

CHAPTER 295

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, regardless of whether the plan has since been terminated, 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. A carrier shall not condition the issuance of the credit on the renewal of the plan by the policyholder.

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 May 31, 2021, a report containing all actions taken to reduce premiums in compliance with P.L.2021, c.295. 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 equivalent to 50% or more of one month's premium for each policyholder for the period of March through June 2020;

(2) waived frequency limits for the 2020 plan year;

(3) waived deductibles or maximum annual rollover limitations; or

(4) 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.

“Dental benefits plan” means a benefits plan which pays or provides dental expense benefits for covered dental services and is delivered or issued for delivery in this State by or through a carrier on a stand-alone basis.

2. This act shall not apply to a provider network contract for dental services provided to beneficiaries of the Medicaid program established pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.), the Medicare program established pursuant to the federal Social Security Act (42 U.S.C. s.1395 et seq.), the State Health Benefits Program, the School Employees' Health Benefits Program, or the NJ FamilyCare Program established pursuant to P.L.2005, c.156 (C.30:4J-8 et al.).

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

Approved November 8, 2021.