

P.L. 1999, CHAPTER 242, *approved October 15, 1999*
Assembly, No. 307

1 AN ACT allowing certain senior citizen insureds to designate third
2 parties to receive certain notices.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. For purposes of this act:
8 "Commissioner" means the Commissioner of Banking and
9 Insurance.

10 "Insurer" means:

11 a. Any corporation, association, partnership, reciprocal exchange,
12 interinsurer, Lloyd's insurer, fraternal benefit society or other person
13 engaged in the business of insurance pursuant to Subtitle 3 of Title 17
14 of the Revised Statutes or Subtitle 3 of Title 17B of the New Jersey
15 Statutes;

16 b. Any medical service corporation operating pursuant to
17 P.L.1940, c.74 (C.17:48A-1 et seq.);

18 c. Any hospital service corporation operating pursuant to
19 P.L.1938, c.366 (C.17:48-1 et seq.);

20 d. Any health service corporation operating pursuant to P.L.1985,
21 c.236 (C.17:48E-1 et seq.);

22 e. Any health maintenance organization established pursuant to the
23 provisions of P.L.1973, c.337 (C.26:2J-1 et seq.);

24 f. Any insurance plan operating pursuant to P.L.1970, c.215
25 (C.17:29D-1); and

26 g. The New Jersey Insurance Underwriting Association operating
27 pursuant to P.L.1968, c.129 (C.17:37A-1 et seq.).

28 "Policy of personal lines insurance" means any policy or contract of
29 insurance issued or issued for delivery in this State for personal, family
30 or household purposes, as determined by the commissioner, by an
31 insurer on a risk located or resident in this State for which the
32 premiums are paid directly to the insurer by the senior citizen insured.

33 "Senior citizen insured" means any named insured pursuant to a
34 policy of personal lines insurance who is an individual and is at least
35 62 years of age.

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37 2. Every insurer shall permit its senior citizen insureds to designate
38 a third party to whom the insurer shall transmit a copy of notices of
39 cancellation, nonrenewal and conditional renewal. The senior citizen
40 insured shall notify the insurer that a third party has been so
41 designated. Such notification shall be delivered to the insurer by
42 certified mail, return receipt requested, and shall be effective not later

1 than ten business days from the date of receipt by the insurer. The
2 notification shall contain, in writing, an acceptance by the third party
3 designee to receive copies of notices of cancellation, nonrenewal and
4 conditional renewal from the insurer. Should the third party designee
5 desire to terminate the status as a third party designee, the designee
6 shall provide written notice to both the insurer and the senior citizen
7 insured. Should the senior citizen insured desire to terminate the third
8 party designation, the insured shall provide written notice to the
9 insurer. The transmission to the third party designee of a copy of any
10 notice of cancellation, nonrenewal or conditional renewal shall be in
11 addition to the original document transmitted to the senior citizen
12 insured and when a third party is so designated all such notices and
13 copies shall be mailed in an envelope clearly marked on its face with
14 the following: "IMPORTANT INSURANCE POLICY
15 INFORMATION: OPEN IMMEDIATELY." The copy of the notice
16 of cancellation, nonrenewal or conditional renewal transmitted to the
17 third party shall be governed by the same law and policy provisions
18 which govern the notice being transmitted to the senior citizen
19 insured. Designation as a third party shall not constitute acceptance
20 of any liability on the part of the third party for services provided to
21 the senior citizen insured, nor on the part of the insurer. The insurer
22 shall notify its senior citizen insureds annually in writing, except in
23 cases in which the age of the senior citizen insured is unknown to the
24 insurer, of the availability of the third party designee notice procedures
25 and provide information on how the insured can commence this
26 procedure, except that notice need not be provided once a senior
27 citizen insured has made a designation. An insurer may provide this
28 required annual notice to its senior citizen insureds in any manner that
29 it determines.

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31 3. This act shall take effect on the 120th day following enactment.

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36 _____
37 Allows certain senior citizens to designate third parties to receive
insurance cancellation and nonrenewal notices.

ASSEMBLY, No. 307

STATE OF NEW JERSEY 208th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 1998 SESSION

Sponsored by:

Assemblywoman NIA H. GILL

District 27 (Essex)

Assemblyman LEROY J. JONES, JR.

