

17B:25-2.1; 17B:26-3.1

LEGISLATIVE HISTORY CHECKLIST

(Life and health insurance policies--  
allow purchaser to cancel within 10  
days)

WASA 17B:25-2.1; 17B:26-3.1

LAWS OF 1980

CHAPTER 38

Bill No. S710

Sponsor(s) Parker and others

Date Introduced Pre-filed

Committee: Assembly Banking and Insurance

Senate Labor, Industry and Professions

Amended during passage

~~Yes~~

o Substituted for A757  
(not attached since  
identical to S710)

Date of Passage: Assembly April 21, 1980

Senate Feb. 25, 1980

Date of approval June 20, 1980

Following statements are attached if available:

Sponsor statement Yes ~~Yes~~ (Below)

Committee Statement: Assembly Yes ~~Yes~~

Senate Yes ~~Yes~~

Fiscal Note ~~Yes~~ No

Veto message ~~Yes~~ No

Message on signing ~~Yes~~ No

Following were printed.

Reports ~~Yes~~ No

Hearings ~~Yes~~ No

Sponsor's statement:

The purpose of this bill is to enable a purchaser of a life or health insurance policy to change his mind about the purchase and cancel the policy at any time during the first 10 days after receipt of the policy.

9/1/80

SENATE, No. 710

**STATE OF NEW JERSEY**

PRE-FILED FOR INTRODUCTION IN THE 1980 SESSION

By Senators PARKER, CAFIERO, DODD and MUSTO

AN Act concerning a standard provision for cancellation in any policy of life or health insurance, other than group insurance, and supplementing subtitle 3 of Title 17B of the New Jersey Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*  
2 *of New Jersey:*

1 1. No policy of life insurance, other than group insurance, shall  
2 be delivered or issued for delivery in this State unless such policy  
3 contains in substance a provision or has attached to it a notice  
4 stating that during a period of no less than 10 days after the date  
5 the policyholders receives the policy, the policyholder may cancel  
6 the policy and receive from the insurer a prompt refund of any  
7 premium paid therefor, including any policy fees or other charges,  
8 by mailing or otherwise surrendering the policy to the insurer  
9 together with a written request for cancellation.

1 2. Except as provided in N. J. S. 17B:26-28, each health in-  
2 surance policy, other than group and blanket insurance, delivered  
3 or issued for delivery to any person in this State shall contain a  
4 provision or have attached to it a notice as follows:

5 Cancellation during first 10 days: During a period of 10 days  
6 after the date the policyholder receives the policy, the policyholder  
7 may cancel the policy and receive from the insurer a prompt re-  
8 fund of any premium paid therefor, including any policy fees or  
9 other charges, by mailing or otherwise surrendering the policy to  
10 the insurer together with a written request for cancellation.

1 3. This act shall take effect 90 days after the date of enactment.

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STATEMENT

The purpose of this bill is to enable a purchaser of a life or health insurance policy to change his mind about the purchase and cancel the policy at any time during the first 10 days after receipt of the policy.

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO  
SENATE, No. 710

STATE OF NEW JERSEY

DATED: MARCH 19, 1980

This legislation, the Senate counterpart of Assembly Bill 757, reported by the Banking and Insurance Committee at their last meeting, provides that all individual life and health insurance contracts issued pursuant to Title 17B be required to contain a provision that the contract may be cancelled by the purchaser during a period of no less than 10 days after the date that the policy is received. The legislation further provides that if the policy is so cancelled, the insurer must provide the policyholder with a prompt refund of all premium, policy fees, or other charges.

This legislation would permit buyers of individual life or health insurance policies to change their mind about the purchase and to cancel the policy with the assurance that they will receive a complete refund of their money. This right of rescission would serve as a check on high-pressure sales technique which may result in a buyer of insurance being persuaded to purchase policies which do not adequately serve his needs.

