

A494

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ASSEMBLY, No. 436

STATE OF NEW JERSEY 209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

Sponsored by:

Assemblyman JOEL WEINGARTEN

District 21 (Essex and Union)

Assemblyman GUY R. GREGG

District 24 (Sussex, Hunterdon and Morris)

Co-Sponsored by:

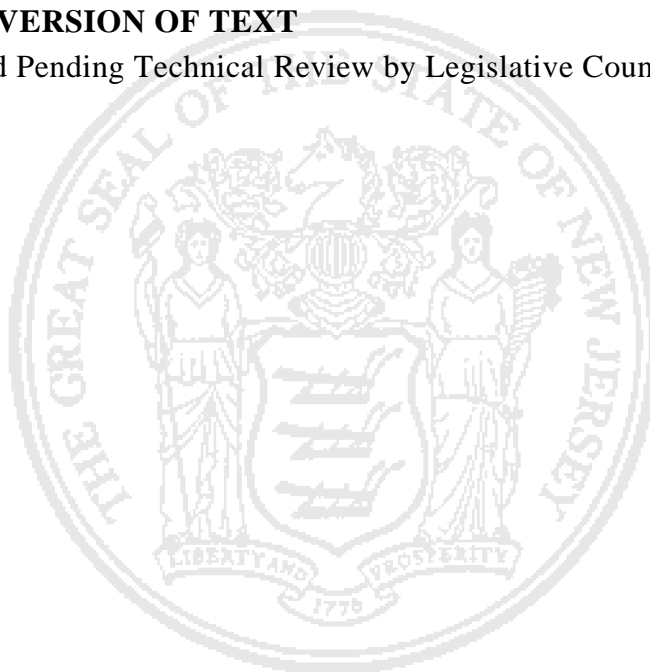
Assemblymen Lance, Blee, Malone, Kelly and Merkt

SYNOPSIS

Requires insurers to provide notice concerning flood insurance under certain circumstances.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 1/26/2000)

1 AN ACT requiring notice concerning flood insurance under certain
2 circumstances.

3

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

6

7 1. Every fire and casualty insurer, including the New Jersey
8 Insurance Underwriting Association created pursuant to P.L.1968,
9 c.129 (C.17:37A-1 et seq.), shall provide its policyholders or
10 prospective policyholders for homeowners insurance with notice,
11 approved by the Commissioner of the Department of Banking and
12 Insurance, that a homeowners insurance policy does not cover
13 property damaged by a flood. Such notice shall be provided at the
14 time of the issuance of the policy and with each renewal notice of the
15 policy.

16

17 2. Every fire and casualty insurer, including the New Jersey
18 Insurance Underwriting Association created pursuant to P.L.1968,
19 c.129 (C.17:37A-1 et seq.), shall provide policyholders or prospective
20 policyholders it services for standard flood insurance with notice,
21 approved by the Commissioner of the Department of Banking and
22 Insurance, that a standard structural flood insurance policy does not
23 cover the contents of property damaged by a flood or that a standard
24 contents flood insurance policy does not cover the structure of
25 property damaged by a flood, as applicable, and that other polices
26 insuring either the contents or structure of the property may be null
27 and void when that property is damaged by a flood. Such notice shall
28 be provided at the time of the issuance of the policy and with each
29 renewal notice of the policy.

30

31 3. If the Commissioner of the Department of Banking and
32 Insurance determines that any insurer has violated any provision of this
33 act, the commissioner may impose a civil penalty in an amount up to
34 \$2,500 for the first violation and up to \$5,000 for the second violation,
35 collectible in an action brought in the name of the commissioner
36 pursuant to the provisions of "the penalty enforcement law,"
37 N.J.S.2A:58-1 et seq. If the commissioner determines that a third
38 violation has occurred, the commissioner may initiate proceedings to
39 suspend or revoke the license of the insurer.

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41 4. This act shall take effect immediately and shall apply to policies
42 issued or renewed on or after that date.

