



### **Insurance Fair Conduct Act Talking Points S-1559/A-1659**

The amended version of the Insurance Fair Conduct Act (S-1559) that passed the Senate in January 2021 is a very important consumer protection – but it is narrowly focused on one area of the insurance market.

In its amended form, the Insurance Fair Conduct Act will limit the first-party private right of action to uninsured and underinsured motorist cases. That is when you have been injured by a driver without insurance or without enough insurance to cover your losses, and you must turn to your own company to provide coverage. It is coverage you have already bought and paid for. This is a very narrow slice of the insurance market.

S-1559 will not apply to any of the following:

- Medical insurance;
- Homeowners insurance;
- Any auto claim that is not a UM/UIM case.

If your insurance company unfairly delays, denies or underpays a UM/UIM claim, the Insurance Fair Conduct Act will allow you go to court and if a jury awards you more than the insurance company was going to give you, you get that value and nothing more. The only remedy provided in the bill is the actual verdict.

Remedies included in the amended Insurance Fair Conduct Act do not include any of the following:

- Attorneys fees;
- Treble damages;
- Pretrial interest;
- Any other penalty or damages.

The amended Insurance Fair Conduct Act is fair, it has a narrow scope of a possible bad faith action, and is the right thing to do. Amend and support the Insurance Fair Conduct Act in the Assembly.

\*\*

*The New Jersey Association for Justice was founded in the 1940s as the Association of Trial Lawyers of America-New Jersey. NJAJ is a statewide association of trial attorneys dedicated to protecting people's rights by working to strengthen the laws for safer products and workplaces, a cleaner environment and quality health care and*

*preserving justice for all.*

**New Jersey Association for Justice**

**150 West State Street**

**Trenton, NJ 08608**

**609-396-0096**

**[www.nj-justice.org](http://www.nj-justice.org)**

**Edward P. Capozzi, Esq., President**

**Deborah R. Bozarth, Director of Governmental Relations**