

17B:27-30 ET AL.

LEGISLATIVE HISTORY CHECKLIST

NJSA 17B:27-30 et al.

Laws of 1976 Chapter 101 (S1172[OCR]-1974 W/C)

Bill No. S930

Sponsor(s) Hughes, Horn & Martindell

Date Introduced Pre-filed

Committee: Assembly Commerce, Banking & Insurance

Senate Labor, Industry & Professions

Amended during passage Yes No

Date of passage: Assembly June 28, 1976

Senate April 26, 1976

Date of approval Oct. 7, 1976

Following statements are attached if available:

Sponsor statement Yes No

Committee Statement: Assembly Yes No

Senate Yes No

Fiscal Note Yes No

Veto message Yes No

Message on signing Yes No

Following were printed:

Reports Yes No

Hearings Yes No

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10/4/76
SEP 1977

SENATE, No. 930

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1976 SESSION

By Senators HUGHES, HORN and MARTINDELL

AN ACT concerning insurance relating to dependent coverages under group health and blanket insurance and amending N. J. S. 17B:27-30, P. L. 1964, c. 104 (C. 17:48-6.1), and P. L. 1964, c. 105 (C. 17:48A-7.1).

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

1 1. N. J. S. 17B:27-30 is amended to read as follows:

2 17B:27-30. Benefits of group health insurance, except benefits
3 for loss of time on account of disability, may be provided for one or
4 more members of the families or one or more dependents of persons
5 who may be insured under a group policy referred to in sections
6 17B:27-27, 17B:27-28 or 17B:27-29. Any group health insurance
7 policy which contains provisions for the payment by the insurer
8 of benefits for expenses incurred on account of hospital, nursing,
9 medical, or surgical services for members of the family or depen-
10 dents of a person in the insured group **[**may provide for the con-
11 tinuation of such benefit provisions, or any part or parts thereof,
12 after**]** *must, subject to payment of the appropriate premium,*
13 *permit such family members or dependents to have coverage con-*
14 *tinued for at least 180 days after the death of the person in the*
15 *insured group, subject to the policy provision as to termination of*
16 *coverage with respect to family members or dependents for reasons*
17 *other than the death of the person in the insured group.*

18 All group health insurance policies which provide coverage for a
19 family member or dependent of an insured on an expense incurred
20 basis shall also provide that the benefits applicable for children
21 shall be payable with respect to a newly-born child of that insured
22 from the moment of birth. The coverage for newly-born children
23 shall consist of coverage of injury or sickness including the nec-

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

24 essary care and treatment of medically diagnosed congenital
25 defects and birth abnormalities. If payment of a specific premium
26 is required to provide coverage for a child, the policy may require
27 that notification of birth of a newly-born child and payment of the
28 required premium must be furnished to the insurer within 31 days
29 after the date of birth in order to have the coverage continue beyond
30 such 31-day period.

31 All group health insurance policies which provide coverage on
32 an expense incurred basis for the insured but do not provide cover-
33 age for a family member or dependent of the insured on an expense
34 incurred basis, except such group policies as provide no dependent
35-36 coverage whatsoever for the insured's class, shall nevertheless
37 provide for coverage of newborn children of the insured which
38 shall commence with the moment of birth of each child and shall
39 consist of coverage of injury or sickness including the necessary
40 care and treatment of medically diagnosed congenital defects and
41 birth abnormalities, provided application and payment of the
42 required premium are made to the insurer to include in said policy
43 coverage for a newly-born child as described in the previous
44 paragraph of this section within 31 days from the date of birth
45 of a newborn child.

46 A policy under which coverage of a dependent of an employee
47 or other member of the insured group terminates at a specified age
48 shall, with respect to an unmarried child covered by the policy
49 prior to the attainment of age 19, who is incapable of self-sustain-
50 ing employment by reason of mental retardation or physical handi-
51 cap and who became so incapable prior to attainment of age 19 and
52 who is chiefly dependent upon such employee or member for sup-
53 port and maintenance, not so terminate while the insurance of the
54 employee or member remains in force and the dependent remains
55 in such condition, if the insured employee or member has within
56 31 days of such dependent's attainment of the termination age
57-58 submitted proof of such dependent's incapacity as described
59 herein. The foregoing provision of this paragraph shall not require
60 an insurer to insure a dependent who is a mentally retarded or
61 physically handicapped child of an employee or other member of
62 the insured group where such dependent does not satisfy the con-
63 ditions of the group policy as to any requirements for evidence of
64 insurability or other provisions as may be stated in the group
65 policy required for coverage thereunder to take effect. In any
66 such case the terms of the policy shall apply with regard to the
67 coverage or exclusion from coverage of such dependent.

