

(d) Group policies and certificates providing health or blanket insurance that contain provisions relating to recurrent disabilities shall not specify that a recurrent disability be separated by a period greater than six months.

1. A subsequent disability resulting from an unrelated cause shall not be a recurrent disability.

(e) Group policies and certificates providing accidental death and dismemberment benefits shall provide that such

benefits shall be payable if the loss occurs within a period no less than 90 days from the date of the accident.

1. There shall be no requirement that the covered person be disabled at the time of loss.

2. The form shall state, in effect, that neither termination of the group policy nor termination of the covered person's coverage under the group policy shall prejudice the settlement of any claim for loss where the accident precipitating the loss occurred on or before the date of termination.

(f) Group policies and certificates providing life insurance shall not limit or exclude benefits for a loss resulting from the suicide of the covered person if the suicide occurs more than 24 months following the effective date of the covered person's coverage under the policy.

1. No limitation or exclusion shall apply to any increase in benefits under a group policy or certificate which became effective 24 or more months prior to the death of the covered person, notwithstanding that the loss results from the suicide of the covered person.

(g) The signature block for all group life, group health and blanket insurance application and evidence of insurability forms shall contain a statement of certification that all statements made by an applicant are to be true and complete to the best of the applicant's knowledge and belief.

#### 11:4-42.5 Prohibited provisions

(a) Group policies and certificates providing health, life, or blanket insurance shall not limit or exclude benefits because a covered person suffers a loss due to domestic violence.

1. No application or evidence of coverage form shall include questions regarding domestic violence.

(b) Blanket policies and certificates and group policies and certificates providing health insurance shall not limit or exclude health insurance benefits because a covered person suffers a loss attributable to the actions of a third party while the third party was intoxicated or under the influence of narcotics.

(c) Group and blanket policies or certificates that provide health insurance benefits shall not limit applicable benefits through designation of hospital facilities which perform specific categories of surgery.

(d) Group policies and certificates providing life insurance shall not limit or exclude life insurance benefits because a loss results from consumption of intoxicants or drugs by the covered person or the arrest, incarceration or illegal activity of the covered person.

(e) Policies providing group life insurance shall not provide life insurance coverage to the domestic partner of a covered person.

(f) Group health insurance, other than disability income, may be provided to the domestic partner of a covered person.

(g) Group policies and certificates providing disability income benefits shall not limit or exclude benefits for disabilities resulting from elective surgery or other medical treatment.

(h) Group policies and certificates providing accidental loss coverage shall not require a proposed covered person to

submit satisfactory evidence of insurability as a prerequisite to coverage.

(i) Group policies and certificates providing hospital confinement indemnity benefits shall not condition receipt of benefits upon the covered person's incurrence of a charge for the confinement.

#### 11:4-42.6 Provisions for aggregate limits

(a) Group health, group life insurance and blanket insurance policies and certificates that provide accident coverage and which include an aggregate limit on the benefits payable in connection with any single accident shall provide that the aggregate limit shall apply on a per conveyance basis for accidents in which a conveyance is involved, and, for accidents in which no conveyance is involved, the policy or contract may provide that the aggregate limit shall apply to each accident.

(b) Each certificate issued under a policy which includes aggregate limit(s) shall include information sufficient for each covered person to determine under which conditions he or she shall have full coverage and when his or her coverage will be reduced by the aggregate limit(s), including, but not limited to:

1. The amount of aggregate limit;
2. The amount of benefits for each separate class of covered persons subject to the same aggregate limit shall be carried over from the group (master) policy to each individual certificate.

(c) The insurer shall certify in the form submission that the aggregate limit shall apply only to that portion of insurance purchased by the policyholder.

(d) The natural death benefit portion of a group policy providing life insurance shall not include an aggregate limit of liability.

#### 11:4-42.7 Provisions for offsets in group policies and certificates providing disability income insurance

(a) Group policies and certificates providing disability income insurance may provide that benefits shall be offset by other income received by the covered person under the following conditions:

1. Offsets to group disability benefits may not result in a monthly benefit of less than \$100.00.
2. When other income benefits are paid to the covered person for a specified period of time in a lump sum amount, the other income amount shall be determined by dividing the lump sum amount by the number of months in the specified time period for which the lump sum is applicable, and offsetting such amount on a monthly basis.