District 27 (Essex)

SYNOPSIS

Allows certain senior citizens to designate third parties to receive insurance cancellation and nonrenewal notices.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



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2 parties to receive certain notices.

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4 **BE IT ENACTED** by the Senate and General Assembly of the State
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13 of the Revised Statutes or Subtitle 3 of Title 17B of the New Jersey
14 Statutes;

15 b. Any medical service corporation operating pursuant to
16 P.L.1940, c.74 (C.17:48A-1 et seq.);

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18 P.L.1938, c.366 (C.17:48-1 et seq.);

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20 c.236 (C.17:48E-1 et seq.);

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22 provisions of P.L.1973, c.337 (C.26:2J-1 et seq.);

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25 g. The New Jersey Insurance Underwriting Association operating
26 pursuant to P.L.1968, c.129 (C.17:37A-1 et seq.).

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28 insurance issued or issued for delivery in this State for personal, family
29 or household purposes, as determined by the commissioner, by an
30 insurer on a risk located or resident in this State for which the
31 premiums are paid directly to the insurer by the senior citizen insured.

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33 policy of personal lines insurance who is an individual and is at least
34 62 years of age.

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38 cancellation, nonrenewal and conditional renewal. The senior citizen
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40 designated. Such notification shall be delivered to the insurer by
41 certified mail, return receipt requested, and shall be effective not later
42 than ten business days from the date of receipt by the insurer. The
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44 designee to receive copies of notices of cancellation, nonrenewal and
45 conditional renewal from the insurer. Should the third party designee
46 desire to terminate the status as a third party designee, the designee

1 shall provide written notice to both the insurer and the senior citizen
2 insured. Should the senior citizen insured desire to terminate the third
3 party designation, the insured shall provide written notice to the
4 insurer. The transmission to the third party designee of a copy of any
5 notice of cancellation, nonrenewal or conditional renewal shall be in
6 addition to the original document transmitted to the senior citizen
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15 of any liability on the part of the third party for services provided to
16 the senior citizen insured, nor on the part of the insurer. The insurer
17 shall notify its senior citizen insureds annually in writing, except in
18 cases in which the age of the senior citizen insured is unknown to the
19 insurer, of the availability of the third party designee notice procedures
20 and provide information on how the insured can commence this
21 procedure, except that notice need not be provided once a senior
22 citizen insured has made a designation. An insurer may provide this
23 required annual notice to its senior citizen insureds in any manner that
24 it determines.

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STATEMENT

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31 This bill allows senior citizen insureds of policies of personal lines of
32 insurance to designate a third party to whom the insurer must transmit
33 a copy of notices of cancellation, nonrenewal and conditional renewal.
34 The envelopes of such notices to the senior citizen insureds and third
35 party designees must be clearly marked to read: "IMPORTANT
36 INSURANCE POLICY INFORMATION: OPEN IMMEDIATELY."

37 A third party designee may terminate such a designation by written
38 notice to both the insurer and the senior citizen insured. The senior
39 citizen insured may terminate the third party designation by written
40 notice to the insurer.

41 Insurers must notify their senior citizen insureds annually in writing
42 of the availability of such third party notices, except in those cases
43 when the age of the insured is unknown. An insurer may provide this
44 annual notice in any manner it determines. Designation as a third party
45 does not constitute acceptance of any liability on the part of the third
46 party for services provided to the senior citizen insured, nor on the

A307 GILL, JONES

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1 part of the insurer.

2 Under the bill, senior citizen insureds are defined as persons 62
3 years of age or older who are named insureds under insurance policies
4 for personal, family or household purposes on which the premiums are
5 paid directly to the insurer by the senior citizen insured. Examples of
6 insurance policies referred to under the bill are automobile insurance
7 policies, homeowners policies, and individual life and health insurance
8 policies.

ASSEMBLY SENIOR ISSUES AND COMMUNITY SERVICES
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 307

STATE OF NEW JERSEY

DATED: MARCH 2, 1998

The Assembly Senior Issues and Community Services Committee favorably reports Assembly Bill No. 307.

This bill allows senior citizen insureds of policies of personal lines of insurance to designate a third party to whom the insurer must transmit a copy of notices of cancellation, nonrenewal and conditional renewal. The envelopes of such notices to the senior citizen insureds and third party designees must be clearly marked to read: "IMPORTANT INSURANCE POLICY INFORMATION: OPEN IMMEDIATELY."

