SENATE, No. 3376

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JANUARY 21, 2021

Sponsored by:
Senator RONALD L. RICE
District 28 (Essex)

SYNOPSIS

Requires life insurance benefits offered by PERS to be fully assignable and promptly paid.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning life insurance and the Public Employees' Retirement System and amending P.L.1955, c.214.

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

1. Section 7 of P.L.1955, c.214 (C.43:15A-94) is amended to read as follows:

7. a. Benefits under such group policy or policies shall be paid by the company to such person, if living, as the member shall have nominated by written designation duly executed and filed with the insurance company through the policyholder, otherwise to the executors or administrators of the member's estate. A member may file with the insurance company through the policyholder and alter from time to time during his lifetime, as desired, a duly attested written nomination of his payee for the death benefit.

b. Benefits under such group policy shall be fully assignable by the person nominated to be paid the benefits, or to the executor or administrator of the member's estate. If the benefits are assigned, the insurance company shall promptly pay the benefits to the assignee.

(cf: P.L.1971, c.213, s.37)

2. This act shall take effect on the 90th day next following enactment.

STATEMENT

This bill concerns the assignability of life insurance policies purchased on behalf of State employees and retirees by the Public Employees' Retirement System. The bill requires the benefits under those policies to be fully assignable by the person nominated to be paid the benefits, or to the executor or administrator of the member's estate. The bill also requires the insurance company to promptly pay the assignee.

This bill is intended to remedy a problem identified by certain funeral directors in the State. The funeral directors have had difficulty receiving timely payment from life insurance policies of State employees, due to problems with the assignability of the policies. By requiring the policies to be fully assignable and promptly paid, the policies should be more available for the survivors of public employees to use for funeral expenses.

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.