

SENATE, No. 3281

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED DECEMBER 14, 2020

Sponsored by:

Senator VIN GOPAL

District 11 (Monmouth)

SYNOPSIS

Establishes “Commission on Pandemic Insurance Coverage.”

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT establishing the “Commission on Pandemic Insurance
2 Coverage.”

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. a. There is established the “Commission on Pandemic
8 Insurance Coverage.” The purpose of the commission shall be to
9 evaluate the feasibility of the inclusion of global virus transmission
10 or pandemic coverage in business interruption insurance.

11 b. The commission shall consist of five members, as follows:

12 (1) the Commissioner of Banking and Insurance, ex officio, or a
13 designee;

14 (2) two members of the Senate to be appointed by the President
15 of the Senate, which members shall not be of the same political
16 party; and

17 (3) two members of the General Assembly to be appointed by
18 the Speaker of the General Assembly, which members shall not be
19 of the same political party.

20 c. Appointments to the commission shall be made within 30
21 days after the effective date of this act. Vacancies in the
22 membership of the commission shall be filled in the same manner in
23 which the original appointment was made.

24 d. Members of the commission shall serve without
25 compensation, but shall be reimbursed for necessary and reasonable
26 expenses incurred in the performance of their duties as members of
27 the commission within the limits of funds appropriated or otherwise
28 made available to the commission for its purposes.

29
30 2. The commission shall organize as soon as practicable
31 following the appointment of a majority of its members, but no later
32 than 60 days after the effective date of this act. The commission
33 shall select a chairperson from among its members and shall appoint
34 a secretary who need not be a member of the commission. The
35 commission shall meet at the call of the chairperson at the times and
36 places it may deem appropriate and necessary to fulfill its duties.

37
38 3. It shall be the duty of the commission to evaluate the
39 feasibility of the inclusion of global virus transmission or pandemic
40 coverage in business interruption insurance policies, which
41 includes, but is not limited to determining:

42 a. the cost to insurers of providing global virus transmission or
43 pandemic coverage;

44 b. whether limiting global virus transmission or pandemic
45 coverage to small or mid-size businesses would alleviate any
46 additional costs incurred by insurers; and

47 c. whether it would be feasible for the State to offer a
48 reimbursement program for insurers who make payments on

1 business interruption claims for losses due to a global virus
2 transmission or pandemic.

3
4 4. The commission shall be entitled to call to its assistance and
5 avail itself of the services of the officials and employees of the
6 State and its political subdivisions and their departments, boards,
7 bureaus, commissions, and agencies as it may require and as may be
8 available to it for the purposes of the commission. The Department
9 of Banking and Insurance shall provide staff support services to the
10 commission.

11
12 5. The commission shall issue a report of its findings and
13 conclusions to the Governor and, pursuant to section 2 of P.L.1991,
14 c.164 (C.52:14-19.1), to the Legislature no later than one year
15 following the first meeting of the commission.

16
17 6. This act shall take effect immediately and shall expire upon
18 the submission by the commission of its report pursuant to section 5
19 of this act.

20 21 22 STATEMENT

23
24 This bill establishes the “Commission on Pandemic Insurance
25 Coverage.” The commission will consist of five members, which
26 include: the Commissioner of Banking and Insurance, or a designee;
27 two members of the Senate appointed by the President of the
28 Senate; and two members of the General Assembly appointed by
29 the Speaker of the General Assembly.

30 It will be the duty of the commission to evaluate the feasibility of
31 the inclusion of global virus transmission or pandemic coverage in
32 business interruption insurance policies, which includes, but is not
33 limited to determining:

- 34 • the cost to insurers of providing global virus transmission or
35 pandemic coverage;
- 36 • whether limiting global virus transmission or pandemic
37 coverage to small and/or mid-size businesses would alleviate
38 any additional costs incurred by insurers; and
- 39 • whether it would be feasible for the State to offer a
40 reimbursement program for insurers who make payments on
41 business interruption claims for losses due to a global virus
42 transmission or pandemic.

43 The bill requires the commission to issue a report of its findings
44 and conclusions to the Governor and the Legislature no later than
45 one year following the first meeting of the commission. The
46 commission and the bill expire upon the submission of the
47 commission’s report.