STATEMENT

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This bill requires insurance companies that issue homeowners insurance policies to provide policyholders and prospective policyholders with notice that a homeowners insurance policy does not cover property damaged by a flood. This bill also requires insurance companies that service standard flood insurance policies to provide policyholders and prospective policyholders with notice that a standard structural flood insurance policy does not cover the contents of property damaged by a flood or that a standard contents flood insurance policy does not cover the structure of property damaged by a flood, as applicable, and that other policies insuring either the contents or structure of the property may be null and void when that property is damaged by a flood. Notice shall be provided at the time of the issuance of the policy and with each renewal of the policy. Finally, the bill authorizes the Commissioner of the Department of Banking and Insurance to impose monetary penalties and possible license suspension or revocation for any insurer in violation of the provisions of the bill.

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR **ASSEMBLY, Nos. 436 and 494**

STATE OF NEW JERSEY

DATED: JANUARY 27, 2000

The Assembly Banking and Insurance Committee reports favorably Assembly Committee Substitute for Assembly, Nos. 436 and 494.

This bill, an Assembly Committee Substitute for Assembly, Nos. 436 and 494, requires homeowners insurance companies to provide policyholders and applicants for homeowners insurance, at the time of the issuance of the policy and with each renewal notice for the policy, with written notice, prescribed by the Commissioner of Banking and Insurance, that includes the following information: a homeowners insurance policy does not cover property damaged by a flood; that flood insurance may be available through the National Flood Insurance Program in participating communities; a schedule containing the amount of flood insurance available for structural coverage and contents coverage, and any supplemental information provided by the Department of Banking and Insurance; and a toll free number for the National Flood Insurance Program for policyholders and prospective policyholders to call for information concerning the approximate cost of coverage.

The bill requires homeowners insurance companies and insurance producers who service flood insurance policies directly through the National Flood Insurance Program to provide policyholders and applicants for flood insurance, at the time of the issuance of the policy and with each renewal notice for the policy, with written notice, prescribed by the commissioner, that includes the following information: that a structural flood insurance policy does not cover the contents of property damaged by a flood; that a contents flood insurance policy does not cover the structure of property damaged by a flood; and that other policies insuring either the contents or structure of the property may not be applicable when that property is damaged by a flood.

The bill also requires every application for homeowners insurance and flood insurance, and any subsequent policy or renewal form which requires a signature, on or after the effective date of the bill, to contain an acknowledgment, prescribed by the commissioner, indicating that the insured has received the appropriate notices required under the bill. The bill also provides that the acknowledgement shall serve as

confirmation and acceptance of the notices required by the bill.

Finally, the bill authorizes the commissioner to impose monetary penalties for a violation of the provisions of the bill, and defines a violation as the failure to provide notice to a policyholder or applicant, where the failure is not due to the commissioner's failure to prescribe the notices required by the bill.

[Corrected Copy]

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, Nos. 436 and 494

STATE OF NEW JERSEY
209th LEGISLATURE

ADOPTED JANUARY 27, 2000

Sponsored by:

Assemblyman JOEL WEINGARTEN

District 21 (Essex and Union)

Assemblyman JOSEPH SULIGA

District 20 (Union)

Assemblyman CHRISTOPHER "KIP" BATEMAN

District 16 (Morris and Somerset)

Assemblyman GUY R. GREGG

District 24 (Sussex, Hunterdon and Morris)

Co-Sponsored by:

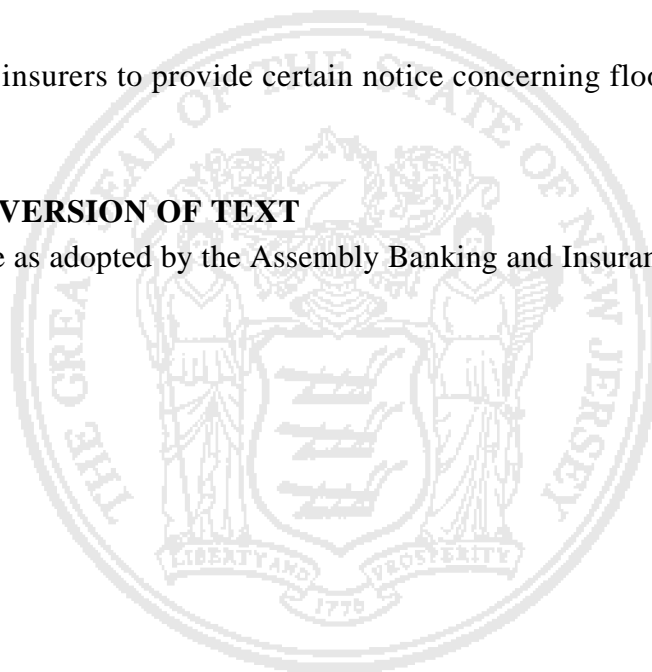
Assemblymen Lance, Blee, Malone, Kelly and Merkt

