

17B:29-3/

LEGISLATIVE HISTORY CHECKLIST
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(Credit insurance)

NJSA: 17B:29-3.1

LAWS OF: 1996 CHAPTER: 146

BILL NO: A1963

SPONSOR(S): Bagger and Farragher

DATE INTRODUCED: May 6, 1996

COMMITTEE: ASSEMBLY: Insurance

SENATE: Commerce

AMENDED DURING PASSAGE: Yes Amendments during passage denoted
First reprint enacted by superscript number

DATE OF PASSAGE: ASSEMBLY: October 21, 1996

SENATE: November 7, 1996

DATE OF APPROVAL: December 20, 1996

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

KBP:pp

P.L. 1996, CHAPTER 146, *approved December 20, 1996*
Assembly No. 1963 (*First Reprint*)

1 AN ACT to permit combinations of certain credit insurance coverages
2 and supplementing chapter 29 of Title 17B of the New Jersey
3 Statutes.

4

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

7

8 1. a. The individual and group coverages permitted by
9 N.J.S.17B:29-3 may be offered in combination with credit involuntary
10 unemployment insurance, credit personal property insurance, or both,
11 under separate and distinct policies, provided that the total combined
12 premium amount or rate to be charged to the debtor shall be reduced
13 by five percent ¹or by a greater percentage at the discretion of the
14 insurer¹.

15 b. When credit involuntary unemployment insurance is included in
16 the combined coverages and (1) the debtor notifies the insurer in
17 writing that he ¹is or¹ has become ineligible for credit involuntary
18 unemployment insurance coverage by reason of being or becoming
19 voluntarily unemployed, or by reason of being or becoming self-
20 employed, and states the date on which that ineligibility commenced;
21 or (2) a claim is denied under the credit involuntary unemployment
22 insurance coverage because the debtor became ineligible for that
23 coverage, the insurer shall promptly remit a refund of the portion of
24 the premium applicable to the credit involuntary unemployment
25 insurance coverage during the period of ineligibility.

26 c. (1) Notwithstanding the provisions of N.J.S.17B:27-3 to the
27 contrary, group life insurance coverage may be issued in combination
28 with other coverages in accordance with this section.

29 (2) ¹**[Insurance]** Insurers issuing insurance¹ coverages combined
30 in accordance with this section ¹**[may be offered to debtors without**

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AIN committee amendments adopted June 3, 1996.

1 offering each or] shall not be required to offer¹ any of the coverages
2 for separate purchase.

3 (3) The purchase of insurance coverages combined in accordance
4 with this section shall be voluntary on the part of the debtor.

5 d. For the purpose of this section, "credit personal property
6 insurance" means insurance covering direct or indirect damage or loss,
7 by fire or other perils, including those of extended coverage, to the
8 personal property of the debtor all or part of which is the security for
9 the loan, which insurance shall be for an amount and term not to
10 exceed the amount and term of the loan.

11

12 2. This act shall take effect immediately.

13

14

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16

17 _____
Permits combinations of certain credit insurance products.

[First Reprint]
ASSEMBLY, No. 1963

STATE OF NEW JERSEY

INTRODUCED MAY 6, 1996

By Assemblyman BAGGER and Assemblywoman
FARRAGHER

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10 unemployment insurance, credit personal property insurance, or both,
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12 premium amount or rate to be charged to the debtor shall be reduced
13 by five percent ¹or by a greater percentage at the discretion of the
14 insurer¹.

15 b. When credit involuntary unemployment insurance is included in
16 the combined coverages and (1) the debtor notifies the insurer in
17 writing that he ¹is or¹ has become ineligible for credit involuntary
18 unemployment insurance coverage by reason of being or becoming
19 voluntarily unemployed, or by reason of being or becoming self-
20 employed, and states the date on which that ineligibility commenced;
21 or (2) a claim is denied under the credit involuntary unemployment
22 insurance coverage because the debtor became ineligible for that
23 coverage, the insurer shall promptly remit a refund of the portion of
24 the premium applicable to the credit involuntary unemployment
25 insurance coverage during the period of ineligibility.

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Permits combinations of certain credit insurance products.

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6

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STATEMENT

8

9 This bill allows credit life insurance, credit health insurance, credit
10 involuntary unemployment insurance and credit personal property
11 insurance to be offered in any combination to a debtor with a five
12 percent discount. The purchase of such combination must be
13 voluntary on the part of the debtor. In addition, when involuntary
14 unemployment insurance coverage is purchased as part of the
15 combination and the insured informs the insurer that he is ineligible for
16 benefits under the coverage or a claim is denied because he is ineligible
17 for the benefits under that coverage, the insurer must promptly refund
18 the portion of the premium of that coverage for the period of
19 ineligibility.

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24 _____
Permits combinations of certain credit insurance products.

ASSEMBLY INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1963

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 3, 1996

The Assembly Insurance Committee reports favorably and with committee amendments Assembly Bill No. 1963.

As amended by the committee, this bill allows credit life insurance, credit health insurance, credit involuntary unemployment insurance and credit personal property insurance to be offered in any combination to a debtor with at least a five percent discount. The purchase of such combination must be voluntary on the part of the debtor. In addition, when involuntary unemployment insurance coverage is purchased as part of the combination and the insured informs the insurer that he is ineligible for benefits under the coverage or a claim is denied because he is ineligible for the benefits under that coverage, the insurer must promptly refund the portion of the premium of that coverage for the period of ineligibility.

The committee amended the bill to provide that an insurer offering combined credit insurance products could offer more than a five percent discount at its discretion and to clarify that an insurer is not required to offer for separate purchase any of the coverages that make up the combined credit insurance.

SENATE COMMERCE COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 1963

STATE OF NEW JERSEY

DATED: OCTOBER 28, 1996

The Senate Commerce Committee reports favorably Assembly Bill No. 1963 (1R).

This bill allows credit life insurance, credit health insurance, credit involuntary unemployment insurance and credit personal property insurance to be offered in any combination to a debtor with at least a five percent discount. The purchase of such combination must be voluntary on the part of the debtor. In addition, when involuntary unemployment insurance coverage is purchased as part of the combination and the insured informs the insurer that he is ineligible for benefits under the coverage or a claim is denied because he is ineligible for the benefits under that coverage, the insurer must promptly refund the portion of the premium of that coverage for the period of ineligibility. The bill specifically provides that an insurer is not required to offer any of the coverages that make up the credit insurance combination for separate purchase.