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No

RH/CL

§§1,2 –
C.17:29AA-33
& 17:29AA-34
§3 - T&E & Note
to 17:29AA-34
§4 - Note

P.L. 2021, CHAPTER 98, *approved May 12, 2021*
Assembly Committee Substitute (*First Reprint*) for Assembly, No. 4805

1 AN ACT concerning business interruption insurance and
2 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. The Department of Banking and Insurance shall publish on
8 its internet website, on or before the 90th day after the date of
9 enactment of P.L. , c. (C.) (pending before the Legislature
10 as this bill), a one page summary of common insurance clauses
11 concerning coverage for the loss of use and occupancy of a
12 commercial property and business interruption that may be used in a
13 commercial insurance policy. The summary shall:

- 14 a. be developed through a public stakeholder process;
15 b. be written in easily understandable language; and
16 c. include:

- 17 (1) information concerning common coverage triggers;
18 (2) examples of perils typically covered;
19 (3) a summary of common exclusions;
20 (4) the following statement, in a prominent place in the
21 summary: “Your policy may not cover pandemics or viruses”;

22 (5) the following statement: “Most business interruption
23 insurance policies cover losses sustained due to a suspension of
24 business where the suspension was caused by direct physical loss of
25 or damage to property or the insured’s premises, and where the loss
26 or damage is caused by or results from a specified peril or covered
27 cause of loss. For such policies, a government ordered shutdown
28 may not trigger business interruption insurance coverage in the
29 absence of physical damage to the insured property.”; and

30 (6) the following disclaimer: “This summary is not a
31 replacement for the terms of the policy of insurance, shall not have
32 the effect of altering the coverage afforded by the policy, and shall
33 not confer new or additional rights beyond those expressly provided
34 for in the policy. This information is only provided as guidance to
35 the policyholder in understanding the terms of the policy of
36 insurance. You should consult your policy, agent and insurer if you
37 have questions about your particular coverage.”

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 SCM committee amendments adopted February 11, 2021.

1 2. An ¹authorized¹ insurer shall provide the summary
2 published pursuant to section 1 of P.L. , c. (C.) (pending
3 before the Legislature as this bill) to any potential purchaser of, or
4 any policyholder seeking renewal of, a policy that provides
5 coverage for the loss of use and occupancy of a commercial
6 property and business interruption in this State with the application
7 for the policy or renewal.

8
9 3. An ¹authorized¹ insurer that has issued a policy insuring
10 against loss of use and occupancy of a commercial property ¹**[or]**
11 **and**¹ business interruption ¹in this State¹ that is in effect on the date
12 the summary is published pursuant to section 1 of P.L. ,
13 c. (C.) (pending before the Legislature as this bill), shall
14 deliver the summary to each policyholder by written or electronic
15 means before 90 days after the date the summary is published.

16
17 4. ¹a.¹ Sections 1 and 3 of this act shall take effect
18 immediately. Section 2 of this act shall take effect on the 90th day
19 following the date on which the summary is published pursuant to
20 section 1 of this act.

21 ¹b. This act shall expire on the 30th day after the effective date
22 of any federal legislation or regulation that is determined by the
23 Department of Banking and Insurance to be substantially similar to
24 the provisions of this act.¹

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28

29 Requires certain insurers to provide summary concerning
30 business interruption insurance.

ASSEMBLY, No. 4805

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED OCTOBER 8, 2020

Sponsored by:

Assemblyman ROY FREIMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblyman P. CHRISTOPHER TULLY

District 38 (Bergen and Passaic)

Assemblyman JOE DANIELSEN

District 17 (Middlesex and Somerset)

Co-Sponsored by:

Assemblymen Mazzeo, Caputo and Auth

SYNOPSIS

Requires certain insurers to disclose whether business interruption insurance policy provides pandemic coverage.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/22/2020)

1 AN ACT concerning business interruption insurance and
2 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. An insurer shall disclose, in a form and manner prescribed
8 by the Commissioner of Banking and Insurance, to any potential
9 purchaser of or any policyholder seeking renewal of a policy
10 insuring against loss or damage to property that includes the loss of
11 use and occupancy and business interruption in this State whether
12 the policy provides coverage for global virus transmission or
13 pandemic coverage.

14

15 2. An insurer that has issued a policy insuring against loss or
16 damage to property that includes the loss of use and occupancy and
17 business interruption in this State that is in effect as of the date of
18 enactment of this act, shall notify the policyholder within 30 days of
19 the date of enactment of this act, through a written statement
20 delivered by mail or electronic means, of whether the policy
21 provides coverage for global virus transmission or pandemic
22 coverage.

23

24 3. Section 1 of this act shall take effect on the 30th day next
25 following the date of enactment, except that the commissioner shall
26 establish the form and manner for disclosure prior to that date.
27 Section 2 shall take effect immediately.

