

iii. If a policy contains an elimination period in excess of six months, provides a premium waiver disability benefit which becomes operative not later than six months after commencement of total disability regardless of whether or not income indemnity is then payable, or provides for full reinstatement without evidence of insurability during a continuous period of total disability if the policy has lapsed after the sixth month of the elimination period;

iv. Has a maximum period of time for which benefits are payable during disability of at least six months except in the case of a policy covering disability arising out of normal pregnancy or childbirth in which case the period for such disability may be one month;

v. If the policy terminates benefits at a specified age, provides a minimum benefit period of at least one year or the length of the benefit period if less than one year;

vi. Where a policy provides that periodic payments are reduced if the insured is not gainfully employed away from the home, provides a benefit which is at least 50 percent of the full periodic payment and for return of the pro rata unearned premium for the period the insured is not so employed.

Paragraph (g)1 above does not apply to business buyout coverage.

2. Elimination periods which do not comply with (g)1ii above may be used on a supplemental basis as an additional benefit to an individual disability income policy which otherwise complies with (g)1ii, if the insurer submits the following to the Department:

i. A specimen copy of that part of the policy which illustrates how the supplemental premium rates will be shown; and

ii. A certification by an officer of the insurer that:

(1) Every individual disability income policy issued by the company will contain an elimination period/benefit period combination which complies with (g)1ii above;

(2) Supplemental individual disability income benefits which are not in compliance with (g)1ii above will only be used to provide additional coverage on an individual disability income policy issued by the insurer which has an elimination period/benefit period combination which is in compliance with (g)1ii above;

(3) The part of the coverage that complies with (g)1ii above represents at least 50 percent of the benefits provided by the policy; and

(4) Any changes made after issue will meet the requirements in (g)2ii(1) through (3) above to ensure that compliance with (g)ii will be maintained.

3. A cash value or premium refund benefit may be included in disability income protection coverage if the following conditions are met:

i. The insurer must submit copies of sales or advertising literature and a statement of the class or type of insureds to whom the policy will be sold;

ii. The benefit is only included in a policy which is noncancellable or guaranteed renewable;

iii. The benefit payable is not reduced by an amount greater than the aggregate of claims paid under the policy;

iv. If the cash value or premium refund benefit depends on the policy being in force for a given term, and if the insured dies or otherwise terminates coverage prior to the end of the term, an appropriate benefit is provided. The benefit should be related to the number of years the cash value of premium refund provision has been in force and to the cash value or premium refund which would have been provided at the end of the given term. Some variation by issue age may be allowed.

4. A social insurance benefit may be included in disability income protection coverage if the following conditions are met:

i. Social insurance benefit is defined as a disability income benefit which is payable when the insured is not receiving disability benefits under government mandated programs including, but not limited to, Federal Social Security, Workers' compensation or occupational disability laws, automobile no-fault insurance;

ii. The amount payable for total disability is a fixed dollar amount;

iii. The insurer submits to the department the under-writing rules and benefit limits applicable to the benefit and any promotional material that will be presented to the proposed insured;

iv. Experience on policies that include the benefit is kept and reported separately from policies without the benefit.

(h) "Hospital confinement indemnity coverage" is a health insurance policy which provides daily benefits on an indemnity basis for a period of not less than 31 days during one period of hospital confinement for each person covered under the policy and which:

1. Provides a daily benefit of not less than \$40; and

2. Contains no elimination period greater than three days.

(i) "Accident only coverage" is a health insurance policy which provides coverage, singly or in combination, for death, dismemberment, disability, or hospital and medical care caused by accident. Accidental death and double dismem-

berment amounts under such a policy shall be at least \$1,000 and a single dismemberment amount shall be at least \$500.

(j) "Medicare supplement coverage" is a health insurance policy sold to a Medicare eligible person, which is designed primarily to supplement Medicare, or is advertised, marketed, or otherwise purported to be a supplement to Medicare and which meets the minimum benefit standards and other requirements set forth in N.J.A.C. 11:4-23.

(k) "Limited benefit health coverage" is any health insurance policy which provides benefits that are less than the minimum standards for benefits required under N.J.A.C. 11:4-16.6(d), (e), (f), (g), (h), (i) and (j). Such policies may be delivered or issued for delivery in this State only if the outline of coverage required by N.J.A.C. 11:4-16.8(m) or (n) is completed and delivered as required by N.J.A.C. 11:4-16.8(b).

Amended by R.1988 d.453, effective September 19, 1988.

See: 20 N.J.R. 172(a), 20 N.J.R. 2377(b).

Deleted text from (d)1ii and inserted new.

Amended by R.1988 d.587, effective December 19, 1988 (operative January 1, 1989).

See: 20 N.J.R. 2510(a), 20 N.J.R. 3155(c).

Subsection (j) substantially amended.

Amended by R.1991 d.121, effective March 4, 1991.

See: 22 N.J.R. 771(a), 23 N.J.R. 690(c).

In (J)3.viii.: revised internal citations and references.

Amended by R.1991 d.345, effective July 1, 1991.

See: 23 N.J.R. 1264(a), 23 N.J.R. 2014(a).

Added reference to "Medicare supplement policies" in (c)1.

Added "other requirements set forth in N.J.A.C. 11:4-23," in (j).

Deleted (j)1, 2, 3.

Amended by R.1996 d.4, effective January 2, 1996.

See: 27 N.J.R. 3557(a), 28 N.J.R. 165(a).

Amended by R.1996 d.179, effective April 1, 1996.

See: 27 N.J.R. 3715(b), 28 N.J.R. 1881(c).

In (g) provided for noncomplying elimination periods.

11:4-16.7 Application forms

(a) Application forms shall not include provisions, statements or questions that:

1. Pertain to race, creed, color, national origin or ancestry of the proposed insured;
2. Change the terms of the policy to which it is attached;
3. State that the applicant has not withheld any information or concealed any facts; or
4. Require the applicant to agree that an untrue or false answer material to the risk shall render the contract void.

(b) If the insurer makes any changes or amendments to the application, signed acceptance by the applicant is required.

