

CHAPTER 17

PRODUCER LICENSING

Authority

N.J.S.A. 17:1-8.1 and 15e, and 17:22A-26 et seq.

Source and Effective Date

R.2009 d.153, effective April 8, 2009.
See: 40 N.J.R. 6523(a), 41 N.J.R. 2014(c).

Chapter Expiration Date

In accordance with N.J.S.A. 52:14B-5.1b, Chapter 17, Producer Licensing, expires on April 8, 2016. See: 43 N.J.R. 1203(a).

Chapter Historical Note

Chapter 17, Producer Licensing, Subchapters 1, 2 and 5, was adopted as R.1988 d.186, effective April 18, 1988 (operative April 26, 1988). See: 20 N.J.R. 225(c), 20 N.J.R. 904(b). Subchapter 3, Professional Qualifications, was adopted as R.1989 d.192, effective April 3, 1989. See: 20 N.J.R. 1152(a), 21 N.J.R. 899(b).

Pursuant to Executive Order No. 66(1978), Chapter 17, Producer Licensing, was readopted as R.1993 d.206, effective April 15, 1993. See: 25 N.J.R. 883(a), 25 N.J.R. 1972(a).

Subchapter 6, Managing General Agents, was adopted as emergency new rules R.1993 d.454, effective August 16, 1993 (to expire October 15, 1993). The provisions of R.1993 d.454 were readopted as R.1993 d.563. See: 25 N.J.R. 4318(a), 25 N.J.R. 5229(c).

Subchapter 7, Reinsurance Intermediaries, was adopted as emergency new rules by R.1993 d.455, effective August 16, 1993 (to expire October 15, 1993). See: 25 N.J.R. 4323(a). The provisions of R.1993 d.455 were readopted as R.1993 d.564, effective October 15, 1993. See: 25 N.J.R. 4323(a), 25 N.J.R. 5234(a).

Pursuant to Executive Order No. 66(1978), Chapter 17, Producer Licensing, was readopted as R.1998 d.233, effective April 15, 1998. See: 30 N.J.R. 779(a), 30 N.J.R. 1833(a).

Subchapter 5, Transition Rules, was repealed by R.2002 d.354, effective November 4, 2002. See: 34 N.J.R. 2286(a), 34 N.J.R. 2549(b), 34 N.J.R. 3839(a).

Chapter 17, Producer Licensing, was readopted as R.2003 d.441, effective October 10, 2003. See: 35 N.J.R. 2159(a), 35 N.J.R. 5115(a).

Chapter 17, Producer Licensing, was readopted as R.2009 d.153, effective April 8, 2009. See: Source and Effective Date. See, also, section annotations.

CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. GENERAL PROVISIONS

- 11:17-1.1 Purpose and scope
- 11:17-1.2 Definitions
- 11:17-1.3 Participation in national insurance producer database

SUBCHAPTER 2. LICENSING RULES

- 11:17-2.1 Term of license
- 11:17-2.2 License authorities
- 11:17-2.3 Application filing requirements for initial licenses
- 11:17-2.4 Temporary work authority; change in residence status
- 11:17-2.5 License renewal
- 11:17-2.6 Additional authorities
- 11:17-2.7 Legal and business names; addresses
- 11:17-2.8 Branch offices
- 11:17-2.9 Business relationships

- 11:17-2.10 Continuation of business of a producer who becomes disabled, dies or enters the Armed Forces
- 11:17-2.11 Licensing information requirements
- 11:17-2.12 Fees
- 11:17-2.13 Denial of license
- 11:17-2.14 Surrender and cancellation of license; reinstatement after surrender
- 11:17-2.15 Licensee records
- 11:17-2.16 Requests for disclosure of social security numbers

SUBCHAPTER 3. PROFESSIONAL QUALIFICATIONS

- 11:17-3.1 Approval of insurance education program
- 11:17-3.2 Insurance education provider duties and requirements
- 11:17-3.3 Penalties for insurance education providers, insurance education directors and authorized personnel
- 11:17-3.4 Prelicensing education
- 11:17-3.5 State licensing examination; use of independent examination vendor; exemptions; retaking of examination
- 11:17-3.6 Continuing education
- 11:17-3.7 (Reserved)

SUBCHAPTERS 4 THROUGH 5. (RESERVED)

SUBCHAPTER 6. MANAGING GENERAL AGENTS

- 11:17-6.1 Purpose and scope
- 11:17-6.2 Definitions
- 11:17-6.3 Requirements for MGA
- 11:17-6.4 Insurer requirements
- 11:17-6.5 Filing requirements
- 11:17-6.6 Claim processing requirements
- 11:17-6.7 Record maintenance
- 11:17-6.8 Penalties

APPENDIX

SUBCHAPTER 7. REINSURANCE INTERMEDIARIES

- 11:17-7.1 Purpose and scope
- 11:17-7.2 Definitions
- 11:17-7.3 Requirements for reinsurance intermediaries
- 11:17-7.4 Filing requirements
- 11:17-7.5 Insurer requirements
- 11:17-7.6 Record maintenance
- 11:17-7.7 Penalties

APPENDIX

SUBCHAPTER 1. GENERAL PROVISIONS

11:17-1.1 Purpose and scope

(a) This chapter implements provisions of N.J.S.A. 17:22A-26 et seq., the New Jersey Insurance Producer Licensing Act of 2001 (the Act). The chapter concerns the licensing conduct of insurance producers and shall be considered part of the insurance law of the State of New Jersey, and violation of any provisions shall be sufficient cause for action against any person as permitted by statute. Specification of the standards of conduct shall not, however, prohibit the application of other insurance statutes or rules to licensed producers.

(b) Provisions of the Act and of this chapter shall be applied to all licensees, required to be licensed pursuant to the Act, including nonresident licensees, in connection with the

licensing and standards of conduct on business for which a New Jersey insurance producer license is required.