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STATEMENT

31

32 This bill requires insurers that issue policies of business
33 interruption in New Jersey to disclose to any potential purchaser or
34 policyholder seeking renewal whether the policy provides coverage
35 for global virus transmission or pandemic coverage. The disclosure
36 to potential purchasers of business interruption insurance shall be in
37 a form and manner prescribed by the Commissioner of Banking and
38 Insurance.

39

40 The bill also requires insurers issuing business interruption
41 insurance in New Jersey to notify the policyholder, within 30 days
42 of the date of enactment of the bill, of whether the policy provides
43 coverage for global virus transmission or pandemic coverage. The
44 notification of policyholders of business interruption insurance is to
be in a written statement delivered by mail or electronic means.

ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT
COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 4805

STATE OF NEW JERSEY

DATED: OCTOBER 21, 2020

The Assembly Commerce and Economic Development Committee reports favorably an Assembly Committee Substitute for Assembly Bill No. 4805.

This committee substitute requires the Department of Banking and Insurance to publish on its internet website, on or before the 90th day after the date of enactment of the bill, a one page summary of common insurance clauses concerning coverage for the loss of use and occupancy of a commercial property and business interruption that may be used in a commercial insurance policy. The summary is to be developed through a public stakeholder process, be written in easily understandable language, and include certain information, statements, and disclaimers.

Under the bill, an insurer is to provide the summary to any potential purchaser of, or any policyholder seeking renewal of, a policy that provides coverage for the loss of use and occupancy of a commercial property and business interruption in this State with the application for the policy or renewal.

The bill provides that an insurer that has issued a policy insuring against loss of use and occupancy of a commercial property or business interruption that is in effect on the date the summary is published is to deliver the summary to each policyholder by written or electronic means before 90 days after the date the summary is published.

SENATE COMMERCE COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR **ASSEMBLY, No. 4805**

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 11, 2021

The Senate Commerce Committee reports favorably and with committee amendments the Assembly Committee Substitute for Assembly Bill No. 4805.

This committee substitute requires the Department of Banking and Insurance to publish on its internet website, on or before the 90th day after the date of enactment of the bill, a one page summary of common insurance clauses concerning coverage for the loss of use and occupancy of a commercial property and business interruption that may be used in a commercial insurance policy. The summary is to be developed through a public stakeholder process, be written in easily understandable language, and include certain information, statements, and disclaimers.

Under the bill, an authorized insurer is to provide the summary to any potential purchaser of, or any policyholder seeking renewal of, a policy that provides coverage for the loss of use and occupancy of a commercial property and business interruption in this State with the application for the policy or renewal.

The bill provides that an authorized insurer that has issued a policy insuring against loss of use and occupancy of a commercial property and business interruption in the State that is in effect on the date the summary is published is to deliver the summary to each policyholder by written or electronic means before 90 days after the date the summary is published.

The provisions of the bill are to expire on the 30th day after the effective date of any federal legislation or regulation that is determined by the Department of Banking and Insurance to be substantially similar to the provisions of the bill.

As amended and reported by the committee, this bill is identical to the Senate Committee Substitute for Senate Bill No. 3169, as reported by the committee.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- (1) limit the provisions of the bill to authorized insurers; and

(2) provide that the bill is to expire on the 30th day after the effective date of any federal legislation or regulation that is determined by the Department of Banking and Insurance to be substantially similar to the provisions of this act.

SENATE, No. 3169

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED NOVEMBER 9, 2020

Sponsored by:

Senator NELLIE POU

District 35 (Bergen and Passaic)

Senator VIN GOPAL

District 11 (Monmouth)

SYNOPSIS

Requires certain insurers to disclose whether business interruption insurance policy provides pandemic coverage.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/17/2020)

1 AN ACT concerning business interruption insurance and
2 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. An insurer shall disclose, in a form and manner prescribed
8 by the Commissioner of Banking and Insurance, to any potential
9 purchaser of or any policyholder seeking renewal of a policy
10 insuring against loss or damage to property that includes the loss of
11 use and occupancy and business interruption in this State whether
12 the policy provides coverage for global virus transmission or
13 pandemic coverage.

14

15 2. An insurer that has issued a policy insuring against loss or
16 damage to property that includes the loss of use and occupancy and
17 business interruption in this State that is in effect as of the date of
18 enactment of this act, shall notify the policyholder within 30 days of
19 the date of enactment of this act, through a written statement
20 delivered by mail or electronic means, of whether the policy
21 provides coverage for global virus transmission or pandemic
22 coverage.

23

24 3. Section 1 of this act shall take effect on the 30th day next
25 following the date of enactment, except that the commissioner shall
26 establish the form and manner for disclosure prior to that date.
27 Section 2 shall take effect immediately.

