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RWH 6/6/08

P.L. 2007, CHAPTER 324, *approved January 13, 2008*
Assembly, No. 3408 (*First Reprint*)

1 AN ACT concerning certain commercial lines insurance risks ¹and
2 supplementing Title 17 of the Revised Statutes¹.

3

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

6

7 1. a. A fire insurance policy for commercial lines insurance
8 risks which produce minimum annual premiums in excess of
9 \$10,000 shall be excluded from the requirements of section 6 of
10 P.L.1954, c. 268 (C.17:36-5.20).

11 ¹b. Notwithstanding any other provision of law to the contrary,
12 no person, including, but not limited to, an insurance producer as
13 defined in section 3 of P.L.2001, c.210 (C.17:22A-28), shall be
14 liable in an action for damages on account of an applicant or
15 insured purchasing a commercial lines insurance policy that does
16 not comply with the requirements of section 6 of P.L.1954, c.268
17 (C.17:36-5.20).¹

18

19 2. This act shall take effect immediately.

20

21

22

23

24 Excludes certain commercial lines insurance risks from
25 provisions of standard fire policy.

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 December 7, 2006.

ASSEMBLY, No. 3408

STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED JULY 4, 2006

Sponsored by:

Assemblyman NEIL M. COHEN

District 20 (Union)

Assemblyman CHRISTOPHER "KIP" BATEMAN

District 16 (Morris and Somerset)

SYNOPSIS

Excludes certain commercial lines insurance risks from provisions of standard fire policy.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 7/31/2006)

1 AN ACT concerning certain commercial lines insurance risks.

2

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

5

6 1. A fire insurance policy for commercial lines insurance risks
7 which produce minimum annual premiums in excess of \$10,000
8 shall be excluded from the requirements of section 6 of P.L.1954, c.
9 268 (C.17:36-5.20).

10

11 2. This act shall take effect immediately.

12

13

14 STATEMENT

15

16 This bill provides that certain commercial lines insurance
17 policies for risks which produce minimum annual premiums in
18 excess of \$10,000 would no longer be required to include the
19 language provisions of the standard fire insurance policy, which
20 provisions were developed in 1954. Since that time, many changes
21 have occurred in the commercial insurance marketplace, and this
22 particular requirement with respect to the language provisions of
23 the standard fire policy, has restricted the flexibility of insurers to
24 develop insurance products tailored to the specific needs of their
25 insureds.

26 With commercial insurance transactions becoming increasingly
27 complex in the current sophisticated business environment, this bill
28 will provide both insurers and their insureds with greater flexibility
29 in this regard, and thus encourage competition in this specialized
30 segment of the commercial lines insurance market.

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 3408

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 7, 2006

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments Assembly Bill No. 3408.

As amended, the bill provides that certain commercial lines insurance policies for risks which produce minimum annual premiums in excess of \$10,000 would no longer be required to include the language provisions of the standard fire insurance policy, which provisions were developed in 1954. Since that time, many changes have occurred in the commercial insurance marketplace, and this particular requirement with respect to the language provisions of the standard fire policy, has restricted the flexibility of insurers to develop insurance products tailored to the specific needs of their insureds.

The bill also provides that notwithstanding any other law to the contrary, no person, including, but not limited to, an insurance producer as defined in section 3 of P.L.2001, c.210 (C.17:22A-28) shall be liable in an action for damages on account of an applicant or insured purchasing a commercial lines insurance policy that does not include the language provisions of the standard fire insurance policy.

With commercial insurance transactions becoming increasingly complex in the current sophisticated business environment, this bill will provide both insurers and their insureds with greater flexibility in this regard, and thus encourage competition in this specialized segment of the commercial lines insurance market.

COMMITTEE AMENDMENTS

The amendments provide that notwithstanding any other law to the contrary, no person, including, but not limited to, an insurance producer as defined in section 3 of P.L.2001, c.210 (C.17:22A-28), shall be liable in an action for damages on account of an applicant or insured purchasing a commercial lines insurance policy that does not include the language provisions of the standard fire insurance policy.

