

SENATE, No. 217

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

SYNOPSIS

Prohibits use of anti-concurrent causation clauses in homeowners insurance policies.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning homeowners insurance and supplementing Title
2 17 of the Revised Statutes.

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

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7 1. As used in this act:

8 “Commissioner” means the Commissioner of Banking and
9 Insurance.

10 “Homeowners insurance” means “homeowners insurance” as
11 defined by section 1 of P.L.2009, c.409 (C.17:36-5.33).

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13 2. An insurer authorized to transact the business of
14 homeowners insurance in this State shall not exclude coverage in a
15 homeowners insurance policy for loss or damage caused by a peril
16 insured against under the terms of the policy on the grounds that the
17 loss or damage occurred concurrently or in any sequence with a
18 peril not insured against under the terms of the policy. Any such
19 provision to exclude coverage shall be void and unenforceable.

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21 3. This act shall take effect on the 90th day following
22 enactment and shall apply to any homeowners insurance policy,
23 delivered, issued, renewed, or approved on or after the effective
24 date.

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STATEMENT

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29 This bill prohibits the use of “anti-concurrent causation” clauses
30 in homeowners insurance policies issued in the State. Currently,
31 homeowners insurance companies are allowed to use these clauses
32 in their policies with the result that, in situations in which a covered
33 cause of loss or damage occurs concurrently or in any sequence
34 with a non-covered cause of loss or damage, coverage for the entire
35 loss or damage can be excluded and claims can be denied. This bill
36 would end that practice by prohibiting the use of anti-concurrent
37 causation clauses in homeowners insurance policies and providing
38 that any such provision to exclude coverage shall be void and
39 unenforceable. Homeowner insurance coverage controversies tend
40 to arise with respect to anti-concurrent causation clauses in
41 connection with water and wind damage from hurricanes and other
42 extreme weather events.