

SENATE, No. 4003

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED JUNE 21, 2021

Sponsored by:

Senator NELLIE POU

District 35 (Bergen and Passaic)

Co-Sponsored by:

Senators Diegnan, Turner and Gopal

SYNOPSIS

Establishes loan program in Department of Treasury for certain entities offering health benefits plans; makes appropriation.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 11/15/2021)

1 AN ACT establishing a loan program for certain entities offering
2 health benefits plans and making an appropriation.

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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. The State Treasurer shall establish a program providing
8 loans as specified in subsection b. of this section to entities offering
9 health benefits plans in the State that are faced with insolvency as a
10 result of providing coverage for the coronavirus disease 2019
11 pandemic due to circumstances such as a large number of
12 catastrophic claims or premium threshold issues.

13 b. An entity offering a health benefits plan in this State may
14 apply to the State Treasurer for a loan pursuant to this act and the
15 State Treasurer shall evaluate applications and make loans
16 available, as appropriate. No loan shall be awarded pursuant to this
17 act after the end of the ninth month following the effective date of
18 this act. The State Treasurer shall evaluate applications from any
19 entity offering a health benefits plan in this State. The State
20 Treasurer shall only make a loan available to an applicant the State
21 Treasurer determines would likely face insolvency without
22 receiving the loan. The loan shall be limited to the amount needed
23 by the entity to avoid becoming insolvent.

24 c. An entity receiving a loan pursuant to this act shall not be
25 charged interest or fees associated with the loan. The loan shall be
26 repaid pursuant to a term to be determined by the State Treasurer.
27 The State Treasurer may extend the term or forgive repayment of
28 the loan if the State Treasurer determines an extension or loan
29 forgiveness is necessary for the continued solvency of the entity.

30 d. There are appropriated such amounts from the General Fund
31 that are necessary to effectuate the purposes of this act, subject to
32 the approval of the Director of the Division of Budget and
33 Accounting.

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35 2. This act shall take effect immediately and shall expire after
36 all loans provided pursuant to this act have been repaid or forgiven.

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STATEMENT

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41 This bill establishes a loan program in the Department of
42 Treasury for certain entities offering health benefits plans.

43 Specifically, the bill requires the State Treasurer to establish a
44 program providing loans to entities offering health benefits plans in
45 the State that are faced with insolvency as a result of providing
46 coverage for the coronavirus disease 2019 pandemic due to
47 circumstances such as a large number of catastrophic claims or
48 premium threshold issues.

1 The bill requires the State Treasurer to evaluate applications
2 from any entity offering a health benefits plan in this State. The
3 loans are only to be made available to an applicant the State
4 Treasurer determines would likely face insolvency without
5 receiving the loan, and are limited to the amount needed by the
6 entity to avoid becoming insolvent. The bill provides that no loan
7 is to be awarded after the end of the ninth month following the
8 effective date of the bill.

9 An entity receiving a loan pursuant to the bill may not be
10 charged interest or fees associated with the loan. The State
11 Treasurer may extend the term or forgive repayment of the loan if
12 the State Treasurer determines an extension or loan forgiveness is
13 necessary for the continued solvency of the entity.

14 The bill provides that the State Treasurer is to appropriate the
15 funds from the General Fund that are necessary to effectuate the
16 purposes of the bill.