A third party designee may terminate such a designation by written notice to both the insurer and the senior citizen insured. The senior citizen insured may terminate the third party designation by written notice to the insurer.

Insurers must notify their senior citizen insureds annually in writing of the availability of such third party notices, except in those cases when the age of the insured is unknown. An insurer may provide this annual notice in any manner it determines. Designation as a third party does not constitute acceptance of any liability on the part of the third party for services provided to the senior citizen insured, nor on the part of the insurer.

Under the bill, senior citizen insureds are defined as persons 62 years of age or older who are named insureds under insurance policies for personal, family or household purposes on which the premiums are paid directly to the insurer by the senior citizen insured. Examples of insurance policies referred to under the bill are automobile insurance policies, homeowners policies, and individual life and health insurance policies.

This bill was prefiled for introduction in the 1998-1999 session pending technical review. As reported, the bill includes changes required by technical review which has been performed.

SENATE SENIOR CITIZENS, VETERANS' AFFAIRS AND
HUMAN SERVICES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 307

STATE OF NEW JERSEY

DATED: JUNE 3, 1999

The Senate Senior Citizens, Veterans' Affairs and Human Services Committee reports favorably Assembly Bill No. 307.

This bill allows senior citizen insureds of policies of personal lines of insurance to designate a third party to whom the insurer must transmit a copy of notices of cancellation, nonrenewal and conditional renewal. The envelopes of such notices to the senior citizen insureds and third party designees must be clearly marked to read: "IMPORTANT INSURANCE POLICY INFORMATION: OPEN IMMEDIATELY."

A third party designee may terminate such a designation by written notice to both the insurer and the senior citizen insured. The senior citizen insured may terminate the third party designation by written notice to the insurer.

Insurers must notify their senior citizen insureds annually in writing of the availability of such third party notices, except in those cases when the age of the insured is unknown. An insurer may provide this annual notice in any manner it determines. Designation as a third party does not constitute acceptance of any liability on the part of the third party for services provided to the senior citizen insured, nor on the part of the insurer.

Under the bill, senior citizen insureds are defined as persons 62 years of age or older who are named insureds under insurance policies for personal, family or household purposes on which the premiums are paid directly to the insurer by the senior citizen insured. Examples of insurance policies referred to under the bill are automobile insurance policies, homeowners policies, and individual life and health insurance policies.

Office of the Governor
NEWS RELEASE

CONTACT: Jayne O'Connor
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609-777-2600

RELEASE: October 15, 1999

Governor Christie Whitman today signed the following legislation:

A-1447, sponsored by Assembly Speaker Jack Collins, requires legislative counsel to provide prime sponsors of legislation with advice of legal defects at the same time the counsel provides a written response to a request for a confidential written opinion on a bill.

A-170, sponsored by Assembly Members John Kelly (R-Bergen/Essex/Passaic) and Louis Romano (D-Hudson), eliminates the dual-licensing requirement for rooming and boarding houses and it increases the fee that may be charged by the Department of Community Affairs to license rooming and boarding houses.

A-1670, sponsored by Assemblywomen Marion Crecco (R-Essex/Passaic) and Charlotte Vandervalk (R-Bergen) and Senator Diane Allen (R- Burlington/Camden), establishes the neighborhood-Based Child Care Incentive Demonstration Program. This program expands the availability of safe, affordable child care to low and middle income families by encouraging the use of volunteer networks in the delivery of neighborhood-based child care services. The demonstration program, administered by the Department of Human Services, will operate in five counties, two of which will be in municipalities targeted by the Governor's Urban Coordinating Council.

A-2023, sponsored by Assembly Members Arline Friscia (D-Middlesex) and Reed Gusciora (D-Mercer), requires public employers to promptly pay amounts due certain employee annuity programs to ensure there is no loss of interest earnings . This bill would ensure that amounts payable by an employer on behalf of an employee be transmitted on, and credited as of, the fifth day after the employee is paid for that pay period.

