



December 15, 2005

## **NJ BULLETIN 05-25 ADDRESSES COORDINATION OF AUTO PIP BENEFITS AND HEALTH INSURANCE**

### **BACKGROUND**

The New Jersey Department of Banking and Insurance recently issued Bulletin 05-25 which addresses the coordination of benefits between Personal Injury Protection and health insurance.

The auto no-fault law allows named insureds to elect to have the PIP coverage medical expense benefits become secondary to their health insurance. The MSO<sup>®</sup> Commercial Auto Manual rules provide that individual named insureds have this option.

### **PROCEDURES**

The Department is encouraging compliance with the following procedures when PIP is secondary:

- The claimant's auto insurer should notify the insured, and any of the insured's health care providers known to the auto insurer, that the insured or the 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 elected the health plan as primary.
- The time periods for the prompt payment of claims by health plans should not begin until the health plan has received the claim directly from the insured or the provider.

### **AVAILABILITY**

Bulletin 05-25 may be accessed on the Department's website at [http://www.state.nj.us/dobi/bulletins/blt05\\_25.pdf](http://www.state.nj.us/dobi/bulletins/blt05_25.pdf).

### **QUESTIONS**

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