

SENATE:	No
FLOOR AMENDMENT STATEMENTS:	No
LEGISLATIVE FISCAL ESTIMATE:	No
VETO MESSAGE:	No
GOVERNOR'S PRESS RELEASE ON SIGNING:	No

FOLLOWING WERE PRINTED:

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REPORTS:	No
HEARINGS:	No
NEWSPAPER ARTICLES:	No

SENATE, No. 905

STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED FEBRUARY 7, 2000

Sponsored by:

Senator DIANE ALLEN

District 7 (Burlington and Camden)

Senator JOSEPH F. VITALE

District 19 (Middlesex)

Co-Sponsored by:

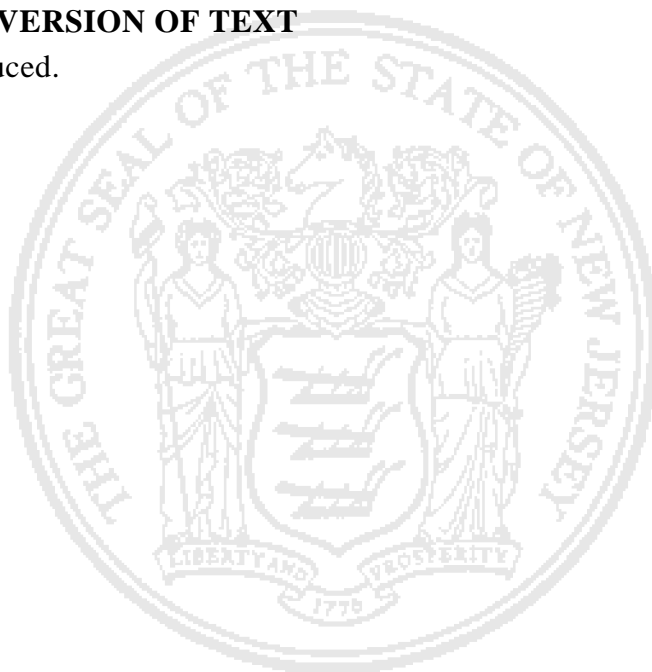
Senator Baer, Assemblywoman Friscia, Senator O'Toole, Assemblyman Barnes, Assemblywoman Previte, Assemblymen Augustine, Bateman and Assemblywoman Gill

SYNOPSIS

Prohibits certain practices by homeowners' insurers and insurance producers.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/25/2001)

1 AN ACT concerning certain insurer practices regarding homeowners'
2 insurance.

3

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

6

7 1. a. No inquiry by an insured for information regarding the
8 insured's homeowners' insurance policy, or coverage for a particular
9 loss under that policy, shall be categorized as a claim for the purpose
10 of determining adverse claims experience.

11 b. An insurer who violates this act shall be subject to a penalty of
12 up to \$5,000 for each violation unless the insurer or knew or
13 reasonably should have known he was in violation of this act, in which
14 case the penalty shall not be more than \$25,000 for each violation.
15 The penalty shall be collected in a summary proceeding in accordance
16 with the "Penalty Enforcement Law of 1999," P.L.1999, C.274
17 (C.2A:58-10 et seq.).

18

19 2. This act shall take effect immediately.

20

21

22

STATEMENT

23

24 This bill provides that no inquiry by an insured for information
25 regarding the insured's homeowners' insurance policy or coverage for
26 loss under that policy shall be categorized as a claim for the purpose
27 of determining adverse claims experience. The bill also provides for
28 the imposition of civil monetary penalties against insurers who violate
29 the bill's provisions in an amount of up to \$5,000 for each violation
30 unless the insurer knew or reasonably should have known the insurer
31 was in violation of this prohibition, than the penalty shall be not more
32 than \$25,000 for each violation.

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 905

STATE OF NEW JERSEY

DATED: FEBRUARY 8, 2001

The Senate Commerce Committee reports favorably Senate Bill No. 905.