The amendments also amend the bill's title to indicate that the object of the bill is to supplement the State's insurance laws set forth in Title 17 of the Revised Statutes.

SENATE COMMERCE COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 3408

STATE OF NEW JERSEY

DATED: DECEMBER 3, 2007

The Senate Commerce Committee reports favorably Assembly Bill No. 3408 (1R).

The bill provides that certain commercial lines insurance policies for risks which produce minimum annual premiums in excess of \$10,000 shall no longer be required to include the language provisions of the standard fire insurance policy, which provisions were developed in 1954. Since that time, many changes have occurred in the commercial insurance marketplace, and this particular requirement with respect to the language provisions of the standard fire policy has restricted the flexibility of insurers to develop insurance products tailored to the specific needs of their insureds.

The bill also provides that notwithstanding any other law to the contrary, no person, including, but not limited to, an insurance producer as defined in section 3 of P.L.2001, c.210 (C.17:22A-28) shall be liable in an action for damages on account of an applicant or insured purchasing a commercial lines insurance policy that does not include the language provisions of the standard fire insurance policy.

With commercial insurance transactions becoming increasingly complex in the current sophisticated business environment, this bill is intended to provide both insurers and their insureds with greater flexibility in this regard, and thus encourage competition in this specialized segment of the commercial lines insurance market.

This bill is identical to Senate Bill No. 2169 (1R), as amended and reported by the committee today.

SENATE, No. 2169

STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED SEPTEMBER 18, 2006

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Salem, Cumberland and Gloucester)

Senator GERALD CARDINALE

District 39 (Bergen)

Co-Sponsored by:

Senator Lesniak

SYNOPSIS

Excludes certain commercial lines insurance risks from provisions of standard fire policy.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/24/2006)

1 AN ACT concerning certain commercial lines insurance risks.

2

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

5

6 1. A fire insurance policy for commercial lines insurance risks
7 which produce minimum annual premiums in excess of \$10,000
8 shall be excluded from the requirements of section 6 of P.L.1954, c.
9 268 (C.17:36-5.20).

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STATEMENT

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16 This bill provides that certain commercial lines insurance
17 policies for risks which produce minimum annual premiums in
18 excess of \$10,000 would no longer be required to include the
19 language provisions of the standard fire insurance policy, which
20 provisions were developed in 1954. Since that time, many changes
21 have occurred in the commercial insurance marketplace, and this
22 particular requirement with respect to the language provisions of
23 the standard fire policy, has restricted the flexibility of insurers to
24 develop insurance products tailored to the specific needs of their
25 insureds.

26 With commercial insurance transactions becoming increasingly
27 complex in the current sophisticated business environment, this bill
28 will provide both insurers and their insureds with greater flexibility
29 in this regard, and thus encourage competition in this specialized
30 segment of the commercial lines insurance market.

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 2169

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 3, 2007

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 2169.

As amended, this bill provides that certain commercial lines insurance policies for risks which produce minimum annual premiums in excess of \$10,000 shall no longer be required to include the language provisions of the standard fire insurance policy, which provisions were developed in 1954. Since that time, many changes have occurred in the commercial insurance marketplace, and this particular requirement with respect to the language provisions of the standard fire policy has restricted the flexibility of insurers to develop insurance products tailored to the specific needs of their insureds.

The committee amended the bill to provide that notwithstanding any other law to the contrary, no person, including, but not limited to, an insurance producer as defined in section 3 of P.L.2001, c.210 (C.17:22A-28), shall be liable in an action for damages on account of an applicant or insured purchasing a commercial lines insurance policy that does not include the language provisions of the standard fire insurance policy.

With commercial insurance transactions becoming increasingly complex in the current sophisticated business environment, this bill is intended to provide both insurers and their insureds with greater flexibility in this regard, and thus encourage competition in this specialized segment of the commercial lines insurance market.

As amended, this bill is identical to Assembly Bill No. 3408 (1R), also reported by the committee today.