



State of New Jersey

DEPARTMENT OF BANKING AND INSURANCE

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BULLETIN NO. 22-01

TO: ALL HEALTH CARRIERS, DENTAL SERVICE CORPORATIONS, AND DENTAL BENEFITS ORGANIZATIONS ISSUING DENTAL BENEFITS PLANS IN THIS STATE

FROM: MARLENE CARIDE, COMMISSIONER

RE: DENTAL INSURER CREDITS: CARRIER ACTION REQUIRED (P.L. 2021, c. 295 - Dental Benefits Plans)

On November 8, 2021, P.L. 2021, c. 295 was enacted, which requires dental insurers to provide credits for reduced utilization of benefits during the coronavirus disease 2019 pandemic. The Department of Banking and Insurance (“Department”) is issuing this Bulletin to advise all carriers¹ that issue, renew, or have in force dental benefits plans in this State that they must issue to each policyholder in good standing with a plan that was in effect at any time between March 27, 2020 and May 26, 2020 a credit in an amount equivalent to the value of any reduced claims experience due to the limitations of dental services for the period beginning on March 27, 2020 and ending on May 26, 2020. The credit will be calculated retroactively to plans in effect at any time between March 27, 2020 and May 26, 2020. The credit may be returned to the policyholder in the form of a direct refund, or credit toward future premiums, and applies to both fully paid and monthly, quarterly, or semi-annually billed plans. Policyholders are not required to take any action to receive the refund or credit.

The provisions of P.L. 2021, c. 295 do not apply to any entity that:

1. Issued a credit or refund to policyholders in an amount equivalent to or more than 50% of one month’s premium for each policyholder during the period of March through June 2020;
2. Waived frequency limits for the 2020 plan year;
3. Waived deductibles or maximum annual rollover limitations; or
4. Has taken any actions to assist policyholders that the Commissioner deems sufficient to excuse the entity from the provisions of the act.

¹ “Carrier” means an insurance company, health service corporation, hospital service corporation, medical service corporation, dental service corporation, or dental plan organization authorized to issue dental benefits plans in this State.

Required Carrier Action


All carriers must file with the Department a report containing all actions taken to reduce premiums in compliance with P.L. 2021, c. 295 no later than February 21, 2022.

The report must be in the form of the template attached to this bulletin and must include information for New Jersey policyholders and an explanation and justification for the amount and duration of any premium reductions issued by the carrier, based on the carrier’s claim and premium data. The report must also provide monthly and overall totals for the months of March, April, and May of 2020 for the following: aggregate premium prior to, and subject to, application of refunds or adjustments; aggregate premium refunds and adjustments; the number of in-force plans, and the number of policyholders receiving refunds or adjustments.

If the carrier has already filed a dental rate filing reflecting a premium credit with the Department and believes they are exempt under one of the four exemptions listed above, the report shall refer to the previous filing and describe the reasons the carrier should be exempt. After a review of this report, the Department will notify the carrier whether they are exempt or should submit additional information.

Should you have any questions regarding the content of this Bulletin, please contact the Department’s Office Life and Health at lifhealth@dobi.nj.gov.

01/05/2022
Date



Marlene Caride
Commissioner

NJ Dental Premium Credit

P.L. 2021, c. 295

Instructions

1. If the carrier believes it is exempt¹ from the premium credit, a report must be filed with DOBI documenting the actions taken in compliance with P.L. 2021, c. 295 no later than February 21, 2022
2. Carriers need to populate sections A-D with aggregate plan experience for calendar year 2020. The applicable period per P.L. 2021, c. 295 is March 27, 2020 - May 26, 2020
3. If the carrier has issued a credit or refund to policyholders, enter this information in section B.3.
The remaining premium credit that the carrier will issue should be entered in section B.4. If the carrier is exempt¹ from the premium credit, section B.4. may not need to be filled.
4. If the carrier has multiple types of dental insurance, the carrier may elect to submit a different template for each type.

A. Plan Information	
1. Number of plans in-force during applicable period	
2. Number of policyholders active at any point during applicable period	
3. Premium credit already applied to all policyholders active at any point during the applicable period (Yes/No)	
4. Number of policyholders who have already received a premium credit/refund for applicable period	

B. Premium	
1. Gross premium amount prior to any premium credits: Annualized	
2. Gross premium amount prior to any premium credits: Monthly	
3. 2020 Premium credit already applied (if applicable)	
a. Credit as a % of monthly premium for month of credit	
b. Gross premium amount after the premium credit: Annualized	
c. Gross premium amount after the premium credit: For the month when the credit is applied	
4. 2020 Additional premium credit (if initial premium credit provided did not exceed 50% of monthly premium)	
a. Credit as a % of premium for month of credit	
b. Gross premium amount after the premium credit: Annualized	
c. Gross premium amount after the premium credit: For the month when the credit is applied	

C. Claims	
1. Expected claims: 2020 Total	
2. Expected claims: During the applicable period	
3. Actual claims (include captitated amounts): 2020 Total	
4. Actual claims (include captitated amounts): During the applicable period	
5. Actual fee-for-service (FFS) claims: 2020 Total	
6. Actual fee-for-service (FFS) claims: During the applicable period	

D. Loss Ratio	
1. Target (Expected) Loss Ratio: 2020 Total	
2. Actual Loss Ratio: 2020 Total	
3. Actual FFS Loss Ratio: 2020 Total	

Footnotes

1. The provisions of P.L. 2021, c. 295 do not apply to any entity that:
 - Issued a credit or refund to policyholders in an amount equivalent to or more than 50% of one month's premium for each policyholder during the period of March through June 2020;
 - Waived frequency limits for the 2020 plan year;
 - Waived deductibles or maximum annual rollover limitations; or
 - Has taken any actions to assist policyholders that the Commissioner deems sufficient to excuse the entity from the provisions of the bill.