3. When other income benefits are paid to the covered person for an unspecified time period in a lump sum amount, the other income shall be offset by dividing the lump sum amount by the number of months of the covered person's expected lifetime and offsetting such amount on a monthly basis.

4. The insurer may require the covered person to sign an agreement promising to reimburse benefit overpayments as a condition of receiving full benefits prior to the date benefits under a Federal plan are received, but the insurer shall not require the covered person to sign any agreement promising to reimburse benefit payments as a condition of receiving full benefits prior to the date other benefits which qualify as other income are received.

i. Any such agreement shall be submitted on an information basis to the Department prior to use in New Jersey.

(b) Group disability income benefits may be offset by one or more other income items to which the covered person is entitled, but which the covered person has not yet received, subject to the conditions of (a) above, and the following:

1. With respect to retirement benefits and disability benefits provided by a retirement plan, the covered person shall be eligible for full retirement benefits from the policyholder's or sponsoring employer's plan.

i. The amount offset shall be no greater than the amount attributable to the policyholder's or sponsoring employer's contributions to the retirement plan.

2. With respect to reductions for expected estimated benefits under a Federal plan, the insurer may make the reduction:

i. If the covered person requests that the insurer reduce his or her benefits by the amount of the estimated Federal plan benefit; or

ii. The covered person fails to apply for Federal plan benefits to which he or she is entitled within a reasonable period of time, including filing a request for reconsideration of a denied disability claim, or requesting a hearing on the denial before an Administrative Law Judge (when the insurer has agreed to pay for legal expenses and other costs incurred by the covered person in proceeding with the hearing).

3. If an offset is made at the request of the covered person pursuant to (b)2i above, and the covered person's application for Federal plan benefits is ultimately denied, or an offset is made pursuant to (b)2ii above, and the covered person subsequently takes the action that was the basis for the offset, the insurer shall:

i. Immediately reimburse the covered person by lump sum for the amount offset; and

ii. Include interest on the amount offset at the rate of interest, if any, the Federal plan pays on amounts it owes.

(c) In the event that a reduction in group disability income benefits as permitted pursuant to (b)2i and ii above does not occur, the insurer may require the covered person to return disability income benefits received when Federal plan benefits finally are granted.

1. The insurer may require interest to be added to amounts to be returned, but only to the extent that the Federal plan pays interest on amounts it owes to the covered person.

2. If the insurer elects to reduce disability income benefits when Federal plan benefits finally are granted, it may do so only until and to the extent that such disability income benefits are recovered.

#### **11:4-42.8 Provisions setting forth pre-authorization requirements**

(a) Group policies and certificates providing health insurance in which some portion of the benefits are subject to pre-authorization provisions shall comply with the following:

1. There shall be a caption for the pre-authorization provision in both the policies and certificates that shall clearly state in prominent boldface type that benefits will be reduced for noncompliance with the requirements of the pre-authorization provision.

2. The pre-authorization provision shall include a process by which a covered person shall be able to appeal benefit denials (including, but not limited to, hospitalization admission denials, a reduction of benefits payable, rejected admissions and non-reviewed admissions), which process shall be described in detail and shall state a reasonable time period within which the covered person may expect the insurer (or any entity with which the insurer has contracted to perform such reviews on its behalf) to respond.

3. The penalty for noncompliance shall not exceed 50 percent of the charges which would otherwise be covered under the contract, policy or certificate. Schedules of penalties to be offered to policyholders (outlining the range of penalties for non-compliance with the pre-authorization provision) shall be submitted to the Department with the policy form filing.

4. If the pre-authorization provision incorporates an emergency treatment post-notification requirement with a notice deadline and penalty, the provision shall include a statement that post-deadline notice shall be accepted and the penalty waived if the covered person provides notification as soon as reasonably possible.