Amended by R.1998 d.233, effective May 18, 1998.

See: 30 N.J.R. 779(a), 30 N.J.R. 1833(a).

In (b), deleted "New Jersey Insurance Provider Licensing" preceding "Act".

Amended by R.2002 d.354, effective November 4, 2002.

See: 34 N.J.R. 2286(a), 34 N.J.R. 2549(b), 34 N.J.R. 3839(a).

In (a), amended the N.J.A.C. reference and inserted "of 2001" following "New Jersey Insurance Producer Licensing Act"; in (b), substituted "required to be licensed pursuant to the Act" for "limited insurance representatives and other persons".

11:17-1.2 Definitions

(a) Words and terms contained in the Act, when used in this chapter, shall have the meanings as defined in the Act, unless the context clearly indicates otherwise.

(b) The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

"Act" means the New Jersey Insurance Producer Licensing Act of 2001, N.J.S.A. 17:22A-26 et seq.

"Administrative Procedure Act" means the Act concerning practices and proceedings of New Jersey public agencies pursuant to N.J.S.A. 52:14B-1 et seq.

"Authorized insurance education director" or "insurance education director" means the person designated by the insurance education provider and approved by the Department to be responsible for the program's compliance with these rules and for the program's operations.

"Authorized personnel" means any person designated by the insurance education provider and approved by the Department to be authorized to submit insurance education provider certification forms, schedules, course approval forms and other information not specifically required to be provided by the insurance education director on behalf of the insurance education provider.

"Authorized submitter" means a person authorized by a producer or applicant to enter the producer or applicant's information onto electronic online applications, renewals and other electronic transactions that are approved for use by the Department. An authorized submitter shall obtain all information required in the electronic transaction from the applicant or named producer or, for business entities, from a designated licensed responsible producer, officer, director, partner or owner of ten percent or more of the business entity.

"Branch office" means an office in New Jersey other than a principal office where a licensee conducts insurance business.

"Business entity" means a corporation, association, partnership, limited liability company, limited liability partnership, or other legal entity.

"Business name" means the legal name of a business entity and any trade or fictitious name under which a licensee or

license applicant conducts or intends to conduct insurance business.

"Car rental insurance" means insurance offered, sold or solicited in connection with and incidental to the rental of rental cars for a specified duration, whether at the rental office or by pre-selection of coverage in master, corporate, group or individual agreements that: is non-transferable; applies only to the rental car that is the subject of the rental agreement; and is limited to the following kinds of insurance:

1. Personal accident insurance for renters and other rental car occupants, for accidental death or dismemberment, and for medical expenses resulting from an accident that occurs with a rental car during the rental period;
2. Liability insurance that provides protection to the renters and other authorized drivers of a rental car for liability arising from the operation or use of the rental car during the rental period;
3. Personal effects insurance that provides coverage to renters and other vehicle occupants for loss of, or damage to, personal effects in the rental car during the rental period; or
4. Roadside assistance and emergency sickness protection insurance.

"Contact course" or "class" means a classroom presentation, seminar, lecture or teleconference with monitored attendance and an instructor present.

"Controlling interest" means, for purposes of N.J.S.A. 17:22A-32e, that an officer, director, partner or owner of an entity filing for a producer license owns 10 percent or more of that entity.

"Credit hour," "credit education unit" or "CEU" means one hour of credit based on classroom attendance or an approved hour for seminars and self-study calculated in accordance with the provisions of N.J.A.C. 11:17-3.6(b).

"Credit insurance" means insurance coverages for credit health and credit life as defined in N.J.S.A. 17B:29-2, credit disability, credit unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, automobile dealer GAP, credit property and any other insurance offered in connection with the extension of credit that is limited wholly or partially to reducing or extinguishing that credit obligation.

"Department" means the New Jersey Department of Banking and Insurance.

"Electronic online submission" means the submission of an initial application, renewal, or any other information required by this chapter submitted online through the Department's website, www.njdobi.org, in accordance with the instructions therein.

"First-time applicant" means any person who was not licensed in New Jersey during the 12-month period prior to application.

“Home state” means the District of Columbia and any state or territory of the United States in which an insurance producer maintains his or her principal place of residence or principal place of business and is licensed to act as a resident insurance producer.

“Insurance education program” or “program” means an insurance education provider’s overall curriculum.

“Insurance education provider” means any insurance school, authorized insurer, recognized producer or insurance trade association, accredited college, university or trade school, or other institution or organization that is approved by the Department in accordance with N.J.A.C. 11:17-3.1 to provide prelicensing or continuing education for insurance producers in this State.

“Insurance related conduct” includes selling, soliciting, negotiating or binding policies of insurance; all communication with insureds concerning any term or condition of a policy of insurance; office management policies affecting insureds; processing claims; and transmitting funds between insureds, producers, premium finance companies and insurance companies.

“Insurance related debt” means any debt incurred by a producer arising from the selling, soliciting or negotiating of insurance.

“Interactive online course” means a computer online or internet course with an internal testing program that can monitor if the licensee responded with at least 70 percent correct answers without access to online study materials.

“Late renewal” means any renewal that is applied for subsequent to the expiration of a license and within 12 months after the expiration date.

“NAIC” means the National Association of Insurance Commissioners, its affiliates or subsidiaries, or any agency or committee thereof.

“National Producer Number” or “NPN” means a unique identifier assigned to each licensed producer by the National Association of Insurance Commissioners. A producer’s NPN shall be the same in all states in which the producer is licensed.

“Nonresident” (of New Jersey) means a person for whom a state other than New Jersey has been designated the home state for the purposes of licensure.

“Resident” (of New Jersey) means a person who maintains his or her principal place of residence or principal place of insurance business in New Jersey where insurance business is transacted and for whom New Jersey has been designated the home state for the purpose of licensure.

