

SENATE, No. 1379

STATE OF NEW JERSEY

INTRODUCED JUNE 24, 1996

By Senators MATHEUSSEN and CAFIERO

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.

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36 2. Every insurer shall permit its senior citizen insureds to designate  
37 a third party to whom the insurer shall transmit a copy of notices of

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

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

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#### STATEMENT

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

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

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

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

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