

SENATE, No. 2630

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED JUNE 29, 2020

Sponsored by:
Senator VIN GOPAL
District 11 (Monmouth)

SYNOPSIS

Requires insurers to reimburse portion of alcoholic beverage liability insurance premiums if actual sales are lower than estimated sales used to calculate premium.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** concerning alcoholic beverage liability insurance and
2 supplementing Title 17 of the Revised Statutes.

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

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7 1. Notwithstanding the provisions of any law, rule, or
8 regulation to the contrary, every policy of alcoholic beverage
9 liability insurance delivered, issued, executed, or renewed in this
10 State on or after the effective date of this act, the premium for
11 which is calculated based on the estimated annual sales of alcoholic
12 beverages by the insured, shall provide for the reimbursement to the
13 insured, on an annual basis, of the difference in value between the
14 premium paid and the value of a premium calculated based on the
15 actual sales of alcoholic beverages by the insured, if the actual sales
16 are less than those sales estimated for purposes of the insurance
17 premium.

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19 2. This act shall take effect immediately.

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STATEMENT

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24 This bill requires alcoholic beverage liability insurance policies
25 to provide for the reimbursement to insureds of the difference
26 between the premium paid, based on estimated sales, and the value
27 of the premium that would have been paid if it had been calculated
28 based on actual sales. Insurance companies offering alcoholic
29 beverage liability insurance policies may require payment in
30 advance calculated based on the estimated annual sales of an
31 insured. If in fact actual sales are less than the estimated annual
32 sales, there is no provision for the refund of the excess premiums.