(c) Factual-type questions shall be used whenever possible to ascertain the past and present health of a proposed insured. If opinion-type questions are used, the application shall provide that the answers are stated to the best of the applicant's knowledge and belief.

(d) Questions concerning alcohol and drug abuse shall be based on specific criteria such as treatment, driving records, work attendance records, etc. Questions such as "Do you use alcohol or drugs to excess" shall not be used.

(e) Application forms shall include a means for identifying the coverage or policy for which application is made.

11:4-16.8 Required disclosure provisions

(a) General disclosure requirements are as follows:

1. Each individual policy of health insurance shall include a renewal, continuation, or nonrenewal provision. The language or specifications of such provision must be consistent with the type of contract issued. Such provision shall be appropriately captioned, shall appear on the first page of the policy, and shall clearly state the duration where limited, of renewability and the duration of the term of coverage for which the policy is issued and for which it may be renewed.

2. Except for riders or endorsements by which the insurer effectuates a request made in writing by the policyholder, exercises a specifically reserved right under the policy, or is required to reduce or eliminate benefits to avoid duplication of Medicare benefits, all riders or endorsements added to a policy after the date of issue or at reinstatement or renewal which reduce or eliminate benefits or coverage in the policy shall require signed acceptance by the insured. After the date of policy issue, any rider or endorsement which increases benefits or coverage with a concomitant increase in premium during the policy term, shall be agreed to in a written instrument signed by the insured, except if the increased benefits or coverage is required by law.

3. Where riders or endorsements which reduce or eliminate coverage are attached to the policy at issue, the policy shall contain on the first page or specification page either a prominent warning or the full text of the rider or endorsement.

4. Where a separate additional premium is charged for benefits provided in connection with riders or endorsements, such premium charge shall be set forth in the policy.

5. The words "guaranteed renewable" shall not be used in a policy unless the insurer's right to change premium rates is clearly stated in the caption of the renewal provision or in the brief description of the policy.

6. In a policy which provides for payment of benefits based on standards specified as “usual, customary and reasonable”, such standards shall be defined in the policy and explained in the outline of coverage. Such standards shall not be more restrictive than:

i. “Usual” means the fee ordinarily charged by the provider for a particular service or supply.

ii. “Customary” means the range of usual fees charged by providers for the same service or supply under like circumstances within the geographic or socio-economic area where the service or supply is performed or furnished. The range of usual fees charged by the physicians shall consider training and experience.

iii. “Reasonable” means a fee above usual and customary which is justified by unusual complexity of the treatment required.

7. A policy which provides for the payment of benefits based on standards described as “usual and customary”, “reasonable and customary”, or other words of similar import shall include a definition of such terms and an explanation of such terms in its accompanying outline of coverage.

8. If a policy contains any limitations with respect to preexisting conditions, such limitations must appear as a separate paragraph in the policy and shall be labelled as “Pre-existing Condition Limitation”.

9. If age is to be used as a determining factor for reducing the benefits available in the policy as originally issued, such fact must be prominently set forth in the policy and in the outline of coverage.

10. All policies, except short-term nonrenewable policies, Medicare supplement policies and as otherwise provided in this paragraph, shall have a notice prominently printed on the first page of the policy or attached thereto stating in substance that the policyholder shall have the right to return the policy within 10 days of its delivery and to have the premium refunded if, after examination of the policy, the policyholder is not satisfied for any reason. With respect to Medicare supplement policies and policies issued pursuant to a direct response solicitation, the policy shall have a notice prominently printed on the first page of the policy or attached thereto stating in substance that the policyholder shall have the right to return the policy within 30 days of its delivery and to have the premium refunded if, after examination of the policy, the policyholder is not satisfied for any reason.

11. An accident only policy shall contain a prominent statement on the first page of the policy or attached thereto in either contrasting color or in boldface type at least equal to the size of type used for policy captions as follows: “This is an accident only policy. It does not pay benefits for loss from sickness.”

12. If a policy contains a conversion privilege, the caption of the provision shall be “conversion privilege” or

words of similar import. The provision shall indicate the persons eligible for conversion, the circumstances applicable to the conversion privilege, including any limitations on the conversion, and the person by whom the conversion privilege may be exercised. The provision shall specify the benefits to be provided on conversion or may state that the converted coverage will be as provided on a policy form then being used by the insurer for that purpose.

13. Where a policy provides a benefit that is payable while the insured is participating in a rehabilitation program the policy shall specify the type of rehabilitation program allowed and any limitations or restrictions on the program.

14. An informational brochure entitled “Guide to Health Insurance for People with Medicare”, hereinafter referred to as “the Guide”, for persons eligible for Medicare, is intended to improve the buyer’s understanding of Medicare and ability to select the most appropriate coverage. The Guide shall be furnished by each insurer to each such Medicare eligible person in connection with the purchase of health insurance policy, other than a short-term nonrenewal policy, regardless of whether the policy purchased is advertised, solicited or issued as a Medicare supplement policy meeting the requirements of N.J.A.C. 11:4-23.

15. To ensure uniformity in content, form and printing, the Guide has been made available through the Publications Department of the National Association of Insurance Commissioners, Kansas City, MO.

16. Delivery of the Guide shall be made at the time of application except in the case of direct response solicitations where the Guide shall be delivered with the policy. Acknowledgment of receipt of the Guide shall be obtained by all insurers.

(b) Outline of coverage—general rules include:

1. No individual health insurance policy shall be delivered or issued for delivery in this State unless the appropriate outline of coverage in (c) through (n) below is completed as to such policy and:

i. For policies offered for sale as Medicare supplement policies, the outline meets the requirements set forth at N.J.A.C. 11:4-23.14; and

ii. For all other policies, the outline is either:

(1) Delivered with the policy; or

(2) Delivered to the applicant at the time application is made and acknowledgment of receipt or certification of delivery of such outline of coverage is provided to the insurer.

2. If an outline of coverage was delivered at the time of application and the policy is issued on a basis which would require revision of the outline, a substitute outline

of coverage properly describing the policy must accompany the policy when it is delivered and contain the following statement, in no less than 12 point type, immediately above the company name: "NOTICE: Read this outline of coverage carefully. It is not identical to the outline of coverage provided upon application and the coverage originally applied for has not been issued."