SENATE LABOR, INDUSTRY AND  
PROFESSIONS COMMITTEE

STATEMENT TO  
**SENATE, No. 710**

**STATE OF NEW JERSEY**

DATED: JANUARY 24, 1980

This bill mandate that a 10-day cancellation period be allowed to purchasers of life or health insurance policies. A notice to this effect must be contained in the policy or attached to the policy. A prompt refund, including premium paid, policy fees or other charges, would follow a cancellation. Group life insurance and group and blanket health insurance are exempt from the provisions of the bill.

The sponsor feels passage of this bill would protect consumers against misrepresentations and fraudulent practices in the sale of life and health insurance. Senior citizens have complained that after receiving their insurance policies they discovered provisions in the contracts which they did not want or provisions which were sold by the agent that were not included in the policy. A 10-day grace period would give them time to read the actual policy. They could then request cancellation of the policy without losing their premium if dissatisfied.

JUNE 20, 1980

PATRICK SWEENEY

Governor Brendan Byrne today signed the following bills:

S-621, sponsored by Senator Joseph A. Maressa (D-Gloucester), which changes the name of the Medical-Vision Advisory Panel in the Division of Motor Vehicles to the Medical Advisory Panel. The panel, comprised totally of medical doctors with various specialties, advises the Division of Motor Vehicles on the licensure of people with physical or mental disorders.

S-710, sponsored by Senator Barry T. Parker (R-Burlington), which permits the purchasers of individual life and health insurance policies to return the policies and cancel the insurance within ten days after receipt of the policy. The ten day period is intended to give the purchaser the opportunity to recover from a possible "hard sell" on the part of an insurance agent, and to provide time to examine the specific provisions of the policy to insure that it actually meets the purchaser's insurance need.

S-820 and S-835, sponsored by Senator John M. Skevin (D-Bergen), which are companion bills concerning the fees collected for the clerks of the County District Courts and the fees paid to process servers of the County District Courts.

S-835, increases the filing fees for civil actions in the County District Courts. The fees increased are those which require the serving of papers. They include: executions, summonses, capias and advertisements. The bill takes effect 30 days after enactment. The summons fee is raised from \$7.60 to \$9.60 for the first defendant and from \$.40 to \$1.40 for each additional defendant. If the amount in question exceeds \$600, the increase for the first defendant is from \$10 to \$12.

S-820, increases the fees paid to sergeants-at-arms and constables for the serving of the process of the County District Courts. The bill also amends the law to permit payment of the same fees to such officers as may be designated as process servers for the County District Courts by N.J.S.A.:18-5. The fees are doubled or tripled in some cases, but they have remained essentially unchanged since 1957. The bill takes effect July 1, 1980.

S-1002, sponsored by Senator Carmen A. Orechio (D-Essex), which prohibits reappointment, under certain circumstances, of former municipal policemen who are over the age of 45 as of the date of his reappointment.

The bill eliminates the maximum age re-entry requirement for police officers who have been laid-off. In addition, a technical amendment permits a rehired policeman to become a member of the Police and Firemen's Retirement System making contributions based on his current age.

S-1062, sponsored by Senator Joseph P. Merlino, (D-Mercer), which permits counties of the second class having a population of 400,000 or under to appoint up to three lieutenants of county detectives. The former law limited such counties to one lieutenant of county detectives.

SJR-11, sponsored by Senator William J. Hamilton, Jr. (D-Middlesex), which extends the existence of the Mobile Home Study Commission to September 30, 1980. The Commission, under former law, had been due to expire April 19, 1980. The Commission, chaired by Senator Hamilton, was created on October 19, 1977 for the purpose of studying the problems of restrictive zoning regulations, financing and taxation of mobile homes.

SJR-16, sponsored by Senator James H. Wallwork (R-Essex), which designates the week of June 15th through the 21st of this year as "Battle of Springfield" week in New Jersey, in honor of the 200th anniversary of that battle.

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