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Two Proposed Bills Set to Impact New Jersey Insurance Carriers and Commercial General Liability Policies issued in New Jersey.

Two new bills affecting the insurance industry are set to be introduced in the New Jersey Legislature. The first proposed bill, introduced March 5, 2018, entitled the New Jersey Insurance Fair Conduct Act (“NJIFCA”), is sponsored by Assemblywoman Annette Quijano. If passed, the NJIFCA would create a private cause of action for first-party claimants against insurance providers for certain “unfair or unreasonable practices” by an insurer, including “unreasonable delay or unreasonable denial of a claim for payment of benefits.” If passed, the law would also allow a private cause of action for violations of N.J.S.A. 17:29B-4, including misrepresentations and false advertising of policy contracts, false information and advertising generally, defamation, unfair discrimination, unfair claim settlement practices and failure to maintain complaint handling procedures. The claimant need not establish that the insurer’s actions were part of a general business practice.

The second proposed bill (the “Occurrence Act”), sponsored by Assemblyman Gary S. Schaer and pre-filed for introduction to the General Assembly, would require each commercial liability policy issued, executed, or renewed in New Jersey to include the following provisions in the policy definition of “occurrence”: (a) an accident, including continuous or repeated exposure to substantially the same harmful conditions; and (b) property damage or bodily injury from faulty workmanship. The proposed Occurrence Act is a response to various court rulings that differ on whether faulty workmanship constitutes an “occurrence” under a commercial general liability policy. However, the bill does not limit the exclusions that an insurer may include in a commercial general liability policy.

If you have questions about the proposed NJIFCA or Occurrence Act please contact Kathleen J. Devlin, Esq. or Nicholas J. Guarino, Esq.

KINNEY LISOVICZ REILLY & WOLFF PC

Kinney Lisovicz Reilly & Wolff PC represents clients in federal and state courts and handles an extensive variety of matters, including insurance coverage, civil litigation, premises liability, product liability, construction defect, food-borne illnesses, toxic exposure, contract and breach of contract, professional liability, employment litigation, auto and trucking, criminal defense, and appeals.

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