



Alerts

Future of New Jersey COVID-19 Insurance Coverage Bill is in Question

March 19, 2020

Insights for Insurers

In an update to our March 17, 2020 alert "[New Jersey Legislature Considers Mandated COVID-19 Business Interruption Coverage](#)," it is being reported that New Jersey Assembly Bill 3844—which would have required insurers to provide coverage for COVID-19 related losses—is facing an uncertain future. The bill reportedly has been [withdrawn](#), but [may be amended and reintroduced](#).

[As originally drafted](#), AB 3844 would apply to property policies that were in effect on March 9, 2020 and issued to insureds with less than 100 eligible employees in New Jersey. An eligible employee was defined as a full-time employee who works 25 hours or more in a normal work week. Pursuant to the bill, the "coverage required by this section shall indemnify the insured, subject to the limits under the policy, for any loss of business or business interruption for the duration of that declared State of Emergency." The costs for any paid claims would ultimately be passed on to all insurers operating in New Jersey, except for life and health insurers.

We will continue to monitor this issue and provide updates as needed.

Attorneys

Scott M. Seaman