

# ASSEMBLY, No. 1586

## STATE OF NEW JERSEY 213th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2008 SESSION

**Sponsored by:**

**Assemblyman NEIL M. COHEN  
District 20 (Union)**

**Co-Sponsored by:**

**Assemblymen Vas and Connors**

**SYNOPSIS**

Prohibits unfair discrimination in the issuance, renewal, or rating of life insurance policies based on future foreign travel.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel



1 AN ACT concerning life insurance policies and amending  
2 N.J.S.17B:30-12.

3

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

6

7 1. N.J.S.17B:30-12 is amended to read as follows:

8 17B:30-12. a. No person shall discriminate against any person  
9 or group of persons because of race, creed, color, national origin or  
10 ancestry of such person or group of persons in the issuance,  
11 withholding, extension or renewal of any policy of life or health  
12 insurance or annuity or in the fixing of the rates, terms or conditions  
13 therefor, or in the issuance or acceptance of any application  
14 therefor.

15 b. No person shall use any form of policy of life or health  
16 insurance or contract of annuity which expresses, directly or  
17 indirectly, any limitation, or discrimination as to race, creed, color,  
18 national origin or ancestry or any intent to make any such limitation  
19 or discrimination.

20 c. No person shall make or permit any unfair discrimination  
21 between individuals of the same class and equal expectation of life  
22 in the rates charged for any policy of life insurance or contract of  
23 annuity or in the dividends or other benefits payable thereon, or in  
24 any other of the terms and conditions of such policy of life  
25 insurance or contract of annuity.

26 d. No person shall make or permit any unfair discrimination  
27 between individuals of the same class and of essentially the same  
28 hazard in the amount of premium, policy fees, or rates charged for  
29 any policy or contract of health insurance or in the benefits payable  
30 thereunder, or in any of the terms or conditions of such policy or  
31 contract, or in any other manner whatever.

32 e. (1) No person shall discriminate against any individual on the  
33 basis of genetic information or the refusal to submit to a genetic test  
34 or make available the results of a genetic test to the person in the  
35 issuance, withholding, extension or renewal of any hospital  
36 confinement or other supplemental limited benefit insurance, as  
37 defined by regulation of the commissioner, or in the fixing of the  
38 rates, terms or conditions therefor, or in the issuance or acceptance  
39 of any application therefor.

40 (2) As used in this subsection and subsection f. of this section:

41 "Genetic characteristic" means any inherited gene or  
42 chromosome, or alteration thereof, that is scientifically or medically  
43 believed to predispose an individual to a disease, disorder or  
44 syndrome, or to be associated with a statistically significant  
45 increased risk of development of a disease, disorder or syndrome.

**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.**

1 "Genetic information" means the information about genes, gene  
2 products or inherited characteristics that may derive from an  
3 individual or family member.

4 "Genetic test" means a test for determining the presence or  
5 absence of an inherited genetic characteristic in an individual,  
6 including tests of nucleic acids such as DNA, RNA and  
7 mitochondrial DNA, chromosomes or proteins in order to identify a  
8 predisposing genetic characteristic.

9 f. No person shall make or permit any unfair discrimination  
10 against an individual in the application of the results of a genetic  
11 test or genetic information in the issuance, withholding, extension  
12 or renewal of a policy of life insurance, including credit life  
13 insurance, an annuity, disability income insurance contract or credit  
14 accident insurance coverage. If the commissioner has reason to  
15 believe that such unfair discrimination has occurred, including that  
16 application of the results of a genetic test is not reasonably related  
17 to anticipated claim experience, and that a proceeding by the  
18 commissioner would be in the interest of the public, the  
19 commissioner shall, in accordance with the provisions of  
20 N.J.S.17B:30-1 et seq., issue and serve upon the insurer a statement  
21 of the charges. Upon a determination that the practice or act of the  
22 insurer is in conflict with the provisions of this subsection, the  
23 commissioner shall issue an order requiring the insurer to cease and  
24 desist from engaging in the practice or act and may order payment  
25 of a penalty consistent with the provisions of N.J.S.17B:30-1 et seq.

26 If, in the issuance, withholding, extension or renewal of any  
27 policy of life insurance, including credit life insurance, an annuity,  
28 disability income insurance contract or credit accident insurance  
29 coverage, an insurer will use the results of a genetic test in  
30 compliance with this subsection, the insurer shall notify the  
31 individual who is the subject of the genetic test that such a test shall  
32 be required and shall obtain the individual's written informed  
33 consent for the test prior to the administration of the test, in  
34 accordance with the requirements of P.L.1985, c.179 (C.17:23A-1  
35 et seq.). The insurer shall also provide that the physician or other  
36 health care professional designated by the individual shall promptly  
37 receive a copy of the results of the test and, if required, an  
38 interpretation of the test results by a qualified professional, and that  
39 the individual shall state in writing whether the individual elects to  
40 be informed of the results of the test.

41 g. No person shall make or permit any unfair discrimination  
42 against any individual on the basis of the individual's intent to  
43 engage in future lawful foreign travel in the issuance, extension or  
44 renewal of any policy of life insurance or in the fixing of the rates,  
45 terms or conditions therefor. For purposes of this subsection,  
46 "unfair discrimination" means any decision to issue, extend, or  
47 renew a policy of life insurance or the fixing of rates, terms, or

1 conditions of a life insurance policy, on the basis of the individual's  
2 intent to engage in future lawful foreign travel, which is not based  
3 on sound actuarial principles or actual or reasonably anticipated  
4 experience.

5 h. Nothing contained in this section shall be construed to require  
6 any agent or company to take or receive the application for  
7 insurance or annuity of any person or to issue a policy of insurance  
8 or contract of annuity to any person.  
9 (cf: P.L.1996, c.126, s.3)

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11 2. This act shall take effect immediately.

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STATEMENT

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16 This bill amends the law concerning unfair discrimination in the  
17 issuance, renewal, or rating of life insurance policies to prohibit  
18 such discrimination against individuals based on their intent to  
19 engage in lawful foreign travel at some point in the future. This bill  
20 is in response to the situation in which life insurance companies are  
21 increasingly using the future lawful travel plans of individuals as a  
22 reason to deny issuing or renewing life insurance policies or to  
23 charge premiums that are not commensurate with the risk of such  
24 future travel plans.

25 The bill defines unfair discrimination to mean issuance, renewal,  
26 and rating decisions that are not based on sound actuarial principles  
27 or reasonably anticipated experience.