“Self-storage personal property insurance” means direct primary insurance coverage for the personal property of a renter or lessee in a self-storage facility which insures the

renter’s or lessee’s interest against loss or damage to the renter’s or lessee’s personal property, including debris removal and extra rental expense, while the personal property is located in the rented self-storage space.

“Self-study or self-directed course” means a continuing education course with study material in text, video, audio, or computerized format including interactive online courses, that is completed by successfully passing a test of the subject matter.

“Surrendered for cause” means the return of a license in lieu of or in connection with a revocation, suspension, other sanction or termination order.

“Ticket insurance” means the insurance coverages sold covering only the risk of travel sold by a travel agent or an agent of any railroad company, steamship company, airline company, car rental company or bus company.

“Travel insurance” means insurance coverage for trip cancellation, trip interruption, baggage, life, sickness and accident, disability, and personal effects when limited to a specific trip and sold in connection with transportation provided by a common carrier.

(c) For purposes of this chapter, references to officers or partners shall include limited liability company members or managers.

Petition for Rulemaking: Producer Licensing.
See: 24 N.J.R. 305(b).

Notice of Receipt of Petition for Rulemaking.
See: 24 N.J.R. 659(a), 24 N.J.R. 660(a).

Notice of Receipt and Action on Petition for Rulemaking.
See: 24 N.J.R. 1826(b), 24 N.J.R. 3770(a).

Amended by R.1993 d.507, effective October 18, 1993.
See: 24 N.J.R. 3216(a), 25 N.J.R. 4744(b).

Amended by R.1997 d.278, effective July 7, 1997.
See: 28 N.J.R. 4707(a), 29 N.J.R. 2853(a).

Added “Self-storage personal property insurance”.
Amended by R.1998 d.233, effective May 18, 1998.

See: 30 N.J.R. 779(a), 30 N.J.R. 1833(a).

In (b), substituted “chapter” for “subchapter”.

Amended by R.2002 d.354, effective November 4, 2002.

See: 34 N.J.R. 2286(a), 34 N.J.R. 2549(b), 34 N.J.R. 3839(a).

Rewrote the section.

Amended by R.2006 d.429, effective December 18, 2006.

See: 38 N.J.R. 2378(a), 38 N.J.R. 5369(a).

In (b), added definitions “Authorized submitter”, “Car rental insurance”, “Controlling interest”, “Electronic online submission”, “National Producer Number”, and “Travel Insurance”; and in definition “Branch office”, deleted “resident” preceding “licensee”.

11:17-1.3 Participation in national insurance producer database

Pursuant to N.J.S.A. 17:22A-43b(3) and for purposes of carrying out the provisions of the Federal Nonadmitted and Reinsurance Reform Act of 2010, P.L. 111-203, § 523, the Commissioner shall utilize the national insurance producer database of the NAIC (through the National Insurance Producer Registry), or any other equivalent uniform national database, for the licensure of an individual or entity as an insurance producer and for the renewal of such license.

New Rule, R.2012 d.029, effective February 6, 2012.
See: 43 N.J.R. 2643(a), 44 N.J.R. 274(a).

SUBCHAPTER 2. LICENSING RULES

11:17-2.1 Term of license

(a) For licenses issued or renewed prior to January 1, 2007, the standard term of an insurance producer license shall be 16 licensing quarters. Licensing quarters shall begin on the first day of February, May, August and November of each year. Licenses shall expire in the fourth year on the last day of the quarter before the quarter in which the license was effective.

(b) The terms of individual producer licenses are established as set forth below.

1. The first term of licenses that are initially issued, or of licenses that were previously in effect and are initially renewed, on or after January 1, 2007 shall expire on the last day of the birth month of the producer in the year that will result in the term of the license being at least 18 months.

2. Commencing on the first license expiration on the last day of the birth month of an individual producer as set forth in (b)1 above, all such licenses shall thereafter expire biennially on the last day of the birth month of the individual producer that is two years subsequent to the preceding expiration date.

3. For example, a producer is initially licensed on February 1, 2007. His or her birth month is March. The second birth month after the February 1, 2007 issue date is March 2008 (less than 18 months). In this case, the first renewal will be March 31, 2009, and subsequent renewals would be on March 31, 2011, March 31, 2013, and so on. If the birth month was September, the second September 30 following the February 1, 2007 issue date would be September 30, 2008, more than 18 months from issuance. Thus, the license would initially renew on September 30, 2008 and thereafter on September 30, 2010, September 30, 2012, and so on.

(c) The terms of business entity producer licenses are established as set forth below.

1. The first term of licenses initially issued, or of licenses that were previously in effect and are initially renewed, on or after January 1, 2007 shall expire on May 31 of the first year that will result in the term of the license being at least 18 months.

2. Commencing on the first license expiration on a May 31 date as set forth in (c)1 above, all such licenses shall thereafter expire biennially on the second May 31

date that is two years subsequent to the preceding expiration date.

3. For example, a business entity license renews on February 1, 2007. Since the second May 31 following this renewal (May 31, 2008) is less than 18 months from the prior renewal date, the license would not expire until May 31, 2009, and subsequent renewals would be on May 31, 2011, May 31, 2013, and so on. If the business entity renewed on October 31, 2007, the license would expire on May 31, 2009, since the license term would be more than 18 months and, if renewed, again expire on May 31, 2011, May 31, 2013, and so on.

(d) An insurance producer license shall remain in effect unless revoked or suspended as long as the renewal fee set forth in N.J.A.C. 11:17-2.12 is timely paid and, in the case of resident individual insurance producers, education requirements are timely satisfied.

(e) An initial license shall be deemed effective as of the date of issuance of any temporary authority issued pursuant to N.J.A.C. 11:17-2.4(a) if the application for licensure and applicable fees are received by the Department prior to expiration of the temporary authority.

