

SENATE, No. 2354

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED APRIL 9, 2020

Sponsored by:

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Senator STEVEN V. OROHO

District 24 (Morris, Sussex and Warren)

Co-Sponsored by:

Senators Turner, Brown, Cardinale, O'Scanlon, Pennacchio and Singleton

SYNOPSIS

Prohibits cancellation or nonrenewal of insurance for a period of at least 60 days under certain circumstances after declaration of public health emergency, or state of emergency, or both.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 4/13/2020)

1 AN ACT concerning cancellation of insurance policies during a
2 public health emergency or state of emergency and
3 supplementing Title 17 of the Revised Statutes.

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

7
8 1. Notwithstanding the provisions of any other law, rule or
9 regulation to the contrary, upon the declaration by the Governor, of
10 a public health emergency, pursuant to the “Emergency Health
11 Powers Act,” P.L.2005, c.222 (C.26:13-1 et seq.), or a state of
12 emergency, pursuant to P.L.1942, c.251 (C.App.A.9-33 et seq.), or
13 both, and upon a further determination by the Commissioner of
14 Banking and Insurance, after consultation with the Governor, that
15 the emergency or emergencies shall be of such duration and severity
16 as to require certain actions with respect to policies of insurance,
17 then the Commissioner of Banking and Insurance shall issue a
18 bulletin requiring that for a period of at least 60 days, no policy of
19 insurance issued to an insured in this State and subject to regulation
20 pursuant to Title 17 of the Revised Statutes, or Title 17B of the
21 New Jersey Statutes shall be cancelled or not renewed for
22 nonpayment of premium. The commissioner shall direct insurers to
23 take appropriate actions to protect policyholders impacted by
24 COVID-19, which actions may include but shall not limited to
25 extending grace periods beyond the minimum grace periods
26 required by this section, waiving late fees and penalties, relaxing or
27 extending due dates for premium payments and policy based loan
28 payments or allowing extended payment plans, extending
29 timeframes to complete property inspections or undergo medical
30 examinations, and taking any and all similar actions so as to avoid
31 the cancellation or nonrenewal of policies.

32
33 2. This act shall take effect immediately and shall be
34 retroactive to March 1, 2020, and shall apply to any policy of
35 insurance in effect in this State on that date, and to any policy of
36 insurance delivered, issued, executed or renewed in this State, or
37 approved for issuance or renewal in the State by the Commissioner
38 of Banking and Insurance, on or after that date.

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41 STATEMENT

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43 This bill would authorize the Commissioner of Banking and
44 Insurance, upon the declaration by the Governor of a public health
45 emergency, pursuant to the “Emergency Health Powers Act,”
46 P.L.2005, c.222 (C.26:13-1 et seq.), or a state of emergency,
47 pursuant to P.L.1942, c.251 (C.App.A.9-33 et seq.), or both, and
48 upon a further determination by the commissioner, after

1 consultation with the Governor, that the emergency or emergencies
2 are of such duration and severity as to require certain actions with
3 respect to policies of insurance, to issue a bulletin requiring that for
4 a period of at least 60 days, no policy of insurance issued to an
5 insured in this State and subject to regulation pursuant to Title 17 of
6 the Revised Statutes, or Title 17B of the New Jersey Statutes could
7 be cancelled or not renewed for nonpayment of premium.

8 The commissioner would direct insurers to take appropriate
9 actions to protect policyholders impacted by COVID-19, which
10 actions may include but shall not limited to extending grace periods
11 beyond the minimum grace periods required by this section,
12 waiving late fees and penalties, relaxing or extending due dates for
13 premium payments and policy based loan payments or allowing
14 extended payment plans, extending timeframes to complete
15 property inspections or undergo medical examinations, and taking
16 any and all similar actions so as to avoid the cancellation or
17 nonrenewal of policies.

18 The bill applies to all lines of insurance subject to regulation by
19 the Department of Banking and Insurance. It takes effect
20 immediately and is retroactive to March 1, 2020, and applies to
21 policies in effect on that date, and policies delivered, issued,
22 executed or renewed, or approved for issuance or renewal, on or
23 after that date.