SYNOPSIS

Requires insurers to provide certain notice concerning flood insurance

CURRENT VERSION OF TEXT

Substitute as adopted by the Assembly Banking and Insurance Committee.



1 AN ACT requiring certain insurers and others to provide certain notice
2 concerning flood insurance.

3

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

6

7 1. Every fire and casualty insurer, including the New Jersey
8 Insurance Underwriting Association created pursuant to P.L.1968,
9 c.129 (C.17:37A-1 et seq.), shall provide its policyholders and
10 applicants for homeowners insurance, at the time of the issuance of the
11 policy and with each renewal notice for the policy, with written notice,
12 prescribed by the Commissioner of Banking and Insurance, that
13 includes the following information:

14 a. A homeowners insurance policy does not cover property
15 damaged by a flood;

16 b. That flood insurance may be available through the National
17 Flood Insurance Program in participating communities;

18 c. A schedule from the National Flood Insurance Program
19 containing the amount of flood insurance available for structural
20 coverage and contents coverage, and any supplemental information
21 provided by the Department of Banking and Insurance; and

22 d. A toll free number for the National Flood Insurance Program
23 for policyholders and applicants to call for information concerning the
24 approximate cost of coverage.

25

26 2. Every fire and casualty insurer, including the New Jersey
27 Insurance Underwriting Association created pursuant to P.L.1968,
28 c.129 (C.17:37A-1 et seq.), and every insurance producer that services
29 flood insurance policies directly through the National Flood Insurance
30 Program, shall provide its policyholders and applicants for flood
31 insurance, at the time of the issuance of the flood insurance policy and
32 with each renewal notice for the flood insurance policy, with written
33 notice, prescribed by the commissioner, that includes the following
34 information:

35 a. That a structural flood insurance policy does not cover the
36 contents of property damaged by a flood;

37 b. That a contents flood insurance policy does not cover the
38 structure of property damaged by a flood; and

39 c. That other policies insuring either the contents or structure of
40 the property may not be applicable when that property is damaged by
41 a flood.

42

43 3. Every application for homeowners insurance and flood
44 insurance, and any subsequent policy or renewal form which requires
45 a signature, on or after the effective date of this act, shall contain an
46 acknowledgment, prescribed by the commissioner, indicating that the

1 insured has received the appropriate notices required by this act. The
2 acknowledgement shall serve as confirmation and acceptance of the
3 notices required by this act.

4

5 4. The commissioner shall issue the forms of notice prescribed by
6 this act within 90 days following the enactment of this act.

7

8 5. If the commissioner determines that an insurer has violated any
9 provisions of this act, the commissioner may impose a civil penalty in
10 an amount up to \$2,500 for the first violation and up to \$5,000 for
11 each and every subsequent violation, collectible in an action brought
12 in the name of the commissioner pursuant to the provisions of the
13 "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et
14 seq.). A violation is failure to provide notice to a policyholder or
15 applicant, where the failure is not due to the commissioner's failure to
16 prescribe the notices required pursuant to this act.

17

18 6. This act shall take effect on the 180th day following enactment,
19 except that section 4 shall take effect immediately.