Correction, effective March 6, 1989.

See: 21 N.J.R. 637(a).

Added "before the quarter" to (a).

Amended by R.2002 d.354, effective November 4, 2002.

See: 34 N.J.R. 2286(a), 34 N.J.R. 2549(b), 34 N.J.R. 3839(a).

In (b), substituted "authority" for "certificate".

Amended by R.2006 d.429, effective December 18, 2006.

See: 38 N.J.R. 2378(a), 38 N.J.R. 5369(a).

In (a), substituted "For licenses issued or renewed prior to January 1, 2007, the" for "The"; rewrote introductory paragraph of (b); and added (b)1 through (b)3 and (c) through (e).

11:17-2.2 License authorities

(a) Producers licensed in accordance with the Act and this chapter shall be authorized to write the kinds of insurance designated, if qualified by each authority set forth below.

1. Life Authority: All coverages defined as "life insurance" in N.J.S.A. 17B:17-3; and all coverages defined as an "annuity" in N.J.S.A. 17B:17-5.

2. Accident and health or sickness Authority: all coverages defined as "health insurance" in N.J.S.A. 17B:17-4.

3. Property Authority: All coverages written by authorized insurers for direct and consequential loss or damage to property of any kind including fire and allied lines, earthquake, growing crops, ocean marine, inland marine, boiler and machinery, credit property, burglary and theft, glass, sprinkler leakage and water damage, livestock, smoke or smudge, physical loss to buildings, radioactive contamination, mechanical breakdown or power failure, and other property loss.

4. Casualty Authority: All coverages written by authorized insurers for coverage against legal liability from death, disability, injury or damage to real or personal property including employers' liability, automobile liability bodily injury, automobile liability property damage, other liability, credit casualty, other casualty loss, fidelity and surety, workers' compensation, mortgage guaranty insurance and municipal bond insurance.

5. Surplus Lines Authority: All coverages written by unauthorized insurers and defined as "surplus lines" in N.J.S.A. 17:22-6.42.

6. Title Insurance Authority: All policies of insurance guaranteeing or indemnifying owners of real property or others interested therein against loss or damage suffered by reason of liens, encumbrances upon, defects in or the unmarketability of the title to said property, guaranteeing, warranting or otherwise insuring by a title insurance company the correctness of searches relating to the title to real property, or doing any real business in substance equivalent to any of the foregoing.

7. Variable life and variable annuity: all coverages defined as a “contract on a variable basis” pursuant to N.J.S.A. 17B:28-1.

8. Personal lines Authority: All property and casualty insurance coverage sold to individuals and families for primarily noncommercial purposes.

9. Limited lines Authority includes:

- i. Bail bonds;
- ii. Car rental insurance, for licenses issued or renewed effective on or after January 1, 2007;
- iii. Credit insurance;
- iv. Ticket insurance, for licenses issued or renewed prior to January 1, 2007;
- v. Travel insurance, for licenses issued or renewed effective on or after January 1, 2007;
- vi. Group mortgage cancellation;
- vii. Legal insurance;
- viii. Self-storage personal property insurance; and
- ix. Special nonresident limited lines. This authority shall be limited to those authorities for which the applicant is licensed in his or her home state and for which there is no corresponding authority in this State.

(b) The Department is authorized to issue nonresident licenses containing the above authorities regardless of whether the authority conferred by the nonresident applicant’s home state license precisely matches the kinds or lines of insurance described above, so long as they are generally comparable. No nonresident licensee shall be authorized to transact business for any kind or line of insurance for which the licensee is not authorized in its home state.

(c) No person shall be authorized to transact business regarding contracts on a variable basis unless that person also holds a securities license as required by this State or any other state or Federal law, as applicable, and maintains an active producer license in this State with variable life and variable annuity authority.

Amended by R.2002 d.354, effective November 4, 2002.
 See: 34 N.J.R. 2286(a), 34 N.J.R. 2549(b), 34 N.J.R. 3839(a).
 Rewrote (a); in (c), inserted “this state or” and “, as applicable” in the first sentence and added the last two sentences; added (d).
 Amended by R.2006 d.429, effective December 18, 2006.
 See: 38 N.J.R. 2378(a), 38 N.J.R. 5369(a).
 Added new (a)9ii; recodified former (a)9ii and (a)9iii as (a)9iii and (a)9iv; in (a)9iv, inserted “, for licenses issued or renewed prior to January 1, 2007;”; added new (a)9v; recodified former (a)9iv through (a)9vii as (a)9vi through (a)9ix; in (c), inserted “, and maintains an active producer license in this State with variable life and variable annuity authority” and deleted the final sentence; and deleted (d).

Case Notes

Agent’s license was revoked for selling life insurance without license to do so. *Fortunato v. McCoy*, 96 N.J.A.R.2d (INS) 56.

Long course of conduct in issuing false premium and rating information and in wrongfully applying premium funds justified denial of application for licensure as an insurance producer. *Sirchio v. Fortunato*, 95 N.J.A.R.2d (INS) 68.

