

ASSEMBLY, No. 4538

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED AUGUST 13, 2020

Sponsored by:

Assemblywoman PAMELA R. LAMPITT

District 6 (Burlington and Camden)

Assemblywoman ANNETTE QUIJANO

District 20 (Union)

SYNOPSIS

Requires dental insurers to provide credits for reduced usage during coronavirus disease 2019 pandemic.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 8/13/2020)

1 AN ACT concerning certain credits and rate reductions for dental
2 insurers related to the coronavirus disease 2019 pandemic.

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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. a. A carrier writing a dental benefits plan in this State shall
8 issue to each subscriber with a plan that was in effect on March 21,
9 2020 a credit as provided in subsection b. of this section which
10 reflects the actuarial value of the carrier's reduced risk exposure
11 resulting from reduced application of dental procedures to covered
12 persons in New Jersey during the Public Health Emergency and
13 State of Emergency declared by the Governor in Executive Order
14 103 of 2020.

15 b. The credit required by subsection a. of this section shall be
16 calculated retroactively to plans in effect on March 27, 2020. The
17 credit may be returned to the subscriber in the form of a direct
18 refund, or credit toward future premiums, and shall apply to both
19 fully paid and monthly billed plans. A subscriber shall not be
20 required to take any action to receive the refund or credit. The
21 refund or credit shall be applied for the period beginning on March
22 27, 2020 and ending 90 days after the stay-at-home provisions of
23 Executive Order 109 of 2020 have been rescinded.

24 c. A carrier writing a dental benefits plan in this State shall
25 provide to the Department of Banking and Insurance a report
26 containing all actions taken, and contemplated future actions, to
27 reduce premiums in compliance with P.L. , c. (C.)
28 (pending before the Legislature as this bill). The report shall include
29 New Jersey-specific information and an explanation and
30 justification for the amount and duration of any premium reductions
31 based on the carrier's claim and premium data. The report shall also
32 provide monthly and overall totals for the following: aggregate
33 premium prior to, and subject to, application of refunds or
34 adjustments; aggregate premium refunds and adjustments; the
35 number of in-force plans, and number of subscribers receiving
36 refunds or adjustments. These reports shall be due on August 1,
37 September 1, October 1, and November 1; the information provided
38 in each report shall reflect activity through the preceding month's
39 end.

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41 2. This act shall take effect immediately and shall be retroactive
42 to March 27, 2020.

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STATEMENT

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47 This bill requires dental insurers to provide credits for reduced
48 usage during the coronavirus disease 2019 pandemic. Under the

1 bill, every carrier writing dental insurance plans in this State shall
2 issue to each subscriber with a plan that was in effect on March 27,
3 2020 a credit reflecting the actuarial value of the carrier's reduced
4 risk exposure resulting from reduced application of dental
5 procedures to covered persons in New Jersey during the Public
6 Health Emergency and State of Emergency declared by the
7 Governor in Executive Order 103 of 2020. The credit shall be
8 applied for the period beginning on March 27, 2020 and ending 90
9 days after the stay-at-home provisions of Executive Order 109 of
10 2020 have been rescinded. Executive Order 109 was rescinded by
11 Executive Order 145, effective on May 26th, 2020. Thus, this bill
12 will cover the period lasting until August 24th, 2020. The credit may
13 be returned to the subscriber in the form of a direct refund, or credit
14 toward future premiums, and shall apply to both fully paid and
15 monthly billed policies. Subscribers shall not be required to take
16 any action to receive the refund or credit.

17 Under the bill, every insurer shall provide to the Department of
18 Banking and Insurance a report containing all actions taken, and
19 contemplated future actions, to reduce premiums in compliance
20 with the bill. These reports shall be due on August 1, September 1,
21 October 1, and November 1; the information provided in each
22 report shall reflect activity through the preceding month's end.