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, Nos. 436 and 494

STATE OF NEW JERSEY
209th LEGISLATURE

ADOPTED JANUARY 27, 2000

Sponsored by:

Assemblywoman LORETTA WEINBERG

District 37 (Bergen)

Assemblyman JOSEPH SULIGA

District 20 (Union)

Assemblyman CHRISTOPHER "KIP" BATEMAN

District 16 (Morris and Somerset)

Assemblyman GUY R. GREGG

District 24 (Sussex, Hunterdon and Morris)

Co-Sponsored by:

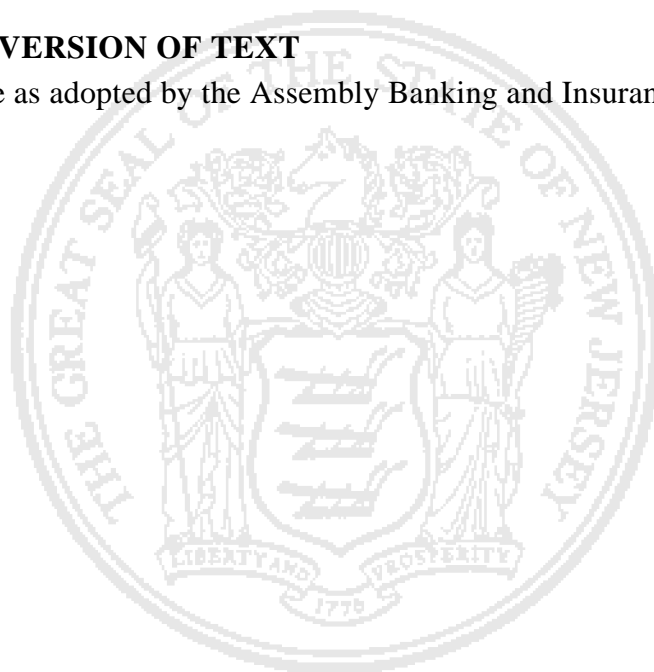
Assemblymen Lance, Blee, Malone, Kelly and Merkt

SYNOPSIS

Requires insurers to provide certain notice concerning flood insurance

CURRENT VERSION OF TEXT

Substitute as adopted by the Assembly Banking and Insurance Committee.



1 AN ACT requiring certain insurers and others to provide certain notice
2 concerning flood insurance.

3

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

6

7 1. Every fire and casualty insurer, including the New Jersey
8 Insurance Underwriting Association created pursuant to P.L.1968,
9 c.129 (C.17:37A-1 et seq.), shall provide its policyholders and
10 applicants for homeowners insurance, at the time of the issuance of the
11 policy and with each renewal notice for the policy, with written notice,
12 prescribed by the Commissioner of Banking and Insurance, that
13 includes the following information:

14 a. A homeowners insurance policy does not cover property
15 damaged by a flood;

16 b. That flood insurance may be available through the National
17 Flood Insurance Program in participating communities;

18 c. A schedule from the National Flood Insurance Program
19 containing the amount of flood insurance available for structural
20 coverage and contents coverage, and any supplemental information
21 provided by the Department of Banking and Insurance; and

22 d. A toll free number for the National Flood Insurance Program
23 for policyholders and applicants to call for information concerning the
24 approximate cost of coverage.

25

26 2. Every fire and casualty insurer, including the New Jersey
27 Insurance Underwriting Association created pursuant to P.L.1968,
28 c.129 (C.17:37A-1 et seq.), and every insurance producer that services
29 flood insurance policies directly through the National Flood Insurance
30 Program, shall provide its policyholders and applicants for flood
31 insurance, at the time of the issuance of the flood insurance policy and
32 with each renewal notice for the flood insurance policy, with written
33 notice, prescribed by the commissioner, that includes the following
34 information:

35 a. That a structural flood insurance policy does not cover the
36 contents of property damaged by a flood;

37 b. That a contents flood insurance policy does not cover the
38 structure of property damaged by a flood; and

39 c. That other policies insuring either the contents or structure of
40 the property may not be applicable when that property is damaged by
41 a flood.

42

43 3. Every application for homeowners insurance and flood
44 insurance, and any subsequent policy or renewal form which requires
45 a signature, on or after the effective date of this act, shall contain an
46 acknowledgment, prescribed by the commissioner, indicating that the

1 insured has received the appropriate notices required by this act. The
2 acknowledgement shall serve as confirmation and acceptance of the
3 notices required by this act.