3. Completed copies of all original and corrected outlines of coverage shall be retained by the insurer.

4. The appropriate outline of coverage for policies providing coverage which only meets the standards of N.J.A.C. 11:4-16.6(d) shall be that statement contained in N.J.A.C. 11:4-16.9(c). The appropriate outline of coverage for policies providing coverage which meets the standards of both N.J.A.C. 11:4-16.6(d) and (e) shall be the statement contained in N.J.A.C. 11:4-16.8(g). The appropriate outline of coverage for policies providing coverage which meets the standards of both N.J.A.C. 11:4-16.6(d), (e) or (f) shall be the statement contained in N.J.A.C. 11:4-16.8(f). The appropriate outline of coverage for policies providing coverage which meets the standards of N.J.A.C. 11:4-16.6(h), (i) or (k) when sold to Medicare eligible persons shall be the statement contained in N.J.A.C. 11:4-16.8(i), (k) or (n) respectively.

5. In any case where the prescribed outline of coverage is inappropriate for the coverage provided by the policy, an alternate outline of coverage shall be submitted to the Commissioner for prior approval.

6. The outline of coverage shall be printed in a style of general use. The size of type for statements contained in N.J.A.C. 11:4-16.8(c), (d), (e), (f), (g), (h), (j) and (m) shall not be less than 10 point, and for statements contained in N.J.A.C. 11:4-16.8(i), (k), (l) and (n) shall not be less than 12 point.

7. The outline of coverage shall specify a method for an applicant or insured to telephone a representative of the insurer other than the licensee to obtain information about policy benefits and claims. The method shall not require additional expense for the applicant or insured.

8. Parentheses in the outline of coverage indicate instructions or variable wording. Wording appropriate to the type of benefits should be used.

9. For the outline of coverage prescribed by N.J.A.C. 11:4-16.8(i), (k) and (n), the following instructions apply:

i. A dollar amount or percentage, as appropriate, shall be placed in each space of the "Insurance Pays" column. If the policy does not provide the coverage indicated, the space shall be completed with a zero and not left blank.

ii. The second sentence of item 2 of the outlines of coverage may be omitted from outlines required for direct policies in N.J.A.C. 11:4-16.8(b)9ii.

iii. The third sentence of item 2 of the outlines of coverage may be omitted from the outline required to be included in the solicitation or advertising material by N.J.A.C. 11:4-16.8(b)lii.

(c) An outline of coverage regarding basic hospital expense coverage in the form prescribed below, shall be issued in connection with policies meeting the standards of N.J.A.C. 11:4-16.6(d). The items included in the outline of coverage must appear in the sequence set forth as follows:

(COMPANY NAME & ADDRESS)
(POLICY NUMBER—WHEN AVAILABLE)
BASIC HOSPITAL EXPENSE COVERAGE
OUTLINE OF COVERAGE

1. Basic Hospital Expense Coverage. This type of policy is designed to cover you for hospital expenses incurred as a result of a covered accident or sickness. You are covered for: daily hospital room and board, miscellaneous hospital services, and hospital outpatient services. Benefits may be subject to any limitations and deductible set forth in the policy. Coverage is not provided for physicians' or surgeons' fees or unlimited hospital expenses.

2. Read Your Policy Carefully—This outline of coverage briefly describes the important features of your policy. This is not the insurance contract. Only the policy itself sets forth in detail the rights and obligations of both you and your insurance company. It is, therefore, important that you READ YOUR POLICY CAREFULLY. RE-MEMBER, if you are not satisfied with your policy, you have (10-30) days to return it to the company and get your money back.

3. Annual Premium \$_____ You Pay \$_____ per _____.

<u>Benefit</u>	<u>Insurance Policy Pays</u>
Hospital Room and Board	(\$_____ per day for _____ days) (_____% of semi-private charges for _____ days)
Miscellaneous Hospital Services	(up to \$_____) (_____% of charges up to \$_____)
Hospital Outpatient Services (List with any dollar limit)	\$_____
Other Benefits (List)	_____

(You must pay a \$_____ deductible each year before you can receive benefits.)

4. (A description of policy provisions which exclude, eliminate, restrict, reduce, limit, delay, or in any other manner operate to qualify payment of the benefits described in 3 above.)

5. (A description of policy provisions respecting renewability or continuation of coverage, including age restrictions or any reservation of right to change premiums.)

FOR ADDITIONAL INFORMATION ABOUT POLICY BENEFITS, OR CLAIMS, TELEPHONE (COLLECT) (TOLL FREE) (LOCAL NUMBER) _____.

(d) An outline of coverage regarding basic medical-surgical expense coverage, in the form prescribed below, shall be issued in connection with policies meeting the standards of N.J.A.C. 11:4-16.6(e). The items included in the outline of coverage must appear in the sequence set forth as follows:

(COMPANY NAME & ADDRESS)

(POLICY NUMBER—WHEN AVAILABLE)

**BASIC MEDICAL-SURGICAL EXPENSE COVERAGE
OUTLINE OF COVERAGE**

1. Basic Medical-Surgical Expense Coverage—This type of policy is designed to cover you for medical and surgical expenses incurred as a result of a covered accident or sickness. You are covered for: surgical services, anesthesia services, and in-hospital medical services. Benefits are subject to any limitations and deductibles set forth in the policy. Coverage is not provided for hospital expenses or unlimited medical and surgical expenses.

2. Read Your Policy Carefully—This outline of coverage briefly describes the important features of your policy. This is not the insurance contract. Only the policy itself sets forth in detail the rights and obligations of both you and your insurance company. It is, therefore, important that you **READ YOUR POLICY CAREFULLY**. REMEMBER, if you are not satisfied with your policy, you have (10-30) days to return it to the company and get your money back.

