

The background of the page features a large, faint watermark of the Seal of the New Jersey Department of Labor and Workforce Development. The seal is circular and contains the text "NEW JERSEY DEPARTMENT OF LABOR" around the top and "THE GREAT SEAL OF THE STATE OF NEW JERSEY" around the bottom. In the center of the seal is the Great Seal of the State of New Jersey, which depicts a woman holding a scroll and a man holding a sword. The words "LIBERTY" and "JUSTICE" are visible at the bottom of the seal.

**NEW JERSEY
TEMPORARY DISABILITY
BENEFITS**

**INFORMATION FOR
NEW INSURERS**

**New Jersey Department of Labor and Workforce
Development**

**NEW JERSEY DEPARTMENT OF LABOR
AND WORKFORCE DEVELOPMENT
DIVISION OF TEMPORARY DISABILITY INSURANCE
PRIVATE PLAN COMPLIANCE SECTION
PO BOX 957
TRENTON, NJ 08625-0957**

To: Prospective Private Plan Insurance Companies

Thank you for your inquiry regarding private plan Temporary Disability Insurance coverage in New Jersey. This packet of information describes the process for approval to provide a private plan in lieu of the mandated State Plan coverage for New Jersey employers. New Jersey temporary disability affords benefits for covered, eligible employees experiencing a non-work-related injury or illness.

The information contained in this packet relates solely to the approval of your model insurance forms by the New Jersey Department of Labor and Workforce Development. An insurer may only provide private plan coverage once the approval process is completed.

For assistance, call: (609) 292-2720, fax: (609) 292-2537, email: PPINS@dol.nj.gov or refer to our website: myleavebenefits.nj.gov/privateplan.

I. GENERAL INSTRUCTIONS

Approval Process in the Department of Labor and Workforce Development

The approval process is dual; your forms must be approved by both the New Jersey Department of Labor and Workforce Development and by the New Jersey Department of Banking and Insurance. Submit your forms to the Department of Labor and Workforce Development, Private Plan Compliance Section for an informal approval, since the majority of information contained in your model forms relate to the New Jersey Temporary Disability Benefits Law.

The forms you submit to the Department of Labor and Workforce Development will be reviewed to ensure that the contents conform with the New Jersey Temporary Disability Benefits Law and New Jersey Administrative Code. Any necessary revisions will be communicated with you. Revisions will need to be completed prior to informal approval.

Approval Process in the Department of Banking and Insurance

After the Department of Labor and Workforce Development, Private Plan Compliance Section completes the informal approval process, your forms must then be submitted to the Department of Banking and Insurance for a formal approval. Each form submitted must have its own identifying number which will be registered.

The Department of Banking and Insurance will review the forms in regard to readability and other insurance laws. Then, they will provide you and the New Jersey Department of Labor and Workforce Development with documentation that your forms are approved.

Please note that if you submit forms to the Department of Banking and Insurance prior to the Private Plan Compliance Section review, you may have to re-submit your forms, should our Department find additional changes are necessary.

All form submissions made to New Jersey Department of Banking and Insurance **MUST** be made via System for Electronic Rates and Forms Filing (SERFF).

Contact Charles.Uhl@dol.nj.gov for information on the Department of Banking and Insurance approval process.

Final Versions of Forms

After both Departments have approved your forms, final permanent versions of the forms must be presented to both Departments. The final form versions will be kept on file; changes can only be made through the previously described form approval process.

Submitting Employers' Plans for Approval

After the above approval process has been completed, you can begin submitting private plan applications to the Department of Labor and Workforce Development, covering employers to whom you have sold temporary disability coverage. An examiner in our office will be assigned to work with you on the requirements for approving, modifying, and terminating these specific private plans, and for supplying you with application forms and other materials that you require.

It is important to note, for contributory private plans, an employee consent election is only required for employees covered by a collective bargaining agreement. For elections, majority of the employees to be covered by the plan must agree to its establishment in order for the plan to be approved.

