

ASSEMBLY, No. 1279

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblywoman GILL and Assemblyman JONES

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

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

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7 1. For purposes of this act:

8 "Commissioner" means the Commissioner of Insurance.

9 "Insurer" means:

10 a. Any corporation, association, partnership, reciprocal exchange,  
11 interinsurer, Lloyd's insurer, fraternal benefit society or other person  
12 engaged in the business of insurance pursuant to Subtitle 3 of Title 17  
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.);

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

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

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

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

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

27 "Policy of personal lines insurance" means any policy or contract of  
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.

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

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

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

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#### STATEMENT

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42       This bill allows senior citizen insureds of policies of personal lines  
43 of insurance to designate a third party to whom the insurer must  
44 transmit a copy of notices of cancellation, nonrenewal and conditional  
45 renewal. The envelopes of such notices to the senior citizen insureds  
46 and third party designees must be clearly marked to read:

1 "IMPORTANT INSURANCE POLICY INFORMATION: OPEN  
2 IMMEDIATELY."

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

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

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

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