3. Annual Premium \$_____ You Pay \$_____ per _____.

<u>Benefit</u>	<u>Insurance Policy Pays</u>
Surgical Services	(_____% of doctor's reasonable charges) (varies with service performed; up to \$_____ for most expensive service)
Anesthesia Services	(_____% of doctor's reasonable charges) (up to _____% of amount paid for surgery)
In-hospital Medical Services	(up to \$_____ per day for _____ days) (_____% of reasonable charges)
Other Benefits (List)	_____

4. For policies providing a second surgical opinion benefit the Notice(s) shown below shall be included when applicable.

NOTICE

This policy provides coverage for a second surgical opinion. However, your out-of-pocket expenses under this policy may be greater than your expenses under a similar policy which does not provide coverage for a second surgical opinion.

NOTICE

This policy requires to you obtain a second opinion before elective surgery is performed. If you fail to obtain the second opinion, benefits for surgery may be (denied or reduced).

5. (A description of any policy provisions which exclude, eliminate, restrict, reduce, limit, delay, or in any manner operate to qualify payment of the benefits described in 3 above.)

6. (A description of policy provisions respecting renewability or continuation of coverage, including age restrictions or any reservation of right to change premiums.)

FOR ADDITIONAL INFORMATION ABOUT POLICY BENEFITS OR CLAIMS, TELEPHONE (COLLECT) (TOLL FREE) (LOCAL NUMBER) _____.

(e) An outline of coverage regarding policies combining basic hospital and medical-surgical expense in the form prescribed below shall be issued in connection with policies meeting the standards of N.J.A.C. 11:4-16.6(d) and (e). The items included in the outline of coverage must appear in the sequence set forth as follows:

(COMPANY NAME & ADDRESS)

(POLICY NUMBER—WHEN AVAILABLE)

BASIC HOSPITAL AND MEDICAL-SURGICAL EXPENSE

COVERAGE

OUTLINE OF COVERAGE

1. Basic Hospital and Medical-Surgical Expense Coverage—This type of policy is designed to cover you for hospital, medical, and surgical expenses incurred as a result of a covered accident or sickness. You are covered for: daily hospital room and board, miscellaneous hospital and hospital outpatient services, surgical and anesthesia services, and in-hospital medical services. Benefits may be subject to limitations and deductibles set forth in the policy. Unlimited hospital or medical and surgical expenses are not covered.

2. Read Your Policy Carefully—This outline of coverage briefly describes the important features of your policy. This is not the insurance contract. Only the policy itself sets forth in detail the rights and obligations of both you and your insurance company. It is, therefore, important that you **READ YOUR POLICY CAREFULLY**. REMEMBER, if you are not satisfied with your policy, you have (10-30) days to return it to the company and get your money back.

3. Annual Premium \$_____ You Pay \$_____ per _____.

Benefit	Insurance Policy Pays
Hospital Room and Board	(\$_____ per day for _____ days) (____% of semi-private charges for _____ days)
Miscellaneous Hospital Services	(up to \$_____) (____% of charges up to \$_____)
Hospital Outpatient Services (List with any dollar limits)	\$_____
Surgical Services	(____% of doctor's reasonable charges) (varies with service performed, up to \$_____ for most expensive service)
Anesthesia Services	(____% of doctor's reasonable charges) (up to ____% of amount paid for surgery)
In-hospital Medical Services	(up to \$_____ per day for _____ days) (____% of reasonable charges)
Other Benefits (List)	_____

(You must pay a \$_____ deductible each year before you can receive benefits.)

4. For policies providing a second surgical opinion benefit, the Notice(s) shown below shall be included when applicable:

NOTICE

This policy provides coverage for a second surgical opinion. However, your out-of-pocket expenses under this policy may be greater than your expenses under a similar policy which does not provide coverage for a second surgical opinion.

NOTICE

This policy requires you to obtain a second opinion before elective surgery is performed. If you fail to obtain the second opinion, benefits for surgery may be (denied or reduced).

5. (A description of any policy provisions which exclude, eliminate, restrict, reduce, limit, delay, or in any other manner operate to qualify payment of the benefits described in 3 above.)

6. (A description of policy provisions respecting renewability or continuation of coverage, including age restrictions or any reservation of right to change premiums.)

FOR ADDITIONAL INFORMATION ABOUT POLICY BENEFITS OR CLAIMS, TELEPHONE (COLLECT) (TOLL FREE) (LOCAL NUMBER) _____.

(f) An outline of coverage regarding major medical expense coverage, in the form prescribed below, shall be issued in connection with policies meeting the standards of N.J.A.C. 11:4-16.6(f). The items included in the outline of coverage must appear in the sequence set forth as follows:

(COMPANY NAME & ADDRESS)
(POLICY NUMBER—WHEN AVAILABLE)
MAJOR MEDICAL EXPENSE COVERAGE
OUTLINE OF COVERAGE

1. Major Medical Expense Coverage—This type of policy is designed to cover you for major hospital, medical and surgical expenses incurred as a result of a covered accident or sickness. You are covered for: daily hospital room and board, miscellaneous hospital services, surgical services, anesthesia services, in-hospital medical services, and out of hospital care. Benefits may be subject to deductibles, copayment provisions, or other limitations set forth in the policy. (Basic hospital or basic medical expense coverage is not provided.)

2. Read Your Policy Carefully—This outline of coverage briefly describes the important features of your policy. This is not the insurance contract. Only the policy itself sets forth in detail the rights and obligations of both you and your insurance company. It is, therefore, important that you **READ YOUR POLICY CAREFULLY. RE-MEMBER, if you are not satisfied with your policy, you have 10-30 days to return it to the company and get your money back.**

3. Annual Premium \$_____ You Pay \$_____ per _____.

Benefit	Insurance Policy Pays
Hospital Room and Board	(\$_____ per day for _____ days) (____% semi-private charges for _____ days)
Miscellaneous Hospital Services	(up to \$_____)
Out of Hospital Services	(____% of covered charges)
Surgical Services	(____% of doctor's reasonable charges) (varies with service performed, up to \$_____ for most expensive service)
Anesthesia Services	(up to ____% of amount paid for surgery)
In-hospital Medical Services	(up to \$_____ per day for _____ days) (____% of reasonable charges)
Other Benefits (List)	_____

(Benefits are subject to a \$_____ deductible each _____.)

(Benefits are subject to a deductible of the greater of \$_____ or the amount of benefits provided by other medical insurance.)

Your copayment is (____% of eligible charges.)

