

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 1404

STATE OF NEW JERSEY

DATED: JUNE 8, 2026

The Senate Commerce Committee reports favorably Senate Bill No. 1404.

This bill broadens the scope of information a person or entity, such as an insurance carrier, may disclose to other parties related to actual or potential insurance fraud, and the scope of the related civil immunity covering the person's or entity's distribution of that information. The bill concerns information disclosure practices related to insurance fraud, with the intent of strengthening State and insurance industry efforts to hamper fraudulent activities.

To that end, the bill amends and supplements the State statutes governing insurance information practices, P.L.1985, c.179 (C.17:23A-1 et seq.), popularly referred to as the "Insurance Information Practices Act," and the "New Jersey Insurance Fraud Prevention Act," P.L.1983, c.320 (C.17:33A-1 et seq.). Specifically, the bill:

- Expands the definition of "insurance-support organization" regarding insurance information practices, to permit any such organization to collect and report information about any person or entity in connection with an insurance transaction, going beyond the current scope as expressed in the definition, which focuses only on information collecting and reporting concerning an individual insured, applicant, or claimant;

- Similarly expands the definition of "privileged information" regarding insurance information practices, to indicate that such information may relate to any person or entity concerning an insurance transaction;

- Modifies the scope of permitted information disclosures with respect to insurance information practices, so that an insurance carrier, among other insurance institutions, or an agent or insurance-support organization may disclose privileged information (as defined above) about a person or entity in connection with, or in reasonable anticipation of, an insurance transaction, to: 1) another insurance institution, agent, or insurance-support organization; 2) any other person or entity involved in detecting or preventing criminal activity or insurance fraud; or 3) a law enforcement or other governmental authority;

- Expands the existing immunity provided to any person or entity for disclosing information, as well as the existing immunity associated

with the mandatory reporting requirements and information furnishings set forth under the “New Jersey Insurance Fraud Prevention Act,” to apply to a cause of action “of any nature,” instead of the current law’s more limited immunity against causes of action in the nature of defamation, invasion of privacy, or other related actions; and

-Establishes a new, similarly expansive immunity under the “New Jersey Insurance Fraud Prevention Act” relating to making reports to, or providing information to, or receiving information from: 1) the Commissioner of Banking and Insurance, or any employee, agent, or representative of the commissioner, including the Bureau of Fraud Deterrence; 2) federal, State, or local law enforcement, including the Office of the Insurance Fraud Prosecutor, or other governmental authority; 3) any person performing a business, professional, or insurance function concerning the detection or prevention of criminal activity, fraud, material misrepresentation, or material nondisclosure which violates the provisions of the “New Jersey Insurance Fraud Prevention Act”; 4) the National Association of Insurance Commissioners, a national nonprofit organization which assists state insurance regulators, individually and collectively, in serving the public interest and achieving insurance regulatory and market goals; or 5) the National Insurance Crime Bureau, a national nonprofit organization dedicated to preventing, detecting, and eliminating insurance fraud.

By establishing a legal framework for the greater flow of information between the insurance industry and law enforcement, as well as among various parties within the insurance industry, the bill intends to strengthen the efforts of the Office of the Insurance Fraud Prosecutor and the insurance industry to thwart fraudulent activities.

This bill was pre-filed for introduction in the 2026-2027 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.