ASSEMBLY, No. 2056

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

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SYNOPSIS

Prohibits discrimination with respect to charging of rates of premiums for disability and accident insurance.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

AN ACT concerning disability and accident insurance and amending Title 17B of the New Jersey Statutes.

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

1. N.J.S.17B:30-12 is amended to read as follows:

17B:30-12. a. No person shall discriminate against any person or group of persons because of race, creed, color, national origin or ancestry of such person or group of persons in the issuance, withholding, extension or renewal of any policy of life or health insurance or annuity or in the fixing of the rates, terms or conditions therefor, or in the issuance or acceptance of any application therefor.

b. No person shall use any form of policy of life or health insurance or contract of annuity which expresses, directly or indirectly, any limitation, or discrimination as to race, creed, color, national origin or ancestry or any intent to make any such limitation or discrimination.

c. No person shall make or permit any unfair discrimination between individuals of the same class and equal expectation of life in the rates charged for any policy of life insurance or contract of annuity or in the dividends or other benefits payable thereon, or in any other of the terms and conditions of such policy of life insurance or contract of annuity.

d. No person shall make or permit any unfair discrimination between individuals of the same class and of essentially the same hazard in the amount of premium, policy fees, or rates charged for any policy or contract of health insurance or in the benefits payable thereunder, or in any of the terms or conditions of such policy or contract, or in any other manner whatever.

e. (1) No person shall discriminate against any individual on the basis of genetic information or the refusal to submit to a genetic test or make available the results of a genetic test to the person in the issuance, withholding, extension or renewal of any hospital confinement or other supplemental limited benefit insurance, as defined by regulation of the commissioner, or in the fixing of the rates, terms or conditions therefor, or in the issuance or acceptance of any application therefor.

(2) As used in this subsection and subsection f. of this section:

"Genetic characteristic" means any inherited gene or chromosome, or alteration thereof, that is scientifically or medically believed to predispose an individual to a disease, disorder or syndrome, or to be associated with a statistically significant increased risk of development of a disease, disorder or syndrome.

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

Matter underlined <u>thus</u> is new matter.

"Genetic information" means the information about genes, gene products or inherited characteristics that may derive from an individual or family member.

"Genetic test" means a test for determining the presence or absence of an inherited genetic characteristic in an individual, including tests of nucleic acids such as DNA, RNA and mitochondrial DNA, chromosomes or proteins in order to identify a predisposing genetic characteristic.

f. No person shall make or permit any unfair discrimination against an individual in the application of the results of a genetic test or genetic information in the issuance, withholding, extension or renewal of a policy of life insurance, including credit life insurance, an annuity, disability income insurance contract or credit accident insurance coverage. If the commissioner has reason to believe that such unfair discrimination has occurred, including that application of the results of a genetic test is not reasonably related to anticipated claim experience, and that a proceeding by the commissioner would be in the interest of the public, the commissioner shall, in accordance with the provisions of N.J.S.17B:30-1 et seq., issue and serve upon the insurer a statement of the charges. Upon a determination that the practice or act of the insurer is in conflict with the provisions of this subsection, the commissioner shall issue an order requiring the insurer to cease and desist from engaging in the practice or act and may order payment of a penalty consistent with the provisions of N.J.S.17B:30-1 et seq.

If, in the issuance, withholding, extension or renewal of any policy of life insurance, including credit life insurance, an annuity, disability income insurance contract or credit accident insurance coverage, an insurer will use the results of a genetic test in compliance with this subsection, the insurer shall notify the individual who is the subject of the genetic test that such a test shall be required and shall obtain the individual's written informed consent for the test prior to the administration of the test, in accordance with the requirements of P.L.1985, c.179 (C.17:23A-1 et seq.). The insurer shall also provide that the physician or other health care professional designated by the individual shall promptly receive a copy of the results of the test and, if required, an interpretation of the test results by a qualified professional, and that the individual shall state in writing whether the individual elects to be informed of the results of the test.

g. No person shall make or permit any unfair discrimination against any individual on the basis of the individual's intent to engage in future lawful foreign travel in the issuance, extension or renewal of any policy of life insurance or in the fixing of the rates, terms or conditions therefor. For purposes of this subsection, "unfair discrimination" means any decision to issue, extend, or renew a policy of life insurance or the fixing of rates, terms, or conditions of a life insurance policy, on the basis of the individual's

intent to engage in future lawful foreign travel, which is not based on sound actuarial principles or actual or reasonably anticipated experience.

h. No person shall discriminate against any person or group of persons because of race, creed, color, national origin, ancestry, or sex of the person or group of persons in the issuance, withholding, extension, or renewal of any policy of disability or accident insurance or annuity or in the fixing of the rates, terms or conditions therefor, or in the issuance or acceptance of any application therefor.

i. Nothing contained in this section shall be construed to require any agent or company to take or receive the application for insurance or annuity of any person or to issue a policy of insurance or contract of annuity to any person.

(cf: P.L.2008, c.4, s.1)

2. This act shall take effect immediately.

STATEMENT

This bill prohibits discrimination against any person or group of persons because of race, creed, color, national origin, ancestry, or sex of the person or group of persons in the issuance, withholding, extension, or renewal of any policy of disability or accident insurance or annuity. Likewise, the bill prohibits discrimination on these bases in the fixing of the rates of, terms or conditions of, or in the issuance or acceptance of any application for disability or accident insurance.

Current law does not prohibit discrimination with respect to disability and accident insurance based on race, creed, color, national origin, ancestry, or sex.

Massachusetts recently enacted a law (Bill H.482/S.545) prohibiting any distinction, classification, or discrimination on the basis of race, color, religion, sex, marital status, or national origin, in the amount or payment of premiums or rate charges, or in the benefits payable, or in any of the other terms or conditions of any group or individual disability or accident insurance. This bill is modeled after the Massachusetts law.