SENATE, No. 3131

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED NOVEMBER 5, 2020

Sponsored by:
Senator NELLIE POU
District 35 (Bergen and Passaic)
Senator ANTHONY M. BUCCO
District 25 (Morris and Somerset)

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: 2/9/2021)

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

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

1. a. A carrier writing a dental benefits plan in this State shall issue to each policyholder in good standing with a plan that was in effect on March 27, 2020 a credit as provided in subsection b. of this section in an amount equivalent to the value of any reduced claims experience due to the limitations of dental services for the period beginning on March 27, 2020 and ending on May 26, 2020.

b. The credit required by subsection a. of this section shall be calculated retroactively to plans in effect on March 27, 2020. The credit may be returned to the policyholder in the form of a direct refund, or credit toward future premiums, and shall apply to both fully paid and monthly billed plans. A policyholder shall not be required to take any action to receive the refund or credit. The refund or credit shall be applied for the period beginning on March 27, 2020 and ending on May 26, 2020.

c. A carrier writing a dental benefits plan in this State shall provide to the Department of Banking and Insurance, on or before December 31, 2020, a report containing all actions taken to reduce premiums in compliance with P.L. , c. (C.) (pending before the Legislature as this bill). The report shall include information for New Jersey policyholders and an explanation and justification for the amount and duration of any premium reductions issued by the carrier, based on the carrier's claim and premium data. The report shall also provide monthly and overall totals for the months of March, April, and May of 2020 for the following: aggregate premium prior to, and subject to, application of refunds or adjustments; aggregate premium refunds and adjustments; the number of in-force plans, and number of policyholders receiving refunds or adjustments

d. As used in this act:

"Carrier" means an insurance company, health service corporation, hospital service corporation, medical service corporation, dental service corporation, or dental plan organization authorized to issue dental benefits plans in this State, but shall not include any entity that:

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

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

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

STATEMENT

This bill requires certain insurance companies, health, hospital, medical, and dental service organizations, and dental plan organizations to provide credits for reduced usage during the coronavirus disease 2019 pandemic. The provisions of the bill do not apply to any entity that issued a credit or refund to policyholders in an amount of more than 50% of one month's premium for each policyholder during the period of March through June 2020 or has taken any actions to assist policyholders that the Commissioner of Banking and Insurance deems sufficient to excuse the entity from the provisions of the bill.

Under the bill, every carrier writing dental insurance plans in this State is to issue to each policyholder in good standing with a plan that was in effect on March 27, 2020 a credit in an amount equivalent to the value of any reduced claims experience due to the limitations of dental services for the period beginning on March 27, 2020 and ending on May 26, 2020. The credit may be returned to the policyholder in the form of a direct refund, or credit toward future premiums, and shall apply to both fully paid and monthly billed policies. Policyholders shall not be required to take any action to receive the refund or credit. Under the bill, every insurer is to provide to the Department of Banking and Insurance a report containing all actions taken, and contemplated future actions, to reduce premiums in compliance with the bill. The information provided in each report shall reflect activity through the preceding month's end.