A-3025, sponsored by Assemblymen Jerry Green (D- Middlesex/Somerset/Union) and John Kelly (R-Bergen/Essex/Passaic) and Senators Andrew Ciesla (R-Monmouth/Ocean) and John Matheussen (R-Camden/Gloucester), makes various changes to the "Map Filing Law." The bill eliminates the requirement that outside tract line monuments be installed by the developer prior to filing a map and it requires the developer to post a guarantee, to ensure that that developer eventually installs the outbound monuments.

A-307, sponsored by Assemblywoman Nia Gill (D-Essex) and LeRoy J. Jones, Jr. (D-Essex), allows senior citizens with personal lines of insurance to designate third parties to receive insurance cancellation and nonrenewal notices. Envelopes including such information must be labeled clearly "Important Insurance Policy Information; Open Immediately."

A-2636, sponsored by Assembly Members Anthony Impreveduto (D- Bergen/Hudson) and Joseph R. Malone III (R- Burlington/Monmouth/Ocean), eliminates prohibition against a school official action on certain matters. The bill specifically defines "personal involvement" and provides that no school official can act in his official capacity in any matter where he or a member of his immediate family has a personal involvement that is or creates some benefit to the official or his family member.

A-2050, sponsored by Assembly Members Nicholas Felice (R-Bergen/Passaic) and Carol Murphy (R- Essex/Morris/Passaic) and Senator Peter Inverso (R-Mercer/Middlesex), clarifies sales and use tax imposition upon prepaid telephone calling cards. The bill requires that sellers collect sales tax for the value of the card and remit it to the state.

A-2255, sponsored by Assemblymen Christopher "Kip" Bateman (R- Morris/Somerset) and Neil Cohen (D-Union) and Senator Peter Inverso (R-Mercer/Middlesex), makes certain changes in the "New Jersey Licensed Lenders Act." The bill changes the definition of "principal amount" as applied to secondary mortgage loans. The bill prohibits including the amount of discount points in the amount to be financed. In addition, the bill increases the cap on the application fee for sales finance companies from \$300 to \$500.

A-2302, sponsored by Assemblymen Nicholas Asselta (R-Cape May/Atlantic/Cumberland) and Jack Gibson (R-Cape May/Atlantic/Cumberland) and Senators James Cafiero (R-Cape May/ Atlantic/Cumberland) and John Matheussen (R-Camden/Gloucester), provides immunities and other benefits to personnel who participate in search and rescue teams. The bill also ensures that members of search and rescue teams accrue their employment benefits while working with the teams.

A-2393, sponsored by Assemblymen Christopher "Kip" Bateman (R- Morris/Somerset) and Neil Cohen (D-Union) and Senator Walter Kavanaugh (R-Morris/Somerset), simplifies certain banking procedures to conform the state's laws to federal ones.

A-2469, sponsored by Assembly Speaker Jack Collins (R-Salem/Cumberland/Gloucester) and Assemblyman Neil Cohen (D-Union), makes permanent the \$5 instant rebate program for purchases of trigger locks that the Governor introduced as part of her anti- school violence initiatives.

A-2806, sponsored by Assemblymen Alan Augustine (R-Middlesex/Morris/Somerset/Union) and Christopher "Kip" Bateman (R- Morris/Somerset) and Senator Walter Kavanaugh (R-Morris/ Somerset), provides standards for retention of records of certain financial institutions. The bill will assist regulators in their supervisory role as well as prevent fraud against financial institutions.

A-3040, sponsored by Assemblymen Paul DiGaetano (R-Bergen/Essex/Passaic) and Neil Cohen (D- Union), clarifies the tenant rebate provisions of the NJ SAVER and Homestead Rebate Act. The clarification ensures that benefits provided to tenants who are 65 years of age or older, or who are eligible to claim a deduction as a blind or disabled taxpayer, are equal to the benefits provided to other eligible tenants.

A-722, sponsored by Assembly Members Paul Kramer (R-Mercer/Middlesex) and Barbara Wright (R-Mercer/Middlesex), establishes a regulatory scheme for certain private facilities under contract with

the Department of Corrections. The bill enhances communications between halfway houses and municipal officials and residents and supplements the criteria used to determine whether an inmate is eligible for a halfway house. Primarily, the bill establishes: community relations advisory boards, a procedure for notifying local law enforcement officials of an inmates transfer to their community, supplements the department's regulations regarding the procedure for reporting an escape and codifies and supplements the department's regulations that set forth criteria used to determine whether an inmate is eligible for a halfway house.