

17B:25-1

LEGISLATIVE HISTORY CHECKLIST
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NJSA: 17B:25-1

(Life insurance--
notify
policyholder if
unpaid premium)

LAWS OF: 1991

CHAPTER: 7

Bill No: A1147

Sponsor(s): Kalik

Date Introduced: Pre-filed

Committee: Assembly: Insurance

Senate: Labor

Amended during passage: No

Date of Passage: Assembly: May 14, 1990

Senate: December 6, 1990

Date of Approval: January 21, 1991

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: Yes

Senate: Yes

Fiscal Note: No

Veto Message: No

Message on signing: No

Following were printed:

Reports: No

Hearings: No

KBG/SLJ

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P.L.1991, CHAPTER 7, approved January 21, 1991

1990 Assembly No. 1147

1 AN ACT concerning life insurance and supplementing chapter 25
2 of Title 17B of the New Jersey Statutes.

3

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

6 1. An insurer shall give written notice by regular mail to the
7 holder of a life insurance policy when, to prevent lapse of the
8 policy, a premium is paid automatically by charging it against
9 the policy's loan value which is derived from the cash value of
10 the policy. The notice shall show the amount of the loan and the
11 loan interest rate. The notice shall be mailed no later than 30
12 days after the end of the grace period of the premium paid by
13 loan.

14 2. This act shall take effect January 1 next following
15 enactment.

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INSURANCE

19

20 Requires insurers to give notice if a premium is automatically
21 charged against the cash value of a life insurance policy.

ASSEMBLY, No. 1147
STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Assemblywoman KALIK

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STATEMENT

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20 This bill provides that insurers would be required to give
21 notice by mail if a premium is paid automatically by charging
22 against the cash value of a life insurance policy. Most life
23 insurance policies have a provision that the insured may elect to
24 have a premium paid out of the cash value to prevent lapse.
25 This legislation simply provides that the policyholder be notified
26 in writing if this has occurred.

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ASSEMBLY INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1147

STATE OF NEW JERSEY

DATED: APRIL 26, 1990

The Assembly Insurance Committee reports favorably Assembly, No. 1147.

This bill provides that insurers would be required to give notice by mail if a premium is paid automatically by charging against the cash value of a life insurance policy. Most life insurance policies have a provision that the insured may elect to have a premium paid out of the cash value to prevent lapse. This legislation simply provides that the policyholder be notified in writing if this has occurred.

This bill was pre-filed for introduction in the 1990 session pending technical review. As reported the bill includes the changes required by technical review which has been performed.

SENATE LABOR, INDUSTRY AND PROFESSIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1147

STATE OF NEW JERSEY

DATED: OCTOBER 4, 1990

The Senate Labor, Industry and Professions Committee reports favorably Assembly Bill No. 1147.

This bill requires life insurers to give notice by regular mail if a premium is paid automatically by charging against the cash value of a life insurance policy to prevent the policy from lapsing. The notice must state the amount of the loan and the loan interest rate and must be mailed not more than 30 days after the end of the grace period for the premium payment.