11:17-2.3 Application filing requirements for initial licenses

(a) Requirements for a first time applicant for an individual license are as follows:

1. A properly completed application, in a form, including electronic online submissions, approved by the Department or the current version of the NAIC uniform application for individual producers in effect at the time of application, requesting issuance of an insurance producer license with one or more authorities, which shall contain the applicant’s legal name, home address, date of birth, social security number, business mailing and location address, business trade name, if any, and responses to questions concerning the applicant’s character and fitness for licensing. The application must be signed, dated and certified to be correct by the applicant or, in electronic online submissions, by the authorized submitter. In lieu of the NAIC uniform application, a nonresident applicant may submit a copy of the application for licensure submitted to the home state with a statement certifying to the truthfulness and accuracy of all responses to the questions concerning the applicant’s character and fitness for licensure as of the date of the submission of the certification;

2. If a resident, when required, a certificate evidencing completion of an approved course of prelicensing education or a certificate evidencing waiver of that requirement; and a certificate evidencing that the applicant has passed the State licensing examination for the authority or authorities requested not longer than one year prior to the application date, or a certificate evidencing waiver of the examination requirement pursuant to N.J.S.A. 17:22A-35;

3. If a nonresident, the applicant shall certify that he or she holds a currently valid license authorizing transaction of insurance business in the applicant’s home state for the kinds of insurance for which application is made;

4. Any documents or statements required to explain responses to questions concerning the applicant’s character, fitness or financial responsibility;

5. If a resident, properly completed criminal history requests and fingerprint forms in a format prescribed by the Department, which shall include electronic fingerprinting; and

6. Payment of the fees required in accordance with N.J.A.C. 11:17-2.12.

(b) A first time applicant for a business entity license shall submit the following:

1. A properly completed application in a form, including electronic online submissions, approved by the Department

ment or the current version of the NAIC uniform application for business entities in effect at the time of application, requesting issuance of an insurance producer license for one or more authorities, which shall contain the business entity's legal name; business mailing and location address; other business names, if any; names, license reference numbers, if any, and license authorities of each licensed officer or partner; names, addresses and license reference numbers, if any, of all persons owning 10 percent or more of the business entity; and responses to questions concerning the applicant's character, fitness and financial responsibility. The application must be dated, signed and certified to be correct by all officers or partners of the organization that hold, or have applied for, New Jersey insurance producer licenses. In lieu of the NAIC uniform application, a nonresident applicant may submit a copy of the application for licensure submitted to the home state;

2. If the applicant is a corporation, limited liability company, limited partnership or limited liability partnership, applying for a resident license, a copy of the original business certificate stamped "filed" by the Department of Treasury, Division of Revenue Business Services, County Clerk or other authority as applicable or a certificate filed by the Department of Treasury, Division of Business Services authorizing the applicant to transact business in New Jersey. If the application includes a business name other than the organization's legal name, the applicant shall also submit a certificate stamped "filed" by the Department of Treasury, Division of Business Services, County Clerk or other authority, as applicable, confirming that the business name has been properly recorded;

3. If the applicant is a business entity applying for a nonresident license, a certification evidencing that the applicant is authorized in the home state to transact insurance business with comparable authorities, if such verification is not available on the Producer Licensing Database maintained by the NAIC;

4. For resident business entities, properly completed fingerprint forms in a format prescribed by the Department, which shall include electronic fingerprinting, for each officer, director, partner or owner of 10 percent or more of the applicant business entity;

5. Any documentation required to explain responses to questions and concerning the applicant's character, fitness and financial responsibility; and

6. Payment of the fees required by N.J.A.C. 11:17-2.12.

(c) Failure to pay a license fee due to "not sufficient funds" or otherwise non-negotiable instrument shall void any license issued in reliance thereon by the Commissioner. Any business written during the period prior to payment shall be deemed in violation of N.J.S.A. 17:22A-29 and shall subject the applicant to penalties in addition to the penalties pre-

scribed at N.J.A.C. 11:17D-2.4(a)3 for checks returned for insufficient funds, and, when applicable, a late renewal fee.

Amended by R.1993 d.507, effective October 18, 1993.

See: 24 N.J.R. 3216(a), 25 N.J.R. 4744(b).

Amended by R.2002 d.354, effective November 4, 2002.

See: 34 N.J.R. 2286(a), 34 N.J.R. 2549(b), 34 N.J.R. 3839(a).

Rewrote the section.

Amended by R.2006 d.429, effective December 18, 2006.

See: 38 N.J.R. 2378(a), 38 N.J.R. 5369(a).

Rewrote (a)1; in (a)2, inserted "not longer than one year prior to the application date" and "pursuant to N.J.S.A. 17:22A-35"; in (a)5, inserted "which shall include electronic fingerprinting"; in (b)1, inserted "including electronic online submissions," and substituted "10" for "five"; in (b)3, inserted "if such verification is not available on the Producer Licensing Database maintained by the NAIC"; and in (b)4, inserted "which shall include electronic fingerprinting," and substituted "10" for "five".

Case Notes

Application for residential insurance producer license properly denied. *Department of Insurance v. Pinero*, 94 N.J.A.R.2d (INS) 1.

11:17-2.4 Temporary work authority; change in residence status

(a) The Commissioner or his or her designee is authorized to issue a temporary work authority allowing the applicant to begin work when the applicant has submitted in proper form the items required by N.J.A.C. 11:17-2.3 if the submission does not disclose any matter that may disqualify the applicant from being licensed. Any certificate issued in accordance with this section shall contain an expiration date and shall expire no more than 60 days after issuance.

(b) A nonresident licensee, upon moving his or her residence or primary place of business into the State of New Jersey and requesting resident status in New Jersey, shall within 30 days thereof notify the Department of his or her change of address and contact information and, within 90 days of change in resident status in the prior state, notify the Department of the request to qualify as a resident insurance producer in New Jersey. The licensee shall submit completed fingerprint forms in a format prescribed by the Department, including electronic fingerprinting. Upon receipt of this information, the licensee's status shall be changed from nonresident to resident.

Amended by R.1993 d.507, effective October 18, 1993.

See: 24 N.J.R. 3216(a), 25 N.J.R. 4744(b).

Amended by R.2002 d.354, effective November 4, 2002.

See: 34 N.J.R. 2286(a), 34 N.J.R. 2549(b), 34 N.J.R. 3839(a).

In (a), rewrote the first sentence; in (b), inserted "and losing resident status in the home state" following "New Jersey" and "thereof" following "20 days".

Amended by R.2006 d.429, effective December 18, 2006.