1 2. Section 2 of P. L. 1964, c. 104 (C. 17:48-6.1) is amended to
2 read as follows:

3 2. A hospital service corporation may issue to a policyholder a
4 group contract, covering at least 10 employees or members at the
5 date of issue, if it conforms to the following description:

6 (a) A contract issued to an employer or to the trustees of a fund
7 established by one or more employers, or issued to a labor union,
8 or issued to an association formed for purposes other than obtain-
9 ing such contract, or issued to the trustees of a fund established
10 by one or more labor unions, or by one or more employers and one
11 or more labor unions, covering employees and members of associa-
12 tions or labor unions.

13 (b) A contract issued to cover any other group which the Com-
14 missioner of Insurance determines may be covered in accordance
15 with sound underwriting principles.

16 Benefits may be provided for one or more members of the
17 families or one or more dependents of persons who may be covered
18 under a group contract referred to in (a) or (b) above.

19 Family type contracts shall provide that the services applicable
20 for children shall be payable with respect to a newly-born child
21 of the subscriber, or his or her spouse from the moment of birth.
22 The services for newly-born children shall consist of coverage of
23 injury or sickness including the necessary care and treatment of
24 medically diagnosed congenital defects and abnormalities. If a
25 subscription payment is required to provide services for a child,
26 the contract may require that notification of birth of a newly-born
27 child and the required payment must be furnished to the service
28 corporation within 31 days after the date of birth in order to have
29 the coverage continue beyond such 31-day period. Group contracts
30 which provide for services to the subscriber but not to family
31 members or dependents of that subscriber, other than contracts
32 which provide no dependent coverage whatsoever for the sub-
33 scriber's class, shall also provide services to newly-born children of
34 the subscriber which shall commence with the moment of birth of
35 each child and shall consist of coverage of injury or sickness includ-
36 ing the necessary care and treatment of medically diagnosed con-
37 genital defects and abnormalities, provided that application there-
38 for and payment of the required subscription amount are made to
39 include in said contract the coverage described in the preceding
40 paragraph of this section within 31 days from the date of birth of
41 a newborn child.

42 A contract under which coverage of such a dependent terminates
43 at a specified age shall, with respect to an unmarried child, covered
44 by the contract prior to attainment of age 19, who is incapable of
45 self-sustaining employment by reason of mental retardation or
46 physical handicap and who became so incapable prior to attainment
47 of age 19 and who is chiefly dependent upon the covered employee
48 or member for support and maintenance, not so terminate while
49 the coverage of the employee or member remains in force and the
50 dependent remains in such conditions, if the employee or member
51 has within 31 days of such dependent's attainment of the termina-
52 tion age submitted proof of such dependent's incapacity as de-
53 scribed herein. The foregoing provisions of this paragraph shall
54 not apply retrospectively or prospectively to require a hospital
55 service corporation to insure as a covered dependent any mentally
56 retarded or physically handicapped child of the applicant where
57 the contract is underwritten on evidence of insurability based on
58 health factors required to be set forth in the application. In such
59 cases any contract heretofore or hereafter issued may specifically
60 exclude such mentally retarded or physically handicapped child
61 from coverage. "

62 *Any group contract which contains provisions for the payment*
63 *by the insurer of benefits for members of the family or dependents*
64 *of a person in the insured group shall provide that, subject to pay-*
65 *ment of the appropriate premium, such family members or depen-*
66 *dents be permitted to have coverage continued for at least 180 days*
67 *after the death of the person in the insured group.*