4

5 4. The commissioner shall issue the forms of notice prescribed by
6 this act within 90 days following the enactment of this act.

7

8 5. If the commissioner determines that an insurer has violated any
9 provisions of this act, the commissioner may impose a civil penalty in
10 an amount up to \$2,500 for the first violation and up to \$5,000 for
11 each and every subsequent violation, collectible in an action brought
12 in the name of the commissioner pursuant to the provisions of the
13 "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et
14 seq.). A violation is failure to provide notice to a policyholder or
15 applicant, where the failure is not due to the commissioner's failure to
16 prescribe the notices required pursuant to this act.

17

18 6. This act shall take effect on the 180th day following enactment,
19 except that section 4 shall take effect immediately.

SENATE COMMERCE COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, Nos. 436 and 494

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 22, 2000

The Senate Commerce Committee reports favorably and with committee amendments Assembly Committee Substitute for Assembly Bill Nos. 436 and 494.

This bill, as amended by the committee, requires homeowners insurance companies to provide policyholders of homeowners insurance, at the time of the issuance of the policy and with each renewal notice for the policy, with written notice, prescribed by the Commissioner of Banking and Insurance, that includes the following information: a homeowners insurance policy does not cover property damaged by a flood; that flood insurance may be available through the National Flood Insurance Program in participating communities; and that the National Flood Insurance Program coverage contains separate content and structure coverage and that a policyholder should consult with the National Flood Insurance Program or his insurer or insurance producer as to whether the coverage selected is appropriate.

Finally, the bill authorizes the commissioner to impose monetary penalties on insurers for violations of the provisions of the bill for which there is a pattern and practice, and defines a violation as a general business practice of failing to provide notice to a policyholder, where the failure is not due to the commissioner's failure to prescribe the notices required by the bill.

[First Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, Nos. 436 and 494

STATE OF NEW JERSEY
209th LEGISLATURE

ADOPTED JANUARY 27, 2000

Sponsored by:

Assemblyman JOEL WEINGARTEN

District 21 (Essex and Union)

Assemblyman JOSEPH SULIGA

District 20 (Union)

Assemblyman CHRISTOPHER "KIP" BATEMAN

District 16 (Morris and Somerset)

Assemblyman GUY R. GREGG

District 24 (Sussex, Hunterdon and Morris)

Co-Sponsored by:

**Assemblymen Lance, Blee, Malone, Kelly, Merkt, Senators Bucco and
Kavanaugh**

SYNOPSIS

Requires insurers to provide certain notice concerning flood insurance

CURRENT VERSION OF TEXT

As reported by the Senate Commerce Committee on May 22, 2000, with
amendments.

(Sponsorship Updated As Of: 6/9/2000)

1 AN ACT requiring certain insurers and others to provide certain notice
2 concerning flood insurance.

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

6
7 1. Every fire and casualty insurer, including the New Jersey
8 Insurance Underwriting Association created pursuant to P.L.1968, c.129
9 (C.17:37A-1 et seq.), shall provide its policyholders ¹[and applicants
10 for] of¹ homeowners insurance, at the time of the issuance of the policy
11 and with each renewal notice for the policy, with written notice,
12 prescribed by the Commissioner of Banking and Insurance, that includes
13 the following information:

14 a. A homeowners insurance policy does not cover property damaged
15 by a flood;

16 b. That flood insurance may be available through the National Flood
17 Insurance Program in participating communities; ¹and¹

18 c. ¹[A schedule from the National Flood Insurance Program
19 containing the amount of flood insurance available for structural
20 coverage and contents coverage, and any supplemental information
21 provided by the Department of Banking and Insurance; and

22 d. A toll free number for the National Flood Insurance Program for
23 policyholders and applicants to call for information concerning the
24 approximate cost of coverage] That the National Flood Insurance
25 Program coverage contains separate content and structure coverage and
26 that a policyholder should consult with the National Flood Insurance
27 Program or his insurer or insurance producer as to whether the coverage
28 selected is appropriate to the policyholder's needs¹.

