

SENATE, No. 1610

STATE OF NEW JERSEY

INTRODUCED OCTOBER 24, 1996

By Senators CARDINALE and KYRILLOS

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.

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

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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 or by a greater percentage at the discretion of the
14 insurer.

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 is or 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) Insurers issuing insurance coverages combined in accordance
30 with this section shall not be required to offer any of the coverages for
31 separate purchase.

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

34 d. For the purpose of this section, "credit personal property
35 insurance" means insurance covering direct or indirect damage or loss,
36 by fire or other perils, including those of extended coverage, to the
37 personal property of the debtor all or part of which is the security for

1 the loan, which insurance shall be for an amount and term not to
2 exceed the amount and term of the loan.

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4 2. This act shall take effect immediately.

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7 STATEMENT

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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 at least a
12 five 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. The bill specifically provides that an insurer is not
20 required to offer any of the coverages that make up the credit
21 insurance combination for separate purchase.

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26 Permits combinations of certain credit insurance products.