ASSEMBLY, No. 508

STATE OF NEW JERSEY
210th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2002 SESSION

Sponsored by:
Assemblyman NEIL M. COHEN
District 20 (Union)

SYNOPSIS
Prohibits terrorism exclusions in insurance policies.

CURRENT VERSION OF TEXT
Introduced Pending Technical Review by Legislative Counsel.
AN ACT prohibiting terrorism exclusions in insurance policies.

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

1. a. For purposes of this section:
   "Commissioner" means the Commissioner of Banking and Insurance.
   "Terrorism" means activities that involve a violent act or acts dangerous to human life that are in violation of the criminal laws of this State and are intended to intimidate or coerce a civilian population, influence the policy of a unit of government by intimidation or coercion, or affect the conduct of a unit of government by murder, assassination or kidnaping.
   b. Notwithstanding any other provision of law to the contrary, no insurance policy or contract shall be made, issued or delivered pursuant to Subtitle 3 of Title 17 of the Revised Statutes in this State on or after the effective date of this act containing a term, provision or rider exempting any claim filed under that policy or contract by an insured, claimant or policyholder based upon a loss incurred as a result of terrorism.
   c. The commissioner shall promulgate rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) necessary to effectuate the provisions of this section.

2. a. For purposes of this section:
   "Commissioner" means the Commissioner of Banking and Insurance.
   "Terrorism" means activities that involve a violent act or acts dangerous to human life that are in violation of the criminal laws of this State and are intended to intimidate or coerce a civilian population, influence the policy of a unit of government by intimidation or coercion, or affect the conduct of a unit of government by murder, assassination or kidnaping.
   b. Notwithstanding any other provision of law to the contrary, no insurance policy or contract shall be made, issued or delivered pursuant to Subtitle 3 of Title 17B of the New Jersey Statutes in this State on or after the effective date of this act containing a term, provision or rider exempting any claim filed under that policy or contract by an insured, claimant or policyholder based upon a loss incurred as a result of terrorism.
   c. The commissioner shall promulgate rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) necessary to effectuate the provisions of this section.
3. This act shall take effect immediately.

STATEMENT

This bill prohibits, as against the public policy of this State, language in property/casualty and life and health insurance policies or contracts that excludes coverage for terrorism activities. Estimations of the losses caused by the terrorist attacks of September 11 exceed $30 billion. Property/casualty, life, health and reinsurers are responsible for the payment of these claims. Prior to September 11, 2001, certain insurance policies were permitted to contain "exclusions" for acts of war or terrorism. This bill prohibits those exclusions.

As defined in the bill, "terrorism" means activities that involve a violent act or acts dangerous to human life that are in violation of the criminal laws of this State and are intended to intimidate or coerce a civilian population, influence the policy of a unit of government by intimidation or coercion, or affect the conduct of a unit of government by murder, assassination or kidnaping.