See: 38 N.J.R. 2378(a), 38 N.J.R. 5369(a).

Section was "Temporary work authority". Rewrote (b).

11:17-2.5 License renewal

(a) A current licensee shall renew a license in the following manner:

1. Prior to expiration of the current license term, each licensee shall submit a properly completed renewal application, including electronic online submissions, together with payment of renewal fees in accordance with N.J.A.C. 11:17-2.12. The renewal application shall be signed, dated and certified to be correct by the licensee or a licensed officer, partner, owner or designated licensed responsible producer of a licensed business entity, or an authorized submitter for electronic online submissions. The licensee shall certify that he, she or it continues to be qualified in accordance with the insurance laws of New Jersey.

(b) Failure to submit the renewal application for receipt by the date of expiration shall be deemed to establish that the license expired on the expiration date shown, and that the licensee was not thereafter authorized to engage in any activities for which the license is required.

(c) If an applicant's license has lapsed for a period of less than one year, the applicant may apply for late renewal of the license within one year of the date the license expired if evidence of the following is provided:

1. Proof of completion of continuing education credits when required by N.J.A.C. 11:17-3.6;

2. The applicant's certification which shall state whether or not the applicant has transacted any business as an insurance producer during the unlicensed period and, if so, the number of policies written, renewed or modified by endorsement or other means; and

3. Late renewal fee as provided by N.J.A.C. 11:17-2.12.

(d) An applicant who files a late renewal request within one year of the license expiration date shall be granted a waiver from the preclicensing education and examination requirement set forth in N.J.A.C. 11:17-3.4 and 3.5.

Amended by R.1993 d.507, effective October 18, 1993.
See: 24 N.J.R. 3216(a), 25 N.J.R. 4744(b).
Amended by R.2002 d.354, effective November 4, 2002.
See: 34 N.J.R. 2286(a), 34 N.J.R. 2549(b), 34 N.J.R. 3839(a).

Rewrote the section.

Amended by R.2006 d.429, effective December 18, 2006.
See: 38 N.J.R. 2378(a), 38 N.J.R. 5369(a).

Rewrote (a)1; deleted (c); recodified former (d) and (e) as (c) and (d); and in (d), updated the N.J.A.C. references.

Amended by R.2009 d.153, effective May 4, 2009.
See: 40 N.J.R. 6523(a), 41 N.J.R. 2014(c).

In (a)1, substituted "Prior to expiration of the current license term" for "At least 10 days before the license expiration date"; and in the introductory paragraph of (c), substituted "if evidence of the following is provided" for "provided the following is attached to the application".

11:17-2.6 Additional authorities

(a) A currently licensed individual producer may obtain additional authorities as described in N.J.A.C. 11:17-2.2 by submitting a written request to the Department or by completing an online application, which may be submitted by an authorized submitter, and by providing the following:

1. The producer's name, residence and business addresses, contact information and New Jersey Producer License Reference Number or National Producer Number;

2. If a resident, a certificate evidencing completion of an approved course of preclicensing education, if required, or a certificate evidencing waiver of this requirement, and a certificate evidencing that the applicant has passed the State licensing examination for the authority or authorities requested not longer than one year prior to the application date, or a certificate evidencing waiver of this requirement;

3. If a nonresident, certification from the applicant that he, she or it holds a current license with comparable authority in the home state; and

4. Payment of the processing fee as required by N.J.A.C. 11:17-2.12.

(b) A currently licensed business entity producer may obtain additional authorities as described in N.J.A.C. 11:17-2.2 by submitting a written request to the Department dated, signed and certified to be correct by a licensed officer, partner, owner or designated licensed responsible producer who holds or has applied for that authority or by completing an online application, and by providing the following:

1. The business entity's name, address, contact information and New Jersey Producer License Reference Number or National Producer Number; and, if signed by the designated licensed responsible producer, the New Jersey Producer License Reference Number or National Producer Number of the designated licensed responsible producer;

2. If a nonresident applicant, certification from the applicant that it holds a currently valid license with the comparable authority in its home state; and

3. Payment of the processing fee described in N.J.A.C. 11:17-2.12.

Amended by R.1993 d.507, effective October 18, 1993.
See: 24 N.J.R. 3216(a), 25 N.J.R. 4744(b).
Amended by R.2002 d.354, effective November 4, 2002.
See: 34 N.J.R. 2286(a), 34 N.J.R. 2549(b), 34 N.J.R. 3839(a).

Rewrote the section.

Amended by R.2006 d.429, effective December 18, 2006.
See: 38 N.J.R. 2378(a), 38 N.J.R. 5369(a).

In the introductory paragraph of (a), inserted "a written request to the Department or by completing an online application, which may be submitted by an authorized submitter, and by providing"; rewrote (a)1; in (a)2, inserted "not longer than one year prior to the application date,"; in (a)3, inserted " and" at the end; and rewrote the introductory paragraph of (b) and (b)1.

11:17-2.7 Legal and business names; addresses

(a) No resident licensed individual producer shall conduct insurance business under a name other than his or her legal name unless the name has been filed with and approved by the Department. Nothing in this section shall prohibit the transaction of business under the licensee's legal name and the words "agency," "insurance agency," "brokerage" or words determined by the Department to be of similar import.

Issuance of a license containing the name shall serve as notice of approval.

(b) No nonresident licensed producer shall conduct business under a name other than its legal or business name in the state where it maintains a resident license.

(c) No resident business entity shall conduct insurance business unless the business name has been filed with and approved by the Department. Issuance of a license containing the name shall serve as notice of approval.