This bill provides that an inquiry by an insured for information regarding the insured's homeowners' insurance policy or coverage for loss under that policy shall not be categorized as a claim for the purpose of determining adverse claims experience. The bill also provides for the imposition of civil monetary penalties against insurers who violate the bill's provisions in an amount of up to \$5,000 for each violation unless the insurer knew or reasonably should have known the insurer was in violation of this prohibition, in which case the penalty shall be not more than \$25,000 for each violation.

ASSEMBLY, No. 149

STATE OF NEW JERSEY 209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

Sponsored by:

Assemblywoman ARLINE M. FRISCIA

District 19 (Middlesex)

Assemblyman KEVIN J. O'TOOLE

District 21 (Essex and Union)

Co-Sponsored by:

**Assemblyman Barnes, Assemblywoman Previte, Assemblymen Augustine
and Bateman**

SYNOPSIS

Prohibits certain practices by homeowners' insurers.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 5/2/2000)

1 AN ACT concerning certain insurer practices regarding homeowners'
2 insurance.

3

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

6

7 1. a. No inquiry by an insured for information regarding the
8 insured's homeowners' insurance policy, or coverage for a particular
9 loss under that policy, shall be categorized as a claim for the purpose
10 of determining adverse claims experience.

11 b. An insurer who violates this act shall be subject to a penalty of
12 up to \$5,000 for each violation unless the insurer knew or reasonably
13 should have known he was in violation of this act, in which case the
14 penalty shall not be more than \$25,000 for each violation. The penalty
15 shall be collected in a summary proceeding in accordance with "the
16 penalty enforcement law," N.J.S.2A:58-1 et seq.

17

18 2. This act shall take effect immediately.

19

20

21

STATEMENT

22

23 This bill, provides that no inquiry by an insured for information
24 regarding the insured's homeowners' insurance policy or coverage for
25 loss under that policy shall be categorized as a claim for the purpose
26 of determining adverse claims experience. Because an inquiry
27 concerning an insurance policy is not an actual claim requiring an
28 insurer to pay benefits, and because a non-renewal decision on the part
29 of an insurer can adversely affect an insured's ability to obtain
30 homeowners' insurance in the voluntary market, this bill also provides
31 for the imposition of civil monetary penalties against insurers who
32 violate the bill's provisions.

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 149

STATE OF NEW JERSEY

DATED: MAY 1, 2000

The Assembly Banking and Insurance Committee reports favorably on Assembly Bill No. 149.

This bill provides that an inquiry by an insured for information regarding the insured's homeowners' insurance policy or coverage for loss under that policy shall not be categorized by an insurer as a claim, for the purpose of determining adverse claims experience. The bill also provides for the imposition of civil monetary penalties against insurers who violate the bill's provisions.

This bill was pre-filed for introduction in the 2000 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

ASSEMBLY, No. 149

STATE OF NEW JERSEY 209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

Sponsored by:

Assemblywoman ARLINE M. FRISCIA

District 19 (Middlesex)

Assemblyman KEVIN J. O'TOOLE

District 21 (Essex and Union)

Co-Sponsored by:

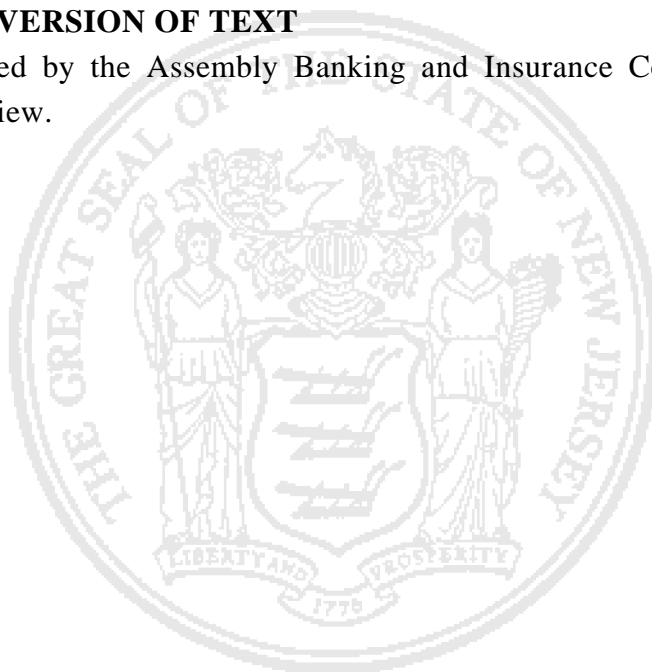
**Assemblyman Barnes, Assemblywoman Previte, Assemblymen Augustine,
Bateman and Assemblywoman Gill**

