

Title 17.
Subtitle 3.
Part 1.
Chapter 29BB.
(New)
Unreasonable
Practices;
Liability
§§1-3
C.17:29BB-1 to
17:29BB-3

(CORRECTED COPY)
P.L. 2021, CHAPTER 388, *approved January 18, 2022*
Senate, No. 1559 (*Third Reprint*)

1 **AN ACT** concerning certain unreasonable practices in the business of
2 insurance and 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. This act shall be known and may be cited as the “New Jersey
8 Insurance Fair Conduct Act.”
9
10 2. As used in this act:
11 "First-party claimant" or “claimant” means an individual injured
12 in a motor vehicle accident and entitled to the uninsured or
13 underinsured motorist coverage of an insurance policy asserting an
14 entitlement to benefits owed directly to or on behalf of an insured
15 under that insurance policy.
16 "Insurer" means any individual, corporation, association,
17 partnership or other legal entity which issues, executes, renews or
18 delivers an insurance policy in this State, or which is responsible for
19 determining claims made under the policy. “Insurer” shall not include
20 an insurance producer as defined in section 3 of
21 P.L.2001, c.210 (C.17:22A-28) or a public entity.
22 "Public entity" means the State, any county, municipality, district,
23 public authority, public agency and any other political subdivision or
24 public body in the State, including a joint insurance fund of a public
25 entity.
26
27 3. a. In addition to the enforcement authority provided to the
28 Commissioner of Banking and Insurance pursuant to the provisions
29 of P.L.1947, c.379 (C.17:29B-1 et seq.) or any other law, a
30 claimant³, who is unreasonably denied a claim for coverage or
31 payment of benefits, or who experiences an unreasonable delay for

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 January 21, 2021.
²Assembly AFI committee amendments adopted December 13, 2021.
³Assembly floor amendments adopted December 20, 2021.

1 coverage or payment of benefits, under an uninsured or underinsured
 2 motorist policy by an insurer³ may, regardless of any action by the
 3 commissioner, file a civil action in a court of competent jurisdiction
 4 against its automobile insurer for:

5 (1) an unreasonable delay or unreasonable denial of a claim for
 6 payment of benefits under an insurance policy; or

7 (2) any violation of the provisions of section 4 of P.L.1947, c.379
 8 (C.17:29B-4).

9 b. In any action filed pursuant to this act, the claimant shall not
 10 be required to prove that the insurer's actions were of such a
 11 frequency as to indicate a general business practice.

12 c. ²No rate increase shall be passed on to the consumer or
 13 policyholder as a result of compliance with P.L. , c. (C.)
 14 (pending before the Legislature as this bill) and dissemination of
 15 inaccurate or misleading information to policyholders or consumers
 16 concerning P.L. , c. (C.) (pending before the Legislature as
 17 this bill) shall be strictly prohibited.

18 ³The commissioner may determine whether an insurer's rates are
 19 constitutionally adequate pursuant to the provisions of P.L. ,
 20 c. (C.) (pending before the Legislature as this bill). If the
 21 commissioner determines that rate relief is necessary, the
 22 commissioner shall determine an appropriate rate adjustment.³

23 d.² Upon establishing that a violation of the provisions of this act
 24 has occurred, the plaintiff shall be entitled to ^{3,3}¹ [

25 (1) ¹ ³(1)³ actual damages caused by the violation of this act
 26 which shall include, but need not be limited to, actual trial verdicts
 27 ³that shall not exceed three times the applicable coverage amount;
 28 and³ ¹ [; and

29 (2) prejudgment interest, reasonable attorney's fees, and all
 30 reasonable litigation expenses] ¹

31 ³(2) pre- and post-judgment interest, reasonable attorney's fees,
 32 and reasonable litigation expenses.

33 e. If any portion of P.L. , c. (C.) (pending before the
 34 Legislature as this bill) is determined to be invalid, the remaining
 35 portion of P.L. , c. (C.) (pending before the Legislature as
 36 this bill) shall remain in full force³.

37
 38 4. This act shall take effect immediately.
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 43

“New Jersey Insurance Fair Conduct Act.”