

[N.J. Rev. Stat. § 17:48-6.3.]

§ 17:48-6.3. Group contract form: Hospital Service Corporations

Every group contract entered into by a hospital service corporation with any policyholder shall be in writing and a contract form stating the terms and conditions thereof shall be furnished to the policyholder to be kept by him. No group contract form shall be used unless it contains the following provisions:

(a) A statement of the contract rate payable to the hospital service corporation by or on behalf of the policyholder for the original period of coverage, the time or times at which, and the manner in which, the contract rate due is to be paid, and the basis, if any, on which the rate may subsequently be adjusted;

(b) A provision that all contract rates due under the contract shall be paid by the policyholder, or by the designated representative of the policyholder, to the hospital service corporation on or before the due date thereof or within such period of grace as may be specified therein;

(c) A statement of the nature of the services to be furnished and the period during which they will be furnished, and if there are any services to be excepted, a detailed statement of such exceptions;

(d) A provision that the contract, any endorsements or riders thereto, the application of the policyholder in whose name the contract is issued, a copy of which shall be attached to the contract, and the individual applications, if any, of the employees or members shall constitute the entire contract between the parties and that all statements contained in any such application for coverage shall be deemed representations and not warranties;

(e) A provision that there shall be issued to the policyholder, for delivery to the employee or member, a certificate or other document which sets forth or summarizes the essential features of the coverage including the time, place and method for making claims for benefits;

(f) A provision that all new employees or new members, as the case may be, in the groups or classes eligible for the coverage must be added to the eligible groups or classes;

(g) A statement of the terms and conditions, if any, upon which the contract may be terminated or amended. Any notice to the policyholder shall be effective if sent by mail to the policyholder's address as shown at the time on the corporation's records. The notice to the policyholder as herein required shall be sent at least 30 days before the termination or amendment of the contract takes effect.