(d) Standards for business names are as follows:

1. No business name shall have the capacity or tendency to be misleading or deceptive;

2. No business name shall be identical or confusingly similar to the business name of another currently licensed resident producer;

3. If the word "insurance" or its equivalent is contained in the name, it must be joined with wording such as "agency" or "brokerage" to distinguish the entity from an insurance underwriting company;

4. No business name shall express or imply any identification or affiliation with a Federal, State or other government entity, including any department, division, bureau or subdivision of such entities nor shall it misleadingly imply identification with a not-for-profit organization;

5. No business name shall consist of or include any franchise designation except in accordance with procedures approved by the Commissioner; and

6. No business name shall contain the name of, or imply any affiliation with, a producer whose license has been revoked, terminated, suspended or voluntarily surrendered for cause.

(e) A resident applicant may obtain prior Departmental approval of a proposed business name before the filing of the name with the Department of Treasury, Division of Revenue Business Services, County Clerk or other authority by submitting the proposed name or names for consideration. Prior approvals of names shall expire 90 days after the date of prior approval if no license application is received by the Department.

(f) The requirements for business addresses and notification of change of business mailing or location address, residence address, phone number and email address, are as follows:

1. All licensees shall provide the Department with a complete and current business mailing address, and, if different, a street or location address, phone number and, if applicable, email address. Individual licensees shall also provide the Department with a complete and current residence address, phone number and, if applicable, email address.

2. All licensees shall provide in the format prescribed by the Department notification of any change of business mailing or location address, residence address, phone numbers and email addresses within 30 days of the change and maintain a proof of notification for five years or until receipt of a license or other documentation from the Department showing the new address. Licensees may submit changes of address online through the National Insurance Producer Registry at www.nipr.com.

3. Any legal process issued pursuant to the statutory authority of the Commissioner including, but not limited to, subpoenas, orders and orders to show cause may be served by sending the documents to the business mailing or residence address of the licensee then on file with the Department.

(g) A licensee shall advise the Department of a change of any legal name, business name or a change of the address which appears on the license by electronic submission or by submitting a written request signed by the producer or a licensed owner, officer, partner or designated licensed responsible producer of the business entity indicating the change required and, in the event of a name change, appropriate supporting documentation of the change. No fee shall be required for such changes. If the notice is to change a legal or business name of a resident business entity, the business name shall be approved by the Department in accordance with (b) above and the hard copy request shall be accompanied by a copy of the document filed in the Department of Treasury, Division of Revenue Business Services, County Clerk or other authority evidencing that the change has been properly recorded or, if the notice is given by electronic means, a copy of the authority shall be immediately mailed to the Department.

Amended by R.1993 d.507, effective October 18, 1993.

See: 24 N.J.R. 3216(a), 25 N.J.R. 4744(b).

Amended by R.2002 d.354, effective November 4, 2002.

See: 34 N.J.R. 2286(a), 34 N.J.R. 2459(b), 34 N.J.R. 3839(a).

Rewrote the section.

Amended by R.2003 d.441, effective November 3, 2003.

See: 35 N.J.R. 2159(a), 35 N.J.R. 5115(a).

In (f)2, substituted "30" for "20" preceding "days".

Amended by R.2006 d.429, effective December 18, 2006.

See: 38 N.J.R. 2378(a), 38 N.J.R. 5369(a).

In the introductory paragraph of (f), substituted a comma for "and" preceding "residence" and inserted ", phone number and email address,"; in (f)1, inserted ", phone number and, if applicable, email address" two times; in (f)2, substituted a comma for "and" preceding "residence", inserted "phone numbers and email addresses", and deleted "new or renewed" preceding "license"; and rewrote (g).

Amended by R.2009 d.153, effective May 4, 2009.

See: 40 N.J.R. 6523(a), 41 N.J.R. 2014(c).

In (f)2, inserted the last sentence.

Case Notes

After defenses asserted by an individual and an entity that were licensed as insurance producers that were authorized to offer bail bonds were suppressed based on their failure to provide discovery and to appear at scheduled proceedings, ex parte proofs offered by the N.J. Dep't of Banking and Insurance contained sufficient credible evidence that the licensees had violated governing regulations including N.J.A.C. 11:17C-2.2(b), N.J.A.C. 11:17B-3.1(b), N.J.A.C. 11:17B-3.1(c), N.J.A.C. 11:17B-3.2, N.J.A.C. 11:17A-4.8 and N.J.A.C. 11:17-2.7(f), that fines

were properly imposed, and that the Department was entitled to be reimbursed for costs of investigation and prosecution. N.J. Dep't of Banking and Ins. v. Peduto et al, OAL Dkt. No. BKI 4255-12, 2013 N.J. AGEN LEXIS 19, Initial Decision (January 11, 2013).

Respondents' limited insurance representative registrations and current insurance licenses were properly revoked after they used unregistered trade names while conducting bail bond business in the State, in violation of this section, and charged an illegal fee for services they did not provide, as prohibited by N.J.A.C. 11:17B-3.1(a) (adopting, as modified, 2008 N.J. AGEN LEXIS 922). Comm'r of Banking & Insurance v. Petrone, OAL Dkt. No. BKI 2436-06, 2008 N.J. AGEN LEXIS 1251, Final Decision (December 11, 2008).

Revocation of insurance producer licenses was proper where respondents, an individual and her company, failed to notify the Commissioner of changes in her business address within the time permitted (modifying 2008 N.J. AGEN LEXIS 758). Goldman v. Montesinos, OAL Dkt. No. BKI 12544-07, 2008 N.J. AGEN LEXIS 1022, Final Decision (September 19, 2008).

Submitting documentation to create false impression as to writing of service fee agreements was dishonesty warranting revocation of license as insurance producer. Fortunato v. Watley, 95 N.J.A.R.2d (INS) 23.

11:17A-4.5 Disclosure of personal or privileged information

No insurance producer shall disclose or solicit the disclosure of personal or privileged information about an individual collected or received in connection with an insurance transaction except in conformity with N.J.S.A. 17:23A-1 et seq.

