

ASSEMBLY, No. 377

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman JOE DANIELSEN

District 17 (Middlesex and Somerset)

Assemblyman JOHN F. MCKEON

District 27 (Essex and Morris)

SYNOPSIS

Creates certain protections for insurers engaging in business of insurance in connection with cannabis-related businesses.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 2/3/2020)

1 AN ACT concerning insurance and cannabis-related businesses and
2 supplementing P.L.2009, c.307 (C.24:6I-1 et seq.).

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

6

7 1. As used in this act:

8 “Cannabis-related business” means any person that participates
9 in any business or organized activity that involves handling
10 cannabis or cannabis products, including cultivating, producing,
11 manufacturing, selling, transporting, displaying, dispensing,
12 distributing, or purchasing or facilitating the purchase of cannabis
13 or cannabis products, and engages in that activity pursuant to a law
14 established by the State of New Jersey.

15 “Insurer” means an insurance company authorized to issue
16 insurance under the laws of this State.

17

18 2. Notwithstanding any law to the contrary, a State or local
19 government agency shall not:

20 a. prohibit, penalize, or otherwise discourage an insurer from
21 engaging in the business of insurance in connection with a
22 cannabis-related business;

23 b. terminate, cancel, or otherwise limit the policies of an
24 insurer solely because the insurer has engaged in the business of
25 insurance in connection with a cannabis-related business;

26 c. recommend, incentivize, or encourage an insurer not to
27 engage in the business of insurance in connection with a
28 policyholder, or downgrade or cancel the insurance and insurance
29 services offered to a policyholder solely because the policyholder is
30 or becomes the owner, operator, or employee of a cannabis-related
31 business; or

32 d. take any adverse or corrective supervisory action on an
33 insurance policy against:

34 (1) a cannabis-related business, solely because the owner or
35 operator owns or operates a cannabis-related business;

36 (2) an employee, owner, or operator of a cannabis-related
37 business, solely because the employee, owner, or operator is
38 employed by, owns, or operates a cannabis-related business, as
39 applicable; or

40 (3) an owner or operator of real estate or equipment that is
41 leased to a cannabis-related business, solely because the owner or
42 operator of the real estate or equipment leased the equipment or real
43 estate to a cannabis-related business, as applicable.

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45 3. An insurer that engages in the business of insurance with a
46 cannabis-related business or who otherwise engages with a person
47 in a transaction permissible under State law related to cannabis, and

- 1 the officers, directors, and employees of that insurer shall not be
2 held liable pursuant to any State law or regulation:
- 3 a. solely for engaging in the business of insurance; or
 - 4 b. for further investing any income derived from that business
5 of insurance.
- 6
- 7 4. Nothing in this act shall:
- 8 a. require an insurer to engage in the business of insurance in
9 connection with a cannabis-related business; or
 - 10 b. interfere with the regulation of the business of insurance
11 pursuant to current law, except as expressly provided in this act.
- 12
- 13 5. This act shall take effect on the 90th day next following
14 enactment.
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- 16

17 STATEMENT

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- 19 This bill creates certain protections for insurers engaging in the
20 business of insurance in connection with cannabis-related
21 businesses.
- 22 Specifically, the bill provides that, notwithstanding any law to
23 the contrary, no State or local government agency may:
- 24 (1) prohibit, penalize, or otherwise discourage an insurer from
25 engaging in the business of insurance in connection with a
26 cannabis-related business;
 - 27 (2) terminate, cancel, or otherwise limit the policies of an
28 insurer solely because the insurer has engaged in the business of
29 insurance in connection with a cannabis-related business;
 - 30 (3) recommend, incentivize, or encourage an insurer not to
31 engage in the business of insurance in connection with a
32 policyholder, or downgrade or cancel the insurance and insurance
33 services offered to a policyholder solely because the policyholder is
34 or becomes the owner, operator, or employee of a cannabis-related
35 business; or
 - 36 (4) take any adverse or corrective supervisory action on an
37 insurance policy against a cannabis-related business or a person that
38 does business with or is employed by a cannabis-related business,
39 solely because the business or person owns or operates or does
40 business with or is employed by a cannabis-related business, as
41 applicable.
- 42 The bill provides that insurers, and the officers, directors, and
43 employees of insurers, that engage in the business of insurance with
44 a cannabis-related business or who otherwise engage with a person
45 in a transaction permissible under State law related to cannabis,
46 may not be held liable pursuant to any State law or regulation solely
47 for engaging in the business of insurance, or for further investing
48 any income derived from that business of insurance.

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1 The bill also provides that nothing in the bill requires an insurer
2 to engage in the business of insurance in connection with a
3 cannabis-related business and that it does not interfere with the
4 regulation of the business of insurance pursuant to current law,
5 except as expressly provided in the bill.