(This policy will pay up to \$_____ during the lifetime of the policy.)

(This policy will pay up to \$_____ for each _____.)

4. For policies providing a second surgical opinion benefit the Notice(s) shown below shall be included when applicable.

NOTICE

This policy provides coverage for a second surgical opinion. However, your out-of-pocket expenses under this policy may be greater than your expenses under a similar policy which does not provide coverage for a second surgical opinion.

NOTICE

This policy requires you to obtain a second opinion before elective surgery is performed. If you fail to obtain the second opinion, benefits for surgery may be (denied or reduced.)

5. (A description of any policy provisions which exclude, eliminate, restrict, reduce, limit, delay, or in any other manner operate to qualify payment of the benefits described in 3 above.)

6. (A description of policy provisions respecting renewability or continuation of coverage, including age restrictions or any reservation of right to change premiums.)

7. (For policies providing coverage as defined at N.J.A.C. 11:4-16.6(d)2, include the following statement: "This policy allows you to change the minimum deductible if your circumstances should ever change. You will be reminded of your right to change the deductible each year.")

FOR ADDITIONAL INFORMATION ABOUT POLICY BENEFITS OR CLAIMS, TELEPHONE (COLLECT) (TOLL FREE) (LOCAL NUMBER) _____

(g) An outline of coverage regarding disability income protection coverage, in the form prescribed below, shall be issued in connection with policies meeting the standards of N.J.A.C. 11:4-16.6(g). The items included in the outline of coverage must appear in the sequence set forth as follows:

(COMPANY NAME & ADDRESS)

(POLICY NUMBER—WHEN AVAILABLE)

DISABILITY INCOME PROTECTION COVERAGE

OUTLINE OF COVERAGE

1. Disability Income Protection Coverage—This type of policy is designed to cover you for disabilities resulting from a covered accident or sickness. Benefits may be subject to any limitations set forth in the policy. Coverage is not provided for basic hospital, medical and surgical, or major medical expenses.

2. Read Your Policy Carefully—This outline of coverage briefly describes the important features of your policy. This is not the insurance contract. Only the policy itself

sets forth in detail the rights and obligations of both you and your insurance company. It is, therefore, important that you READ YOUR POLICY CAREFULLY. RE-MEMBER, if you are not satisfied with your policy, you have (10-30) days to return it to the company and get your money back.

3. Annual Premium \$_____ You Pay \$_____ per _____

(A brief specific description of the benefits contained in the policy.)

4. (A description of any policy provisions which exclude, eliminate, restrict, reduce, limit, delay, or in any other manner operate to qualify payment of the benefits described in 3 above.)

5. (A description of policy provisions respecting renewability or continuation of coverage, including, age restrictions or any reservation of right to change premiums.)

6. The following statement shall be included in policies which provide the benefit set forth in N.J.A.C. 11:4-16.6(g)2.

Information Statement

Each annual premium of \$_____ for this policy includes a \$_____ charge for the (Cash Value Provision). In the event of nonpayment of premium, death, or written request to surrender this policy before it has been in force for at least _____ years, the (cash value) payable will be less than the sum of the extra charges you have paid for the (Cash Value Provision). Therefore, you are cautioned that this policy should not be purchased unless you plan to continue it in force for _____ years or longer. You should also be aware that if the policy is maintained in force beyond _____ years, the time at which the potential (cash value) exceeds the charges for the (Cash Value Provision), the actual amount payable upon lapse, surrender, or death may be less than the charges for the (Cash Value Provision) if claim payments have been made under the policy.)

FOR ADDITIONAL INFORMATION ABOUT POLICY BENEFITS OR CLAIMS, TELEPHONE (COLLECT) (TOLL FREE) (LOCAL NUMBER) _____.

(h) An outline of coverage regarding hospital confinement indemnity coverage, in the form prescribed below, shall be issued in connection with policies meeting the standards of N.J.A.C. 11:4-16.6(h). The items included in the outline of coverage must appear in the sequence set forth as follows:

(COMPANY NAME & ADDRESS)

(POLICY NUMBER—WHEN AVAILABLE)

HOSPITAL CONFINEMENT INDEMNITY COVERAGE

OUTLINE OF COVERAGE

1. Hospital Confinement Indemnity Coverage—This type of policy is designed to pay you a fixed dollar amount

each day that you are in the hospital as a result of a covered accident or sickness. (Certain other benefits are also provided.) Benefits may be subject to any limitations set forth in the policy. Coverage is not provided for basic hospital, basic medical and surgical, or major medical expenses.

2. Read Your Policy Carefully—This outline of coverage briefly describes the important features of your policy. This is not the insurance contract. Only the policy itself sets forth in detail the rights and obligations of both you and your insurance company. It is therefore, important that you **READ YOUR POLICY CAREFULLY. REMEMBER, if you are not satisfied with your policy you have (10-30) days to return it to the company and get your money back.**

3. Annual Premium \$_____ You Pay \$_____ per _____

Benefit Indemnity While in Hospital (List other Benefits)	Insurance Policy Pays \$_____ per day for up to _____ days beginning on the _____ day.
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4. (A description of any policy provisions which exclude, eliminate, restrict, reduce, limit, delay, or in any other manner operate to qualify payment of the benefits described in 3 above.)

5. (A description of policy provisions respecting renewability or continuation of coverage, including age restrictions or any reservation of right to change premiums.)

FOR ADDITIONAL INFORMATION ABOUT POLICY BENEFITS OR CLAIMS, TELEPHONE (COLLECT) (TOLL FREE) (LOCAL NUMBER) _____.

(i) An outline of coverage regarding hospital confinement indemnity coverage sold to Medicare eligible persons, an outline of coverage, in the form prescribed below, shall be issued in connection with policies which meet the standards of N.J.A.C. 11:4-16.6(h) and which are sold to Medicare eligible persons. The items included in the outline of coverage must appear in the sequence set forth as follows:

(COMPANY NAME & ADDRESS)
(POLICY NUMBER—WHEN AVAILABLE)
HOSPITAL CONFINEMENT INDEMNITY
COVERAGE FOR MEDICARE
ELIGIBLE PERSONS
OUTLINE OF COVERAGE

1. Hospital Confinement Indemnity Coverage—This type of policy is designed to pay you a fixed dollar amount each day that you are in the hospital as a result of a covered accident or sickness. (Certain other benefits are also provided.) The policy is not designed to provide hospital and medical coverage for the costs not paid by Medicare.