68 The contract may provide that the term "employees" shall
69 include as employees of a single employer the employees of one
70 or more subsidiary corporations and the employees, individual pro-
71 prietors and partners of affiliated corporations, proprietorships
72 and partnerships if the business of the employer and such corpora-
73 tions, proprietorships or partnerships is under common control
74 through stock ownership, contract or otherwise. The contract may
75 provide that the term "employees" shall include the individual
76 proprietor or partners of an individual proprietorship or a part-
77 nership. The contract may provide that the term "employees"
78 shall include retired employees. A contract issued to trustees may
79 provide that the term "employees" shall include the trustees or
80 their employees, or both, if their duties are principally connected
81 with such trusteeship. A contract issued to the trustees of a fund
82 established by the members of an association of employers may
83 provide that the term "employees" shall include the employees of
84 the association.

1 3. Section 1 of P. L. 1964, c. 105 (C. 17:48A-7.1) is amended to
2 read as follows:

3 1. A medical service corporation may issue to a policyholder
4 a group contract, covering at least 10 employees or members at
5 the date of issue, if it conforms to the following description:

6 (a) A contract issued to an employer or to the trustees of a fund
7 established by one or more employers, or issued to a labor union,
8 or issued to an association formed for purposes other than obtain-
9 ing such contract, or issued to the trustees of a fund established by
10 one or more labor unions or by one or more employers and one or
11 more labor unions, covering employees and members of associations
12 or labor unions.

13 (b) A contract issued to cover any other group which the Com-
14 missioner of Insurance (hereinafter called the commissioner)
15 determines may be covered in accordance with sound underwriting
16 principles.

17 Benefits may be provided for one or more members of the
18 families or one or more dependents of persons who may be covered
19 under a group contract referred to in (a) or (b) above.

20 Family type contracts shall provide that the services applicable
21 for children shall be payable with respect to a newly-born child of
22 the subscriber, or his or her spouse from the moment of birth. The
23 services for newly-born children shall consist of coverage of injury
24 or sickness including the necessary care and treatment of medically
25 diagnosed congenital defects and abnormalities. If a subscription
26 payment is required to provide services for a child, the contract
27 may require that notification of birth of a newly-born child and the
28 required payment must be furnished to the service corporation
29 within 31 days after the date of birth in order to have the coverage
30 continue beyond such 31-day period.

31 Group contracts which provide for services to the subscriber
32 but not to family members or dependents of that subscriber, other
33 than contracts which provide no dependent coverage whatsoever
34 for the subscriber's class, shall also provide services to newly-born
35 children of the subscriber which shall commence with the moment
36 of birth of each child and shall consist of coverage of injury or
37 sickness including the necessary care and treatment of medically
38 diagnosed congenital defects and abnormalities, provided that
39 application therefor and payment of the required subscription
40 amount are made to include in said contract the coverage described
41 in the preceding paragraph of this section within 31 days from the
42 date of birth of a newborn child.

43 A contract under which coverage of such a dependent terminates
44 at a specified age shall, with respect to an unmarried child, covered
45 by the contract prior to attainment of age 19, who is incapable
46 of self-sustaining employment by reason of mental retardation or
47 physical handicap and who became so incapable prior to attainment
48 of age 19 and who is chiefly dependent upon the covered employee
49 or member for support and maintenance, not so terminate while
50 the coverage of the employee or member remains in force and the
51 dependent remains in such condition, if the employee or member
52 has within 31 days of such dependent's attainment of the termina-
53 tion age submitted proof of such dependent's incapacity as de-
54 scribed herein. The foregoing provisions of this paragraph shall
55 apply retrospectively or prospectively to require a medical service
56 corporation to insure as a covered dependent any mentally retarded
57 or physically handicapped child of the applicant where the contract
58 is underwritten on evidence of insurability based on health factors
59 required to be set forth in the application. In such cases any con-
60 tract heretofore or hereafter issued may specifically exclude such
61 mentally retarded or physically handicapped child from coverage.