II. DRAFTING YOUR FORMS

Model Policy and Model Notice of Compliance to Employees

Each form submitted for approval must have its own identifying form number. There are two kinds of forms that must be submitted for review:

- the model policy
- the model notice of compliance or poster to employees (also called details)

Model Policy - An important distinction must be made between the above two forms. The policy, which is usually issued to the employer, should contain insurance provisions that are written formulaically. It should not contain the exact dollar figures for benefits and wage requirements that are set by the Department of Labor and Workforce Development for any given year. Once issued, the policy's terms and conditions will stand until the private plan is either modified or terminated.

Model Notice to Employees - Conversely, the employees' notice must clearly define the exact dollar figures that pertain to benefits and wage requirements for the given year. The intent of the employee notice is to inform the employees, in laymen's terms, of the exact benefits and rights for any potential claim filed for any given year. The notice can be in the traditional poster format, or it can be issued as an employee handout, booklet or certificate.

The law requires that every approved private plan be at least equal in every way to the State Plan and not more restrictive. A statutory private plan is equivalent to the mandated State Plan, a more generous plan may also be provided at the employer's discretion.

Variables

Model policies and model notices may contain variables for various plan provisions. Brackets “[]” around any portion of the policy or notice means that the element described within the brackets can be changed for a specific employer’s private plan. However, the provision within the variable cannot be more restrictive than the State Plan.

It is recommended that brackets be used in every area that could vary from employer to employer (i.e., benefit rates, coverage, employee contributions, duration of benefits, limitations under the law, etc.). This will allow you some latitude in tailoring specific insurance coverage to your clients when submitting pending plans for approval or modification. Without the use of brackets on these areas, plan provisions are fixed, and therefore cannot be changed.

Required Contents

Our office does not require exact conformity of style or language, even for statutory plans. However, it is recommended that you adhere as closely as possible to the language of the New Jersey Temporary Disability Benefits Law when writing your forms. If you choose to use your own language, you may create unintended errors or omissions in the text.

The important provisions of the New Jersey Temporary Disability Benefits Law and the New Jersey Administrative Code must be included in your model policy and model notice.

Please see following links:

NJ TDB Law & Administrative Code

<https://myleavebenefits.nj.gov/labor/myleavebenefits/about/laws/>

Self-Insured Packet for Sample of Statutory Plan Description

myleavebenefits.nj.gov/privateplan.

Items That Should Not Be Included

The following insurance provisions must not be shown in your policy or notice for New Jersey Temporary Disability Benefits since (a) they are not a part of the New Jersey Temporary Disability Benefits Law, and (b) we do not have regulatory authority upon them:

- limiting liability due to “acts of war” or “causes of nature”
- providing different benefit levels based upon the nature of a disability
- treating pregnancy as a separate disability
- structuring benefits based on loss of limbs, body parts, or functions (i.e., eyesight, hearing, etc.)
- limiting liability for mental illnesses
- allowing potential claimants to buy more benefits by increasing their contributions
- citing integration of some other insurance program
- citing integration of long-term disability
- citing integration of sick pay, continued pay, etc. from the employer as part of the private plan benefits

Past experience has shown that some insurers will submit their basic short-term disability policy for review, and those documents are rarely compliant with the New Jersey Temporary Disability Benefits Law. The information in this packet and links should be used to produce your New Jersey model forms.

Please note also that Private Plan Compliance Section does not approve other types of insurance forms; such as the following:

- customer forms
- renewal agreements
- premium bills
- claim application forms
- promotional booklets
- policies providing some other form of health insurance

These should not be submitted to us for approval.

Modifying Your Forms

An insurance company desirous of revising approved forms must do so through the previously described form approval process. During the form review process,

applications for approval or modification can be submitted with your previously approved forms. The new, **revised forms cannot be used until approved by both Departments.**