2. Read Your Policy Carefully—This outline a coverage briefly describes the important features of your policy. (Your agent, broker or other company representative will explain each item to you so that you fully understand what you are buying.) For more information about the costs not paid by Medicare and what to look for in policy provisions, read the (Shopper's Guide) that was given to you with this form.

This form is not the insurance contract. Only the policy itself spells out the rights and obligations of both you and your insurance company. It is important that you **READ YOUR POLICY CAREFULLY. REMEMBER, if you are not satisfied with your policy, you have (10-30) days to return it to the company and get your money back.**

3. Annual Premium \$_____ You Pay \$_____ per _____

(After you have been in the hospital for _____ days), this policy will pay you \$_____ per day (up to _____ days).

(List other benefits).

4. This policy does not pay you benefits for:

- _____ hospital charges
- _____ skilled nursing facility charges
- (_____ doctors' charges)

5. (A description of any policy provisions which will exclude, eliminate, restrict, reduce, limit, delay, or in any other manner operate to qualify payment of the benefits described in 3 above.)

6. (A description of policy provisions respecting renewability or continuation of coverage, including age restrictions or any reservation of right to change premiums.)

FOR ADDITIONAL INFORMATION ABOUT POLICY BENEFITS OR CLAIMS, TELEPHONE (COLLECT) (TOLL FREE) (LOCAL NUMBER) _____.

(j) An outline of coverage regarding accident only coverage, in the form prescribed below, shall be issued in connection with policies meeting the standards of N.J.A.C. 11:4-16.6(i). The items included in the outline of coverage must appear in the sequence set forth as follows:

(COMPANY NAME & ADDRESS)
(POLICY NUMBER—WHEN AVAILABLE)
ACCIDENT ONLY COVERAGE
THIS POLICY DOES NOT PROVIDE
COVERAGE FOR SICKNESS
OUTLINE OF COVERAGE

1. Accident Only Coverage—This type of policy does not pay you benefits if you get sick. It covers you for certain losses resulting from a covered accident ONLY. Limitations on benefits may apply. Basic hospital, basic medical and surgical, or major medical coverage is not provided.

2. Read Your Policy Carefully—This outline of coverage briefly describes the important features of your policy. This is not the insurance contract. Only the policy itself sets forth the rights and obligations of both you and your insurance company. It is, therefore, important that you **READ YOUR POLICY CAREFULLY. REMEMBER, if you are not satisfied with your policy you have (10-30) days to return it to the company and get your money back.**

3. Annual Premium \$ _____ You Pay \$ _____ per _____

(A brief specific description of the benefits contained in this policy. Note: This description of benefits shall be stated clearly and concisely and shall include a description of any deductible or copayment provisions applicable to the benefits described. In addition, if benefits vary according to accidental cause in accordance with N.J.A.C. 11:4-16.5(b), proper disclosure of the varying benefits shall be made.)

4. (A description of any policy provisions which exclude, eliminate, restrict, reduce, limit, delay, or in any other manner operate to qualify payment of benefits described in 3 above. If benefits vary according to the type of accidental cause, describe prominently the circumstances under which benefits are payable which are lesser than the maximum amount payable under the policy.)

5. (A description of policy provisions respecting renewability or continuation of coverage, including age restrictions or any reservation of right to change premiums.)

FOR ADDITIONAL INFORMATION ABOUT POLICY BENEFITS OR CLAIMS, TELEPHONE (COLLECT) (TOLL FREE) (LOCAL NUMBER) _____.

(k) An outline of coverage regarding accident only coverage for Medicare eligible persons, in the form prescribed below, shall be issued in connection with policies which meet the standards of N.J.A.C. 11:4-16.6(i) and which are sold to Medicare eligible persons. The items included in the outline of coverage must appear in the sequence set forth as follows:

(COMPANY NAME & ADDRESS)
 (POLICY NUMBER—WHEN AVAILABLE)
 ACCIDENT ONLY COVERAGE
 FOR MEDICARE ELIGIBLE PERSONS
 OUTLINE OF COVERAGE

1. Accident Only Coverage—This type of policy does not pay you benefits if you get sick. It covers you for certain losses due to a covered accident ONLY. Limitations on benefits may apply. The policy does not provide hospital and medical coverage for the costs not paid by Medicare.

2. Read Your Policy Carefully—This outline of coverage briefly describes the important features of your policy. (Your agent, broker or other company representative will explain each item to you so that you fully understand what you are buying.) For more information about costs not paid by Medicare and what to look for in policy provisions, read the (Shopper’s Guide) that was given to you with this form.)

This form is not the insurance contract. Only the policy itself spells out the rights and obligations of both you and your insurance company. It is important that you **READ YOUR POLICY CAREFULLY. REMEMBER, if you are not satisfied with your policy, you have (10-30) days to return it to the company and get your money back.**

3. Annual Premium \$ _____ You Pay \$ _____ per _____

(A brief specific description of the benefits contained in this policy. Note: The above description of benefits shall be stated clearly and concisely and shall include a description of any deductible or copayment provisions applicable to the benefits described. In addition, if benefits vary according to accidental cause in accordance with N.J.A.C. 11:4-16.5(b), proper disclosure of the varying benefits shall be made.)

4. (A description of any policy provisions which exclude, eliminate, restrict, reduce, limit, delay, or in any other manner operate to qualify payment of benefits described in 3 above. If benefits vary according to the type of accidental cause, describe prominently the circumstances under which benefits are payable which are lesser than the maximum amount payable under the policy.)

5. (A description of policy provisions respecting renewability or continuation of coverage, including age restrictions or any reservation of right to change premiums.)

FOR ADDITIONAL INFORMATION ABOUT POLICY BENEFITS OR CLAIMS, TELEPHONE (COLLECT) (TOLL FREE) (LOCAL NUMBER) _____.

