by:

Senator NIA H. GILL

District 34 (Essex and Passaic)

Senator JAMES BEACH

District 6 (Burlington and Camden)

Co-Sponsored by:

Senators Cardinale, Greenstein and Pou

SYNOPSIS

Requires homeowners insurance consumer information brochure to contain one page summary of policy.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/19/2013)

1 AN ACT concerning homeowners insurance consumer information
2 brochures and amending P.L.2001, c.409.

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12 consumer information brochure written in a simple, clear,
13 understandable, and easily readable way which:

14 (1) explains the insurer's hurricane deductible program, if any**],**
15 and which**];**

16 (2) includes the information on flood insurance required to be
17 provided pursuant to P.L.2000, c.84 (C.17:36-5.31 et al.); and

18 (3) provides a one page summary of the policy, including
19 notable coverages and exclusions under the policy, as determined
20 by the Commissioner of Banking and Insurance. The summary shall
21 not be considered a replacement for the terms of the policy of
22 insurance, shall not have the effect of altering the coverage afforded
23 by the policy, and shall not confer new or additional rights beyond
24 those expressly provided for in the policy. The summary shall
25 expressly state that the summary is only provided as guidance to the
26 homeowner in understanding the terms of the policy of insurance.

27 b. The board of directors of the New Jersey Insurance
28 Underwriting Association established pursuant to P.L.1968, c.129
29 (C.17:37A-1 et seq.) shall prepare and disseminate a consumer
30 information brochure in accordance with the requirements of this
31 section.

32 c. An insurer shall provide a consumer information brochure to
33 an insured at least annually at the time of policy renewal, or as
34 otherwise ordered by the commissioner.

35 (cf: P.L.2001, c.409, s.4)

36

37 2. This act shall take effect on the 90th day following
38 enactment except that the act's provisions shall not be implemented
39 until the Department of Banking and Insurance, by regulation,
40 issues a timeline for implementation.

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.

STATEMENT

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4 information brochure contains a one page summary of the policy.
5 Under current law, at the time the homeowners insurance policy is
6 issued and on an annual basis thereafter, insurers must provide a
7 consumer information brochure that explains the insurer's hurricane
8 deductible program, if any, and includes the information on the
9 National Flood Insurance Program. The bill expands the consumer
10 information brochure to also include a one page summary of the
11 policy, including notable coverages and exclusions under the
12 policy, as determined by the Commissioner of Banking and
13 Insurance.

14 The bill also clarifies that the summary shall not be considered a
15 replacement for the terms of the policy of insurance, shall not have
16 the effect of altering the coverage afforded by the policy, and shall
17 not confer new or additional rights beyond those expressly provided
18 for in the policy. The summary shall expressly state that the
19 summary is only provided as guidance to the homeowner in
20 understanding the terms of the policy of insurance.

21 The bill's effective date provides that the act shall take effect on
22 the 90th day following enactment except that the act's provisions
23 shall not be implemented until the Department of Banking and
24 Insurance, by regulation, issues a timeline for implementation

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 2502

STATE OF NEW JERSEY

DATED: FEBRUARY 4, 2013

The Senate Commerce Committee reports favorably Senate Bill No. 2502.

This bill requires consumer information brochures issued by homeowners insurance companies to contain a one page summary of the homeowners insurance policy.

Under current law, at the time a homeowners insurance policy is issued in this State, and on an annual basis thereafter, insurers must provide a consumer information brochure that includes certain information about the National Flood Insurance Program and that explains the insurer's hurricane deductible program, if any. The bill expands the consumer information brochure to also include a one page summary of the homeowners insurance policy, including notable coverages and exclusions under the policy, as determined by the Commissioner of Banking and Insurance.

Further, the bill clarifies that the summary of the consumer information brochure shall not be considered a replacement for the terms of the insurance policy itself, and shall not alter the policy coverage or confer additional rights, but is only provided as guidance to the homeowner in understanding the policy. Finally, the bill provides that the bill's provisions shall not be implemented until the Department of Banking and Insurance issues regulations providing a timeline for implementation.

This bill is identical to Assembly Bill No. 3642 (1R), which also was reported favorably by the Senate Commerce Committee on February 4, 2013.