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Acting Commissioner

BULLETIN NO. 24-13

TO: ALL INSURERS LICENSED TO TRANSACT THE BUSINESS OF LIFE INSURANCE, ACCIDENT AND HEALTH INSURANCE, AND ANNUITIES IN THE STATE OF NEW JERSEY

FROM: JUSTIN ZIMMERMAN, ACTING COMMISSIONER

SUBJECT: INCREASED LIMIT ON THE AMOUNT OF COVERAGE PROVIDED BY THE NEW JERSEY LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION FOR NET CASH SURRENDER AND WITHDRAWAL VALUES FOR CERTAIN ANNUITY POLICIES AND CONTRACTS UNDER P.L. 2024, c. 34

On July 10, 2024, P.L. 2024, c.34 was signed into law, amending the New Jersey Life and Health Guaranty Association Act, N.J.S.A. 17B:32A-1, et seq. ("Act") to increase the coverage limit for net cash surrender and net cash withdrawal values for certain annuity policies and contracts under N.J.S.A. 17B:32A-3(e)(2)(b), effective immediately.

As amended, the Act authorizes the New Jersey Life and Health Insurance Guaranty Association ("NJLHIGA") to pay a policyholder of an annuity policy or contract up to \$250,000 for any net cash surrender or net cash withdrawal that a policyholder makes on an annuity issued by a member insurer that became insolvent. Prior to the amendment, the maximum benefit amount payable by NJLHIGA for a net cash surrender or net cash withdrawal for an annuity issued by a now-insolvent member insurance company was \$100,000. No other changes to the Act were made by P.L. 2024, c. 34.

The NJLHIGA has issued a revised Disclaimer Notice and Coverage Summary ("Notice"), reflecting the increased coverage limit, which the Act requires member insurers to deliver to policyholders prior to, or contemporaneous with, the delivery of a new policy or contract. N.J.S.A. 17B:32A-17(b). Member insurers must comply with this requirement by utilizing the revised Notice as soon as possible but no later than December 31, 2024. A copy of the revised Notice is available at www.njlifega.org/additionalinfo.

The Act also requires member insurers to have the Notice available upon request by a policy or contract owner, certificate holder, or enrollee. N.J.S.A. 17B:32A-17(b). For policies issued on

or after July 10, 2024, but before December 31, 2024, where the prior version of the Notice was provided to policyholders, member insurers must ensure that the revised Notice is available and provided upon request as required by the Act.

For all questions, please contact David Wolf, Acting Assistant Commissioner of the Department's Office of Solvency Regulation at david.wolf@dobi.nj.gov.



8/15/2024
Date

Justin Zimmerman
Acting Commissioner

JR2024 LHIGA Annuity Increase Bulletin/Bulletins