

CHAPTER 84

AN ACT requiring certain insurers and others to provide certain notice concerning flood insurance.

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

C.17:36-5.31 Information provided to policyholders by every fire, casualty insurer.

1. Every fire and casualty insurer, including the New Jersey Insurance Underwriting Association created pursuant to P.L.1968, c.129 (C.17:37A-1 et seq.), shall provide its policyholders of homeowners insurance, at the time of the issuance of the policy and with each renewal notice for the policy, with written notice, prescribed by the Commissioner of Banking and Insurance, that includes the following information:

- a. A homeowners insurance policy does not cover property damaged by a flood;
- b. That flood insurance may be available through the National Flood Insurance Program in participating communities; and
- c. That the National Flood Insurance Program coverage contains separate content and structure coverage and that a policyholder should consult with the National Flood Insurance Program or his insurer or insurance producer as to whether the coverage selected is appropriate to the policyholder's needs.

2. The commissioner shall issue the forms of notice prescribed by this act within 90 days following the enactment of this act.

C.17:36-5.32 Penalties.

3. If the commissioner determines that an insurer has committed or performed, with such frequency as to indicate a general business practice, violations of any provisions of this act, the commissioner may impose a civil penalty in an amount up to \$2,500 for the first violation and up to \$5,000 for each and every subsequent violation, collectible in an action brought in the name of the commissioner pursuant to the provisions of the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.). A violation is a general business practice of failing to provide notice to a policyholder, where the failure is not due to the commissioner's failure to prescribe the notices required pursuant to this act.

4. This act shall take effect on the 180th day following enactment, except that section 2 shall take effect immediately.

Approved August 14, 2000.