29
30 ¹[2. Every fire and casualty insurer, including the New Jersey
31 Insurance Underwriting Association created pursuant to P.L.1968, c.129
32 (C.17:37A-1et seq.), and every insurance producer that services flood
33 insurance policies directly through the National Flood Insurance
34 Program, shall provide its policyholders and applicants for flood
35 insurance, at the time of the issuance of the flood insurance policy and
36 with each renewal notice for the flood insurance policy, with written
37 notice, prescribed by the commissioner, that includes the following
38 information:

39 a. That a structural flood insurance policy does not cover the
40 contents of property damaged by a flood;

41 b. That a contents flood insurance policy does not cover the

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SCM committee amendments adopted May 22, 2000.

1 structure of property damaged by a flood; and

2 c. That other policies insuring either the contents or structure of the
3 property may not be applicable when that property is damaged by a
4 flood.]¹

5

6 ¹[3. Every application for homeowners insurance and flood
7 insurance, and any subsequent policy or renewal form which requires a
8 signature, on or after the effective date of this act, shall contain an
9 acknowledgment, prescribed by the commissioner, indicating that the
10 insured has received the appropriate notices required by this act. The
11 acknowledgement shall serve as confirmation and acceptance of the
12 notices required by this act.]¹

13

14 ¹[4.] 2.¹ The commissioner shall issue the forms of notice prescribed
15 by this act within 90 days following the enactment of this act.

16

17 ¹[5.] 3.¹ If the commissioner determines that an insurer has
18 ¹[violated] committed or performed, with such frequency as to indicate
19 a general business practice, violations of¹ any provisions of this act, the
20 commissioner may impose a civil penalty in an amount up to \$2,500 for
21 the first violation and up to \$5,000 for each and every subsequent
22 violation, collectible in an action brought in the name of the
23 commissioner pursuant to the provisions of the "Penalty Enforcement
24 Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A violation is
25 ¹[failure] a general business practice of failing¹ to provide notice to a
26 policyholder ¹[or applicant]¹, where the failure is not due to the
27 commissioner's failure to prescribe the notices required pursuant to this
28 act.

29

30 ¹[6.] 4.¹ This act shall take effect on the 180th day following
31 enactment, except that section ¹[4] 2.¹ shall take effect immediately.

§1
C.17:36-5.31
§2
Note to §§1 & 3
§3
C.17:36-5.32
§4
Note to §§1 & 3

P.L. 2000, CHAPTER 84, *approved August 14, 2000*
Assembly Committee Substitute (*First Reprint*) for
Assembly, Nos. 436 and 494

1 AN ACT requiring certain insurers and others to provide certain notice
2 concerning flood insurance.

3

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

6

7 1. Every fire and casualty insurer, including the New Jersey
8 Insurance Underwriting Association created pursuant to P.L.1968,
9 c.129 (C.17:37A-1 et seq.), shall provide its policyholders ¹[and
10 applicants for] of¹ homeowners insurance, at the time of the issuance
11 of the policy and with each renewal notice for the policy, with written
12 notice, prescribed by the Commissioner of Banking and Insurance, that
13 includes the following information:

14 a. A homeowners insurance policy does not cover property
15 damaged by a flood;

16 b. That flood insurance may be available through the National
17 Flood Insurance Program in participating communities; ¹and¹

18 c. ¹[A schedule from the National Flood Insurance Program
19 containing the amount of flood insurance available for structural
20 coverage and contents coverage, and any supplemental information
21 provided by the Department of Banking and Insurance; and

22 d. A toll free number for the National Flood Insurance Program
23 for policyholders and applicants to call for information concerning the
24 approximate cost of coverage] That the National Flood Insurance
25 Program coverage contains separate content and structure coverage
26 and that a policyholder should consult with the National Flood
27 Insurance Program or his insurer or insurance producer as to whether
28 the coverage selected is appropriate to the policyholder's needs¹.

