

CHAPTER 388

AN ACT concerning certain unreasonable practices in the business of insurance and supplementing Title 17 of the Revised Statutes.

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

C.17:29BB-1 Short title.

1. This act shall be known and may be cited as the “New Jersey Insurance Fair Conduct Act.”

C.17:29BB-2 Definitions.

2. As used in this act:

"First-party claimant" or "claimant" means an individual injured in a motor vehicle accident and entitled to the uninsured or underinsured motorist coverage of an insurance policy asserting an entitlement to benefits owed directly to or on behalf of an insured under that insurance policy.

"Insurer" means any individual, corporation, association, partnership or other legal entity which issues, executes, renews or delivers an insurance policy in this State, or which is responsible for determining claims made under the policy. "Insurer" shall not include an insurance producer as defined in section 3 of P.L.2001, c.210 (C.17:22A-28) or a public entity.

"Public entity" means the State, any county, municipality, district, public authority, public agency and any other political subdivision or public body in the State, including a joint insurance fund of a public entity.

C.17:29BB-3 Claimant's rights, civil action; unreasonable delay, denial.

3. a. In addition to the enforcement authority provided to the Commissioner of Banking and Insurance pursuant to the provisions of P.L.1947, c.379 (C.17:29B-1 et seq.) or any other law, a claimant, who is unreasonably denied a claim for coverage or payment of benefits, or who experiences an unreasonable delay for coverage or payment of benefits, under an uninsured or underinsured motorist policy by an insurer may, regardless of any action by the commissioner, file a civil action in a court of competent jurisdiction against its automobile insurer for:

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

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

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

c. No rate increase shall be passed on to the consumer or policyholder as a result of compliance with P.L.2021, c.388 (C.17:29BB-1 et seq.) and dissemination of inaccurate or misleading information to policyholders or consumers concerning P.L.2021, c.388 (C.17:29BB-1 et seq.) shall be strictly prohibited.

The commissioner may determine whether an insurer's rates are constitutionally adequate pursuant to the provisions of P.L.2021, c.388 (C.17:29BB-1 et seq.). If the commissioner determines that rate relief is necessary, the commissioner shall determine an appropriate rate adjustment.

d. Upon establishing that a violation of the provisions of this act has occurred, the plaintiff shall be entitled to: (1) actual damages caused by the violation of this act which shall include, but need not be limited to, actual trial verdicts that shall not exceed three times the applicable coverage amount; and

P.L. 2021, CHAPTER 388

2

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

e. If any portion of P.L.2021, c.388 (C.17:29BB-1 et seq.) is determined to be invalid, the remaining portion of P.L.2021, c.388 (C.17:29BB-1 et seq.) shall remain in full force.

4. This act shall take effect immediately.

Approved January 18, 2022.