

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.



1 AN ACT prohibiting terrorism exclusions in insurance policies.

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

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6 1. a. For purposes of this section:

7 "Commissioner" means the Commissioner of Banking and
8 Insurance.

9 "Terrorism" means activities that involve a violent act or acts
10 dangerous to human life that are in violation of the criminal laws of
11 this State and are intended to intimidate or coerce a civilian
12 population, influence the policy of a unit of government by
13 intimidation or coercion, or affect the conduct of a unit of government
14 by murder, assassination or kidnaping.

15 b. Notwithstanding any other provision of law to the contrary, no
16 insurance policy or contract shall be made, issued or delivered
17 pursuant to Subtitle 3 of Title 17 of the Revised Statutes in this State
18 on or after the effective date of this act containing a term, provision
19 or rider exempting any claim filed under that policy or contract by an
20 insured, claimant or policyholder based upon a loss incurred as a result
21 of terrorism.

22 c. The commissioner shall promulgate rules and regulations
23 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
24 (C.52:14B-1 et seq.) necessary to effectuate the provisions of this
25 section.

26

27 2. a. For purposes of this section:

28 "Commissioner" means the Commissioner of Banking and
29 Insurance.

30 "Terrorism" means activities that involve a violent act or acts
31 dangerous to human life that are in violation of the criminal laws of
32 this State and are intended to intimidate or coerce a civilian
33 population, influence the policy of a unit of government by
34 intimidation or coercion, or affect the conduct of a unit of government
35 by murder, assassination or kidnaping.

36 b. Notwithstanding any other provision of law to the contrary, no
37 insurance policy or contract shall be made, issued or delivered
38 pursuant to Subtitle 3 of Title 17B of the New Jersey Statutes in this
39 State on or after the effective date of this act containing a term,
40 provision or rider exempting any claim filed under that policy or
41 contract by an insured, claimant or policyholder based upon a loss
42 incurred as a result of terrorism.

43 c. The commissioner shall promulgate rules and regulations
44 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
45 (C.52:14B-1 et seq.) necessary to effectuate the provisions of this
46 section.

1 3. This act shall take effect immediately.

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STATEMENT

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6 This bill prohibits, as against the public policy of this State,
7 language in property/casualty and life and health insurance policies or
8 contracts that excludes coverage for terrorism activities.

9 Estimations of the losses caused by the terrorist attacks of
10 September 11 exceed \$30 billion. Property/casualty, life, health and
11 reinsurers are responsible for the payment of these claims. Prior to
12 September 11, 2001, certain insurance policies were permitted to
13 contain "exclusions" for acts of war or terrorism. This bill prohibits
14 those exclusions.

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