29

30 ¹[2. Every fire and casualty insurer, including the New Jersey
31 Insurance Underwriting Association created pursuant to P.L.1968,
32 c.129 (C.17:37A-1 et seq.), and every insurance producer that services
33 flood insurance policies directly through the National Flood Insurance

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SCM committee amendments adopted May 22, 2000.

1 Program, shall provide its policyholders and applicants for flood
2 insurance, at the time of the issuance of the flood insurance policy and
3 with each renewal notice for the flood insurance policy, with written
4 notice, prescribed by the commissioner, that includes the following
5 information:

6 a. That a structural flood insurance policy does not cover the
7 contents of property damaged by a flood;

8 b. That a contents flood insurance policy does not cover the
9 structure of property damaged by a flood; and

10 c. That other policies insuring either the contents or structure of
11 the property may not be applicable when that property is damaged by
12 a flood.]¹

13

14 ¹[3. Every application for homeowners insurance and flood
15 insurance, and any subsequent policy or renewal form which requires
16 a signature, on or after the effective date of this act, shall contain an
17 acknowledgment, prescribed by the commissioner, indicating that the
18 insured has received the appropriate notices required by this act. The
19 acknowledgement shall serve as confirmation and acceptance of the
20 notices required by this act.]¹

21

22 ¹[4.] 2.¹ The commissioner shall issue the forms of notice
23 prescribed by this act within 90 days following the enactment of this
24 act.

25

26 ¹[5.] 3.¹ If the commissioner determines that an insurer has
27 ¹[violated] committed or performed, with such frequency as to
28 indicate a general business practice, violations of¹ any provisions of
29 this act, the commissioner may impose a civil penalty in an amount up
30 to \$2,500 for the first violation and up to \$5,000 for each and every
31 subsequent violation, collectible in an action brought in the name of
32 the commissioner pursuant to the provisions of the "Penalty
33 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A
34 violation is ¹[failure] a general business practice of failing¹ to provide
35 notice to a policyholder ¹[or applicant]¹, where the failure is not due
36 to the commissioner's failure to prescribe the notices required pursuant
37 to this act.

38

39 ¹[6.] 4.¹ This act shall take effect on the 180th day following
40 enactment, except that section ¹[4] 2¹ shall take effect immediately.

41

42

43

44

45 _____
Requires insurers to provide certain notice concerning flood insurance.

CHAPTER 84

AN ACT requiring certain insurers and others to provide certain notice concerning flood insurance.

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

C.17:36-5.31 Information provided to policyholders by every fire, casualty insurer.

1. Every fire and casualty insurer, including the New Jersey Insurance Underwriting Association created pursuant to P.L.1968, c.129 (C.17:37A-1 et seq.), shall provide its policyholders of homeowners insurance, at the time of the issuance of the policy and with each renewal notice for the policy, with written notice, prescribed by the Commissioner of Banking and Insurance, that includes the following information:

- a. A homeowners insurance policy does not cover property damaged by a flood;
- b. That flood insurance may be available through the National Flood Insurance Program in participating communities; and
- c. That the National Flood Insurance Program coverage contains separate content and structure coverage and that a policyholder should consult with the National Flood Insurance Program or his insurer or insurance producer as to whether the coverage selected is appropriate to the policyholder's needs.

2. The commissioner shall issue the forms of notice prescribed by this act within 90 days following the enactment of this act.

C.17:36-5.32 Penalties.

3. If the commissioner determines that an insurer has committed or performed, with such frequency as to indicate a general business practice, violations of any provisions of this act, the commissioner may impose a civil penalty in an amount up to \$2,500 for the first violation and up to \$5,000 for each and every subsequent violation, collectible in an action brought in the name of the commissioner pursuant to the provisions of the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A violation is a general business practice of failing to provide notice to a policyholder, where the failure is not due to the commissioner's failure to prescribe the notices required pursuant to this act.

4. This act shall take effect on the 180th day following enactment, except that section 2 shall take effect immediately.

Approved August 14, 2000.