SYNOPSIS

Prohibits certain practices by homeowners' insurers.

CURRENT VERSION OF TEXT

As reported by the Assembly Banking and Insurance Committee with technical review.



(Sponsorship Updated As Of: 3/2/2001)

1 AN ACT concerning certain insurer practices regarding homeowners'
2 insurance.

3

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

6

7 1. a. No inquiry by an insured for information regarding the
8 insured's homeowners' insurance policy, or coverage for a particular
9 loss under that policy, shall be categorized as a claim for the purpose
10 of determining adverse claims experience.

11 b. An insurer who violates this act shall be subject to a penalty of
12 up to \$5,000 for each violation unless the insurer knew or reasonably
13 should have known he was in violation of this act, in which case the
14 penalty shall not be more than \$25,000 for each violation. The penalty
15 shall be collected in a summary proceeding in accordance with the
16 "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10
17 et seq.).

18

19 2. This act shall take effect immediately.

P.L. 2001, CHAPTER 235, *approved August 31, 2001*
Senate, No. 905

1 **AN ACT** concerning certain insurer practices regarding homeowners'
2 insurance.

3

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

6

7 1. a. No inquiry by an insured for information regarding the
8 insured's homeowners' insurance policy, or coverage for a particular
9 loss under that policy, shall be categorized as a claim for the purpose
10 of determining adverse claims experience.

11 b. An insurer who violates this act shall be subject to a penalty of
12 up to \$5,000 for each violation unless the insurer or knew or
13 reasonably should have known he was in violation of this act, in which
14 case the penalty shall not be more than \$25,000 for each violation.
15 The penalty shall be collected in a summary proceeding in accordance
16 with the "Penalty Enforcement Law of 1999," P.L.1999, C.274
17 (C.2A:58-10 et seq.).

18

19 2. This act shall take effect immediately.

20

21

22

STATEMENT

23

24 This bill provides that no inquiry by an insured for information
25 regarding the insured's homeowners' insurance policy or coverage for
26 loss under that policy shall be categorized as a claim for the purpose
27 of determining adverse claims experience. The bill also provides for
28 the imposition of civil monetary penalties against insurers who violate
29 the bill's provisions in an amount of up to \$5,000 for each violation
30 unless the insurer knew or reasonably should have known the insurer
31 was in violation of this prohibition, than the penalty shall be not more
32 than \$25,000 for each violation.

33

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37 Prohibits certain practices by homeowners' insurers and insurance
38 producers.

CHAPTER 235

AN ACT concerning certain insurer practices regarding homeowners' insurance.

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

C.17:29B-4.1 Certain homeowners' insurance inquiries not deemed as claim; violations, penalties.

1. a. No inquiry by an insured for information regarding the insured's homeowners' insurance policy, or coverage for a particular loss under that policy, shall be categorized as a claim for the purpose of determining adverse claims experience.

b. An insurer who violates this act shall be subject to a penalty of up to \$5,000 for each violation unless the insurer knew or reasonably should have known he was in violation of this act, in which case the penalty shall not be more than \$25,000 for each violation. The penalty shall be collected in a summary proceeding in accordance with the "Penalty Enforcement Law of 1999," P.L.1999, C.274 (C.2A:58-10 et seq.).

2. This act shall take effect immediately.

Approved August 31, 2001.