



State of New Jersey
DEPARTMENT OF BANKING AND INSURANCE
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BULLETIN NO. 05-25

TO: ALL INSURERS AUTHORIZED TO TRANSACT PRIVATE PASSENGER AUTOMOBILE INSURANCE IN NEW JERSEY, ALL INSURANCE COMPANIES, HEALTH MAINTENANCE ORGANIZATIONS, MEDICAL SERVICE CORPORATIONS, HOSPITAL SERVICE CORPORATIONS, AND HEALTH SERVICE CORPORATIONS AUTHORIZED TO TRANSACT HEALTH INSURANCE IN NEW JERSEY; ALL DENTAL SERVICE CORPORATIONS AND DENTAL PLAN ORGANIZATIONS AUTHORIZED TO TRANSACT BUSINESS IN NEW JERSEY

FROM: DONALD BRYAN, ACTING COMMISSIONER

RE: COORDINATION OF BENEFITS BETWEEN AUTOMOBILE PERSONAL INJURY PROTECTION AND HEALTH INSURANCE

N.J.S.A. 39:6A-4.3.d permits a named insured under a private passenger automobile insurance policy to elect to have his or personal injury protection (PIP) coverage become secondary coverage for the provision of benefits for medical expenses incurred due to injuries sustained in an automobile accident. N.J.A.C. 11:3-37 sets forth the requirements for the order of benefits determination between a plan of health insurance and PIP provided through an automobile policy when a named insured elects to have his or her PIP protection become secondary coverage, as well as when PIP is the primary coverage.

In an effort to facilitate the coordination of benefits between automobile insurers and health plans, the Department is encouraging compliance with the following in all cases where an insured submits a claim for PIP benefits, and the insured has elected to have his or her health plan provide primary coverage for PIP benefits pursuant to N.J.S.A. 39:6A-4.3:

- The claimant's private passenger automobile insurer should notify the insured, and any of the insured's health care providers known to the automobile insurer, that the insured or provider should first submit the claim to the appropriate health plan for coverage;

- The notice should clearly indicate in bold print that the insured has selected his or her health plan as the primary provider of PIP benefits;

- The time periods for the prompt payment of claims by health plans set forth at N.J.A.C. 11:22 should not begin until the health plan has received the claim directly from the insured or the provider.

Any questions concerning this Bulletin may be addressed to:

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12/7/05
Date

/s/ Donald Bryan
Donald Bryan
Acting Commissioner