

[First Reprint]

ASSEMBLY, No. 4538

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED AUGUST 13, 2020

Sponsored by:

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District 6 (Burlington and Camden)

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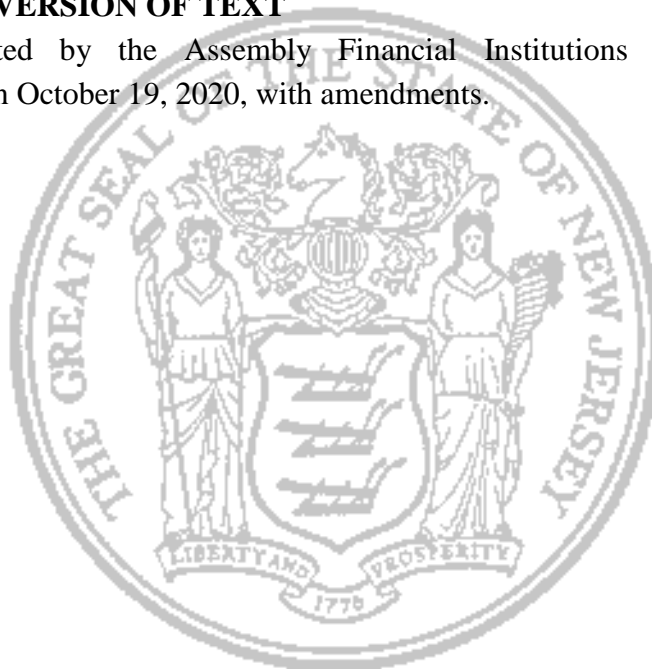
Assemblywomen Vainieri Huttler, Timberlake, Downey, Assemblyman Houghtaling, Assemblywoman Swain and Assemblyman Benson

SYNOPSIS

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

CURRENT VERSION OF TEXT

As reported by the Assembly Financial Institutions and Insurance Committee on October 19, 2020, with amendments.



(Sponsorship Updated As Of: 11/16/2020)

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

3

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

6

7 1. a. A carrier writing a dental benefits plan in this State shall
8 issue to each ¹**[subscriber]** policyholder in good standing¹ with a
9 plan that was in effect on March ¹**[21]** 27¹, 2020 a credit as
10 provided in subsection b. of this section ¹**[which reflects the**
11 **actuarial value of the carrier's reduced risk exposure resulting from**
12 **reduced application of dental procedures to covered persons in New**
13 **Jersey during the Public Health Emergency and State of Emergency**
14 **declared by the Governor in Executive Order 103 of 2020]** in an
15 amount equivalent to the value of any reduced claims experience
16 due to the limitations of dental services for the period beginning on
17 March 27, 2020 and ending on May 26, 2020¹.

18 b. The credit required by subsection a. of this section shall be
19 calculated retroactively to plans in effect on March 27, 2020. The
20 credit may be returned to the ¹**[subscriber]** policyholder¹ in the
21 form of a direct refund, or credit toward future premiums, and shall
22 apply to both fully paid and monthly billed plans. A ¹**[subscriber]**
23 policyholder¹ shall not be required to take any action to receive the
24 refund or credit. The refund or credit shall be applied for the period
25 beginning on March 27, 2020 and ending ¹**[90 days after the stay-**
26 **at-home provisions of Executive Order 109 of 2020 have been**
27 **rescinded]** on May 26, 2020¹.

28 c. A carrier writing a dental benefits plan in this State shall
29 provide to the Department of Banking and Insurance ¹, on or before
30 December 31, 2020,¹ a report containing all actions taken ¹**[, and**
31 **contemplated future actions,]**¹ to reduce premiums in compliance
32 with P.L. , c. (C.) (pending before the Legislature as this
33 bill). The report shall include ¹**[New Jersey-specific]**¹ information
34 for New Jersey policyholders¹ and an explanation and justification
35 for the amount and duration of any premium reductions ¹issued by
36 the carrier,¹ based on the carrier's claim and premium data. The
37 report shall also provide monthly and overall totals ¹for the months
38 of March, April, and May of 2020¹ for the following: aggregate
39 premium prior to, and subject to, application of refunds or
40 adjustments; aggregate premium refunds and adjustments; the
41 number of in-force plans, and number of ¹**[subscribers]**
42 policyholders¹ receiving refunds or adjustments. ¹**[These reports**
43 **shall be due on August 1, September 1, October 1, and November 1;**

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 thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AFI committee amendments adopted October 19, 2020.

1 the information provided in each report shall reflect activity through
2 the preceding month's end. ¹]

3 ¹d. As used in this act:

4 “Carrier” means an insurance company, health service
5 corporation, hospital service corporation, medical service
6 corporation, dental service corporation, or dental plan organization
7 authorized to issue dental benefits plans in this State, but shall not
8 include any entity that:

9 (1) issued a credit or refund to policyholders in an amount of
10 more than 50% of one month's premium for each policyholder
11 during the period of March through June 2020; or

12 (2) has taken any actions to assist policyholders that the
13 Commissioner of Banking and Insurance deems sufficient to excuse
14 the entity from the provisions of this act.¹

15

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