62 *Any group contract which contains provisions for the payment*
63 *by the insurer of benefits for members of the family or dependents*
64 *of a person in the insured group shall, subject to payment of the*
65 *appropriate premium, provide that such family members or depen-*
66 *dents be permitted to have coverage continued for at least 180 days*
67 *after the death of the person in the insured group.*

68 The contract may provide that the term "employees" shall in-
69 clude as employees of a single employer the employees of one or
70 more subsidiary corporations and the employees, individual pro-
71 prietors and partners of affiliated corporations, proprietorships
72 and partnerships if the business of the employer and such corpora-
73 tions, proprietorships or partnerships is under common control
74 through stock ownership, contract or otherwise. The contract may
75 provide that the term "employees" shall include the individual
76 proprietor or partners of an individual proprietorship or a partner-
77 ship. The contract may provide that the term "employees" shall
78 include retired employees. A contract issued to trustees may pro-
79 vide that the term "employees" shall include the trustees or their
80 employees, or both, if their duties are principally connected with
81 such trusteeship. A contract issued to the trustees of a fund
82 established by the members of an association of employers may
83 provide that the term "employees" shall include the employees
84 of the association.

1 4. This act shall take effect immediately.

ASSEMBLY COMMERCE, BANKING AND INSURANCE
COMMITTEE

STATEMENT TO
SENATE, No. 930

STATE OF NEW JERSEY

DATED: MAY 27, 1976

This bill provides for the continuation of group health insurance coverage for the family or dependents of a deceased group member for a period not less than 180 days after the death of a person in the insured group, subject to payment of appropriate premium. The legislation mandates the extension of such coverage by Blue Cross, Blue Shield, and by the commercial carriers. The Assembly Commerce, Banking, and Insurance Committee believes that this extended protection will provide security for the family during a critical time, and will afford them an opportunity to obtain their own health insurance program.

SENATE LABOR, INDUSTRY AND
PROFESSIONS COMMITTEE

STATEMENT TO

SENATE, No. 930

STATE OF NEW JERSEY

DATED: MARCH 31, 1976

Senate Bill No. 930 amends the act regulating group life insurance (N. J. S. A. 17B:27-1 et seq.), the act regulating hospital service corporations (N. J. S. A. 17:48-1 et seq.) and the act regulating medical service corporations (N. J. S. A. 17:48A-1 et seq.) and provides that group policies issued pursuant thereto shall continue benefits for family members and dependents for at least 180 days after the death of a person in the insured group.

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OCTOBER 7, 1976

FOR FURTHER INFORMATION

FOR IMMEDIATE RELEASE

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BOB CONSTOCK

Governor Brendan Byrne today signed into law the following bills:

S-1072 - sponsored by Senator William V. Musto (D-Hudson), an amendment to the Waterfront and Airport Commission Act. New York enacted comparable legislation in 1975.

This bill provides that the Waterfront Commission may suspend a license or registration after the licensee or registrant has been charged with a crime equivalent to a felony in New York State or a high misdemeanor in New Jersey; and that such suspension will be terminated upon acquittal or dismissal of the criminal charge. The temporary suspension will be terminated if the commission fails to begin a hearing within 60 days of the suspension or to render a verdict within 30 days of the conclusion of testimony.

"This new law will expedite consideration of charges against waterfront employees," said Byrne. "In some cases, temporary suspensions have continued for more than a year, only to have the employee finally vindicated. That is clearly unfair. This law will assure it does not happen again."

S-545 - sponsored by Senator John J. Horn (D-Camden) provides senior citizens receiving Social Security old age pensions, Railroad Retirement Pensions or other government pensions with a five-day grace period after the first of each month for paying rent due on that date.

Under the bill, landlords may not declare a rent delinquency or impose a late charge for payments made within the grace period. Violation of the law by landlords is a disorderly person offense.

"This bill is designed to protect tenants whose social security pension checks arrive a few days late as often happens," said the Governor. "Senior citizens should not be forced to pay late charges simply because pension checks are sent out on a schedule that does not exactly coincide with their rent due dates."

(over)

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S-930 - sponsored by Senator Edward Hughes, (D-Burlington) requires commercial group health insurance policies, including Blue Cross and Blue Shield group contracts, which contain provisions for the payment of benefits to the family and dependants of a member, to continue the coverage for family members and dependants for at least 180 days after the death of the group member.

The continued coverage would be subject to the payment of the appropriate premium.

"This bill will provide the affected family and dependants with the security they need during a critical time, and give them a reasonable opportunity to obtain their own health insurance program," said the Governor.

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