PO BOX 004
TRENTON, NJ 08625

Office of the Governor
NEWS RELEASE

CONTACT: Jayne O'Connor
Laura Otterbourg
609-777-2600

RELEASE: August 14, 2000

Governor Whitman today signed the following pieces of legislation:

A-1436, sponsored by Assemblyman Richard A. Merkt (Morris) and Senator Robert J. Martin (R-Essex/Morris/Passaic), will allow permanently and totally disabled voters the option to receive absentee ballots for each election during a calendar year by filling out one application at the beginning of the year.

Current law requires disabled voters to apply for an absentee ballot in every election during the calendar year.

A-2270, sponsored by Assemblywoman Charlotte Vandervalk (R-Bergen) and Senator Jack Sinagra (R-Middlesex), clarifies enforcement authority of local health officers regarding the sale or distribution of tobacco products to minors. The bill states that a local health officer may issue a summons to a person who violates this prohibition. The municipality would retain penalties collected as a result of this enforcement.

S-717, sponsored by Senators C. Louis Bassano (Essex/Union) and Diane B. Allen (R-Burlington/Camden) and Assemblymembers Melvin Cottrell (R-Burlington/Monmouth/Ocean) and Joseph R. Malone, III. (R-Burlington/Monmouth/Ocean), renames the Governor's Council on the Prevention of Mental Retardation as the Governor's Council on the Prevention of Mental Retardation and Developmental Disabilities.

The bill also provides that an advocate for the mentally retarded and developmentally disabled shall be included among the Council's public members, and that the Council's 12-member Executive Committee shall include the Commissioner of Community Affairs as an ex-officio member and the Secretary of State as a non-voting, ex-officio member.

S-220, sponsored by Senators Wayne R. Bryant (D-Camden/Gloucester), William L. Gormley (R-Atlantic) and Assemblymembers David C. Russo (R-Bergen/Passaic) and Joan M. Quigley (D-Bergen/Hudson), provides that upon the resolution of a lawsuit, civil judgement, arbitration or workers' compensation case where a party is entitled to receive a settlement, judgement or award - a lien will be placed upon the net proceeds payable to the prevailing party if the party is found to owe child support. The fee shall have priority over all other levies and citations (unless a court orders otherwise) and except for levies to recover unpaid income taxes to the State.

The bill arose out of the concern that child support obligations may remain unsatisfied, while an obligor is in receipt of an influx of money from a lawsuit settlement, civil judgement, or other adjudicated means.

A-436, sponsored by Assembly Members Joel M. Weingarten (R-Essex/Union), Joseph Suliga (D-Union), Christopher "Kip" Bateman (R-Morris/ Somerset) and Guy R. Gregg (R-Sussex/Hunterdon/Morris) and Senators Anthony R. Bucco (R-Morris) and Walter J. Kavanaugh (R-Morris/ Somerset), requires insurers to provide certain notice concerning flood insurance.

This bill requires insurance companies that issue homeowners' insurance policies to provide existing and prospective policyholders with notice that a standard insurance policy does not cover property damaged by a flood. The Commissioner of Banking and Insurance may impose monetary penalties up to \$2,500 for the first violation and up to \$5,000 for any subsequent violation against any insurer that violates the bill's provisions.

A-622, sponsored by Assembly Members Carol J. Murphy (R-Essex/Morris/Passaic) and Alex DeCroce (R-Essex/Morris/Passaic), extends the period for a judge to issue a summons for illegally passing a school bus. Current law requires that a complaint for illegally passing 30 days of the offense. The new legislation would extend the time period to 90 days, thereby allowing more time for investigation to ensure that violators can be prosecuted. The bill also provides that any person who suppresses the identity of a driver who committed this offense would be subject to a fine of \$100.

Governor Whitman also today signed the following joint resolution:

SJR-13, sponsored by Senators John A. Lynch (D-Middlesex), Jack Sinagra (R-Middlesex) and Assemblyman Melvin Cottrell (R-Burlington/Monmouth/Ocean), designates December 12th of each year as "Foster Children's Day." The joint resolution is designed to recognize the unique needs and experiences of foster children and provide an opportunity for State and local government, private organizations and the general public to engage in charitable efforts to acknowledge that foster children are important and loved.