(l) An outline of coverage regarding Medicare supplement coverage, shall be issued in connection with policies in compliance with N.J.A.C. 11:4-16.6(j). The outline of coverage shall meet the requirements of N.J.A.C. 11:4-23.14.

(m) An outline of coverage regarding limited benefit health coverage in the form prescribed below, shall be issued in connection with policies which do not meet the minimum standards of N.J.A.C. 11:4-16.4(d), (e), (f), (g), (h), and (j). The items included in the outline of coverage must appear in the sequence set forth as follows:

(COMPANY NAME & ADDRESS)
 (POLICY NUMBER—WHEN AVAILABLE)
 LIMITED BENEFIT HEALTH COVERAGE
 OUTLINE OF COVERAGE

1. Limited Benefit Health Coverage—This type of policy will provide you with limited or supplemental bene-

fits only. It is not designed to provide you with basic hospital, basic medical and surgical or major medical coverage.

2. Read Your Policy Carefully—This outline of coverage briefly describes the important features of your policy. This is not the insurance contract. Only the policy itself sets forth in detail the rights and obligations of both you and your insurance company. It is, therefore, important that you **READ YOUR POLICY CAREFULLY. REMEMBER, if you are not satisfied with your policy, you have (10-30) days to return it to the company and get your money back.**

3. Annual Premium \$_____ You Pay \$_____ per _____

(A brief specific description of the benefits, including dollar amounts, contained in this policy. Note: The above description of benefits shall be stated clearly and concisely and shall include a description of any deductible or copayment provisions applicable to the benefits described.)

4. (A description of any policy provisions which exclude, eliminate, restrict, reduce, limit, delay, or in any other manner operate to qualify payment of the benefits described in 3 above.)

5. (A description of policy provisions respecting renewability or continuation of coverage, including age restrictions or any reservation of right to change premiums.)

FOR ADDITIONAL INFORMATION ABOUT POLICY BENEFITS OR CLAIMS, TELEPHONE (COLLECT) (TOLL FREE) (LOCAL NUMBER) _____.

(n) An outline of coverage regarding limited benefit health coverage sold to Medicare eligible persons, in the form prescribed below, shall be issued to Medicare eligible persons in connection with policies which do not meet the minimum standards of N.J.A.C. 11:4-16.6(d), (e), (f), (g), (h), (i) and (j). The items included in the outline of coverage must appear in the sequence set forth as follows:

(COMPANY NAME & ADDRESS)
(POLICY NUMBER WHEN AVAILABLE)
LIMITED BENEFITS HEALTH COVERAGE
FOR MEDICARE ELIGIBLE PERSONS
OUTLINE OF COVERAGE

1. Limited Benefit Health Coverage—This type of policy will provide you with limited benefits only. It is not designed to provide hospital and medical coverage for the costs not paid by Medicare.

2. Read Your Policy Carefully—This outline of coverage briefly describes the important features of your policy. (Your agent, broker and other company representatives will explain each item to you so that you fully understand what you are buying.) For more information about the costs not paid by Medicare and what to look for in policy provisions, read the (Shopper's Guide) that was given to you with this form.

This form is not the insurance contract. Only the policy itself spells out rights and obligations of both you and your insurance company. It is important that you **READ YOUR POLICY CAREFULLY. REMEMBER, if you are not satisfied with your policy, you have (10-30) days to return it to the company and get your money back.**

3. Annual Premium \$_____ You Pay \$_____ per _____

<u>Inpatient Hospital Benefits</u>	<u>Medicare—Part A</u>	<u>Insurance Policy Pays</u>
You are hospitalized during a benefit period for:		
Up to 60 days	You pay the first \$_____ deductible. Medicare pays balance.	\$ _____
61 to 90 days	You pay \$_____ copayment. Medicare pays balance.	\$ _____
91 to 150 days	You pay \$_____ copayment. Medicare pays balance.	\$ _____
Beyond 150 days	You pay all cost. Medicare pays nothing.	\$ _____

<u>Skilled Nursing Facility Benefits</u>	<u>Medicare—Part A</u>	<u>Insurance Policy Pays</u>
You are admitted to a skilled nursing facility. You are a patient in this facility for up to 20 days during a benefit period.	You pay nothing. Medicare pays 100%.	\$ _____
You remain in the facility for any of the next 80 days—21st-100th day.	You pay \$_____ copayment per day. Medicare pays balance of reasonable costs.	\$ _____ per day
You remain in the facility after 100 days of confinement.	You pay full amount. Medicare pays nothing.	\$ _____ per day.*

*Payment will only be made if the skilled nursing facility is approved by Medicare and if the care given is medically necessary. NEITHER MEDICARE NOR THIS POLICY WILL PAY FOR CUSTODIAL CARE OR REST HOME CARE.

<u>Medical Service Benefits</u>	<u>Medicare—Part B</u>	<u>Insurance Policy Pays</u>
You receive physician services, medical supplies, ambulance and other covered services.	You pay the first \$_____ deductible. Medicare pays 80% of the remaining "reasonable and necessary" charge.	\$ _____
	You pay the remaining 20% of the "reasonable and necessary" charge while you are in the hospital.	Medicare eligible expenses to the extent not covered by Medicare after you have paid \$_____ of these charges.
	You pay the remaining 20% of the "reasonable and necessary" charge when you are not hospitalized.	Medicare eligible expenses to the extent not covered by Medicare after you have paid \$_____ of these charges.
	You pay the portion of the bill that exceeds the "reasonable and necessary" charge.	_____ **

**Unless this space is filled in with a specific dollar amount or percentage, the policy will not pay for charges that exceed Medicare's determination of "reasonable and necessary" charges.

4. (A description of any policy provisions which exclude, eliminate, restrict, reduce, limit, delay or in any other manner operate to qualify payment of the benefits described in 3 above.)

5. (A description of policy provisions respecting renewability or continuation of coverage, including age restrictions or any reservation of right to change premiums.)

FOR ADDITIONAL INFORMATION ABOUT POLICY BENEFITS OR CLAIMS, TELEPHONE (COLLECT) (TOLL-FREE) (LOCAL NUMBER) _____.

