

CHAPTER 98

AN ACT concerning business interruption insurance and supplementing Title 17 of the Revised Statutes.

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

C.17:29AA-33 Publication of summary concerning business interruption insurance.

1. The Department of Banking and Insurance shall publish on its internet website, on or before the 90th day after the date of enactment of P.L.2021, c.98 (C.17:29AA-33 et al.), a one page summary of common insurance clauses concerning coverage for the loss of use and occupancy of a commercial property and business interruption that may be used in a commercial insurance policy. The summary shall:

- a. be developed through a public stakeholder process;
- b. be written in easily understandable language; and
- c. include:

- (1) information concerning common coverage triggers;
- (2) examples of perils typically covered;
- (3) a summary of common exclusions;

(4) the following statement, in a prominent place in the summary: “Your policy may not cover pandemics or viruses”;

(5) the following statement: “Most business interruption insurance policies cover losses sustained due to a suspension of business where the suspension was caused by direct physical loss of or damage to property or the insured’s premises, and where the loss or damage is caused by or results from a specified peril or covered cause of loss. For such policies, a government ordered shutdown may not trigger business interruption insurance coverage in the absence of physical damage to the insured property.”; and

(6) the following disclaimer: “This summary is not a replacement for the terms of the policy of insurance, shall not have the effect of altering the coverage afforded by the policy, and shall not confer new or additional rights beyond those expressly provided for in the policy. This information is only provided as guidance to the policyholder in understanding the terms of the policy of insurance. You should consult your policy, agent and insurer if you have questions about your particular coverage.”

C.17:29AA-34 Provision of summary by authorized insurer.

2. An authorized insurer shall provide the summary published pursuant to section 1 of P.L.2021, c.98 (C.17:29AA-33) to any potential purchaser of, or any policyholder seeking renewal of, a policy that provides coverage for the loss of use and occupancy of a commercial property and business interruption in this State with the application for the policy or renewal.

3. An authorized insurer that has issued a policy insuring against loss of use and occupancy of a commercial property and business interruption in this State that is in effect on the date the summary is published pursuant to section 1 of P.L.2021, c.98 (C.17:29AA-33), shall deliver the summary to each policyholder by written or electronic means before 90 days after the date the summary is published.

4. a. Sections 1 and 3 of this act shall take effect immediately. Section 2 of this act shall take effect on the 90th day following the date on which the summary is published pursuant to section 1 of this act.

b. This act shall expire on the 30th day after the effective date of any federal legislation or regulation that is determined by the Department of Banking and Insurance to be substantially similar to the provisions of this act.

Approved May 12, 2021.