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29

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STATEMENT

31

32 This bill requires insurers that issue policies of business
33 interruption in New Jersey to disclose to any potential purchaser or
34 policyholder seeking renewal whether the policy provides coverage
35 for global virus transmission or pandemic coverage. The disclosure
36 to potential purchasers of business interruption insurance shall be in
37 a form and manner prescribed by the Commissioner of Banking and
38 Insurance.

39

40 The bill also requires insurers issuing business interruption
41 insurance in New Jersey to notify the policyholder, within 30 days
42 of the date of enactment of the bill, of whether the policy provides
43 coverage for global virus transmission or pandemic coverage. The
44 notification of policyholders of business interruption insurance is to
be in a written statement delivered by mail or electronic means.

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR **SENATE, No. 3169**

STATE OF NEW JERSEY

DATED: FEBRUARY 11, 2021

The Senate Commerce Committee reports favorably the Senate Committee Substitute for Senate Bill No. 3169.

This committee substitute requires the Department of Banking and Insurance to publish on its internet website, on or before the 90th day after the date of enactment of the bill, a one page summary of common insurance clauses concerning coverage for the loss of use and occupancy of a commercial property and business interruption that may be used in a commercial insurance policy. The summary is to be developed through a public stakeholder process, be written in easily understandable language, and include certain information, statements, and disclaimers.

Under the bill, an authorized insurer is to provide the summary to any potential purchaser of, or any policyholder seeking renewal of, a policy that provides coverage for the loss of use and occupancy of a commercial property and business interruption in this State with the application for the policy or renewal.

The bill provides that an authorized insurer that has issued a policy insuring against loss of use and occupancy of a commercial property and business interruption in the State that is in effect on the date the summary is published is to deliver the summary to each policyholder by written or electronic means before 90 days after the date the summary is published.

The provisions of the bill are to expire on the 30th day after the effective date of any federal legislation or regulation that is determined by the Department of Banking and Insurance to be substantially similar to the provisions of the bill.

As reported by the committee, this bill is identical to the Assembly Committee Substitute for Assembly Bill No. 4805, as amended and reported by the committee.

Governor Murphy Takes Action on Legislation

05/12/2021

TRENTON – Today, Governor Phil Murphy signed the following bills into law:

A-740/S-2846 (Johnson, Conaway, DeCroce/Gopal, Singleton) – Requires State agencies in awarding contracts for purchase of items that require power source to consider items powered by fuel cells

A-3384/S-3171 (McKeon/Pou) – Makes various revisions to "Uniform Fraudulent Transfer Act"; renames act to "Uniform Voidable Transactions Act"

A-4240/S-2855 (Downey, Vainieri Huttle, Houghtaling, Coughlin/Pou, Turner) – Provides for technological upgrade of application process for Supplemental Nutrition Assistance Program

A-4246/S-3175 (Verrelli, Benson, Vainieri Huttle/Pou, Corrado) – Permits expedited licensure in mental health professions for certain individuals during state of emergency or public health emergency

A-4477/S-2789 (Chiaravalloti, Conaway, Downey/Vitale, Weinberg) – Revises licensure, operational, and reporting requirements for nursing homes

ACS for A-4556 and 4145/S-2611 (Karabinchak, Zwicker, Quijano/Smith, Bateman) – Requires BPU to establish and maintain electronic public document search system on its website; requires BPU to provide certain notice of its meetings and hold quarterly public comment meetings

A-4671/S-3326 (Schaer, Swain, Tully/Ruiz, Singleton) – Requires public and local utilities to provide notice to residential customers of available relief measures during coronavirus disease 2019 pandemic

ACS for A-4805/SCS for S-3169 (Freiman, Tully, Danielsen/Pou, Gopal) – Requires certain insurers to provide summary concerning business interruption insurance

A-4806/S-3188 (Dancer, Chiaravalloti/Pou, Singleton) – Permits municipalities to authorize programs encouraging local shopping through property tax rewards; validates certain related municipal actions

A-4932/S-3066 (Johnson, Murphy, Downey/Pou) – Permits use of alternate names by limited liability partnerships

A-5222/S-3306 (Mukherji, Verrelli, Lopez/Diegnan, Turner) – Authorizes optometrists to administer immunizations against coronaviruses and influenza under certain circumstances

Governor Murphy conditionally vetoed the following bills:

A-850/S-2864 (Chiaravalloti, Karabinchak, Reynolds-Jackson/Oroho, Singleton) – **CONDITIONAL** – Establishes "Broadband Access Study Commission"

[Copy of Statement](#)

A-2116/S-2009 (Tully, Swain, Armato/Lagana) – **CONDITIONAL** – Requires State Treasurer to submit report to Legislature every six months identifying deadlines for applications for federal funds by State

agencies

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