(o) The warning captions listed below shall be displayed prominently in large type on a separate half-sheet which shall be attached to the first page of the outline of coverage.

1. For policies sold to Medicare eligible persons which do not meet the minimum standards for coverage set forth in N.J.A.C. 11:4-16.6(j) but which do provide coverage for confinement or care in a skilled nursing facility:

"ATTENTION POLICYHOLDER: THE PROVISIONS OF THIS POLICY DO NOT RELATE IN ANY WAY TO MEDICARE. THIS POLICY DOES NOT COVER CUSTODIAL CARE (HELP IN

MEETING YOUR PERSONAL NEEDS) OR REST HOME CARE.”

2. For accident only policies sold to Medicare eligible persons:

“ATTENTION POLICYHOLDER: THIS IS AN ACCIDENT ONLY POLICY. IT DOES NOT PAY YOU BENEFITS IF YOU GET SICK. THIS POLICY DOES NOT PROVIDE HOSPITAL AND MEDICAL COVERAGE FOR THE COSTS NOT PAID BY MEDICARE.”

3. For limited benefit health insurance policies sold to Medicare eligible persons:

“ATTENTION POLICYHOLDER: THIS POLICY PROVIDES LIMITED BENEFITS ONLY. IT DOES NOT PROVIDE HOSPITAL AND MEDICAL COVERAGE FOR THE COSTS NOT PAID BY MEDICARE.”

Amended by R.1985 d.68, effective February 19, 1985 (operative June 19, 1985).

See: 16 N.J.R. 2944(a), 17 N.J.R. 459(a).

(1)4 added. Old 4.-5. renumbered to 5.-6.

Amended by R.1987 d.96, effective February 2, 1987.

See: 18 N.J.R. 2103(a), 19 N.J.R. 291(a).

Amended (a)14; added (a)15 and 16.

Amended by R.1988 d.587, effective December 19, 1988 (operative January 1, 1989).

See: 20 N.J.R. 2510(a), 20 N.J.R. 3155(c).

Substantially amended.

Amended by R.1991 d.121, effective March 4, 1991.

See: 22 N.J.R. 771(a), 23 N.J.R. 690(c).

In (a)14 and (a)15iii: revised internal citations and references; deleted (a)15iv, which was outdated text. In (a)15ii(3) and (4), revised required paper to be used.

Amended by R.1991 d.345, effective July 1, 1991.

See: 23 N.J.R. 1264(a), 23 N.J.R. 2014(a).

Added reference to “Medicare supplement policies” in (a)10.

Added “, regardless of whether the policy purchased is advertised, solicited or issued as a Medicare supplement policy meeting the requirements of N.J.A.C. 11:4-23.” in (a)14.

Added “specified in (a)14 above” and “of N.J.A.C. 11:4-23.11” in (a)15.

Deleted (a)15i, ii, iii.

Deleted “section 8” and “of this subchapter”; added “below” in (b)1.

Deleted “Supplement Coverage” and “is delivered to the applicant at the time application is made and, except for the direct response policy, acknowledgment of receipt or certification of delivery of such outline of coverage is provided to the insured”; added “supplement policies” and “meets the requirements set forth at N.J.A.C. 11:4-23.11” in (l).

Deleted “Medicare Supplement Coverage—Outline of Coverage” chart in (l).

Added to “Outline of Coverage” chart in (n) as follows: deleted “for an unlimited number of days per calendar year” and added benefit periods for “up to 60 days”, “61 to 90 days”, “91 to 150 days” and “Beyond 150 days” under “Inpatient Hospital Benefits” with corresponding space for copayment under “Medicare Part A” and “Insurance Policy Pays”. Changed “8” days to “20” days; changed “142 days-9th-150th days” to “80 days-21st-100th day” and “150” days to “100” days of confinement in the “Skilled Nursing Facility Benefits” column. Changed “you pay \$_____ per day. Medicare pays balance of reasonable cost.” to “you pay nothing. Medicare pays 100%*.”; changed “You pay nothing. Medicare pays 100%.*” to “you pay \$_____ copayment per day. Medicare pays balance of reasonable costs.” in “Medicare—Part A.”

Amended by R.1993 d.26, effective January 4, 1993.

See: 24 N.J.R. 12(a), 25 N.J.R. 141(a).

Citations revised.

Amended by R.1996 d.4, effective January 2, 1996.

See: 27 N.J.R. 3557(a), 28 N.J.R. 165(a).

Substantially amended (a)14 and 15, (j) and (j)3, and (k)3.

11:4-16.9 Forms submission requirements

(a) General rules include:

1. Within 120 days after the effective date of this regulation, each issuer shall submit a list of all individual health insurance forms currently filed which meet the requirements contained herein. An executive officer of the company shall certify that the forms listed comply with this regulation.

2. Each form submitted for filing by the commissioner shall be accompanied by an individual health insurance report as specified in (c) below.

3. Each submission shall include a description of the marketing arrangements for the form(s). This description should specify the intended use and purpose of the form, the methods by which the form will be sold, and the segment of the general public that is expected to make up the largest portion of applicants. If the form will be solicited by mail or any mass marketing scheme, the submission shall also include copies of advertising materials.

4. The application form and any riders, endorsements or amendments which are required to be attached at issue shall be included with the submission.

5. Each form shall be filled in with hypothetical data as for specimen issue.

6. Each rider, amendment or endorsement shall specify the forms with which it will be used and shall indicate any changes in benefits, coverages, exclusions or rates that will result.

7. A rubber stamp endorsement shall be shown on a specimen policy page as it will appear in actual use.

8. Wording in any form which is to be considered variable shall be appropriately indicated, and any alternate wording shall be included with the submission.

(b) Rules concerning additional material required for submission include:

1. This department does not sanction wholesale terminations of individual policies in this State. Therefore, whenever a form is submitted which reserves to the insurer the right to nonrenew the policy for a reason stated in N.J.A.C. 11:4-16.4(a)17, the insurer shall include with the submission a letter from an officer of the company agreeing to the following conditions:

i. That the insurer has designed the policy, rates, underwriting and issue procedures so that it will not be necessary to exercise such right of nonrenewal;