Amended by R.2002 d.354, effective November 4, 2002.

See: 34 N.J.R. 2286(a), 34 N.J.R. 2549(b), 34 N.J.R. 3839(a).

Deleted "or limited insurance representative" following "No insurance producer".

Amended by R.2005 d.237, effective July 18, 2005.

See: 37 N.J.R. 413(a), 37 N.J.R. 2691(c).

Inserted "or solicit the disclosure of" preceding "personal or privileged information".

11:17A-4.6 Delivery of policies

Policies, certificates, or other evidence of insurance which are received by an insurance producer from an insurer for delivery to an insured shall be delivered or mailed to the insured by the insurance producer within 10 calendar days of their receipt by the insurance producer, unless the insured agrees in writing that the insurance producer may retain them for a longer period of time. With respect to title insurance only, in all cases where the insurance producer prepares the policies of insurance, those policies shall be delivered to the insured or to the applicant within 30 days following the receipt by the insurance producer of the necessary proofs showing that all requirements or exceptions to title as set forth in the title commitment, and which customarily do not appear in the policy, have been satisfactorily disposed of.

Amended by R.1993 d.199, effective May 3, 1993.

See: 25 N.J.R. 446(a), 25 N.J.R. 1878(a).

Added special requirements for delivery of policies for title insurance.

Amended by R.2002 d.354, effective November 4, 2002.

See: 34 N.J.R. 2286(a), 34 N.J.R. 2549(b), 34 N.J.R. 3839(a).

Deleted references to limited insurance representative throughout.

Case Note

Insurance agent fined for failing to promptly deliver policy to insured. *Karpinski v. Darley*, 96 N.J.A.R.2d (INS) 67.

11:17A-4.7 Receipts for materials

An insurance producer who takes possession of an insured's or a potential insured's insurance policies, certificates, or other documents pertaining to existing or pending insurance, shall provide to the insured a written receipt for those materials at the time the insurance producer receives the materials. The receipt shall contain an itemized list of the materials received, the insurance producer's name and the address and telephone number of the agency or other place where the insurance producer can be contacted. The receipt shall be dated and signed by the insurance producer and the insured.

Amended by R.2002 d.354, effective November 4, 2002.

See: 34 N.J.R. 2286(a), 34 N.J.R. 2549(b), 34 N.J.R. 3839(a).

Deleted references to limited insurance representatives throughout.

11:17A-4.8 Replies to inquiries by Commissioner

An insurance producer shall reply, in writing, to any inquiry of the Department relative to the business of insurance within the time requested in said inquiry, or no later than 15 calendar days from the date the inquiry was made or mailed in cases where no response time is given.

Amended by R.2002 d.354, effective November 4, 2002.

See: 34 N.J.R. 2286(a), 34 N.J.R. 2549(b), 34 N.J.R. 3839(a).

Deleted "or limited insurance representatives" following "An insurance producer".

Case Notes

After defenses asserted by an individual and an entity that were licensed as insurance producers that were authorized to offer bail bonds were suppressed based on their failure to provide discovery and to appear at scheduled proceedings, ex parte proofs offered by the N.J. Dep't of Banking and Insurance contained sufficient credible evidence that the licensees had violated governing regulations including N.J.A.C. 11:17C-2.2(b), N.J.A.C. 11:17B-3.1(b), N.J.A.C. 11:17B-3.1(c), N.J.A.C. 11:17B-3.2, N.J.A.C. 11:17A-4.8 and N.J.A.C. 11:17-2.7(f), that fines were properly imposed, and that the Department was entitled to be reimbursed for costs of investigation and prosecution. *N.J. Dep't of Banking and Ins. v. Peduto et al*, OAL Dkt. No. BKI 4255-12, 2013 N.J. AGEN LEXIS 19, Initial Decision (January 11, 2013).

Respondent's insurance producer license was properly suspended and she was subject to an imposition of fine of \$1,500 as well as \$250 in costs after she submitted a check for payment of her license renewal fee that was dishonored by the bank for insufficient funds, in violation of N.J.A.C. 11:17D-2.4(a)(3), and then failed to reply to an inquiry request by the Department, in violation of this section. While imposition of the maximum penalties was inappropriate given the lack of bad faith, respondent's limited ability to pay, the small profit involved and the lack prior violations, respondent clearly failed in her statutory duty to respond to the Department's requests for information until the Order to Show Cause was issued (adopting, as modified, 2008 N.J. AGEN LEXIS 759). *Goldman v. Ransom*, OAL Dkt. No. BKI 12576-2007N, 2008 N.J. AGEN LEXIS 1047, Final Decision (October 28, 2008).

11:17A-4.9 Reporting of claims and estimated losses by producers

Claims and estimated losses thereon shall be reported to the insurer or designated claims representative by an insurance producer no later than five business days following his or her receipt of notice of claim, unless the insurance producer has contractual authority from the insurer to settle the claim.

Amended by R.2002 d.354, effective November 4, 2002.

See: 34 N.J.R. 2286(a), 34 N.J.R. 2549(b), 34 N.J.R. 3839(a).

Inserted "or designated claims representative" following "to the insurer", deleted "acting as a property-casualty insurance agent" preceding "no later" and inserted "or her" preceding "receipt of notice".

11:17A-4.10 Fiduciary capacity

An insurance producer acts in a fiduciary capacity in the conduct of his or her insurance business.

Case Notes

Respondents received insurance premium monies totaling \$911,420.00 on behalf of 13 insureds but failed to remit the premium monies and failed to secure the purchased insurance coverages, a violation of N.J.S.A. 17:22A-17a(1), (4), (5), and (20) and N.J.A.C. 11:17A-4.10, 11:17C-2.1(a) and 11:17C-2.2(a). *Comm'r of Banking & Ins. v. Garden*

State Brokers, OAL Dkt. No. BKI 3857-06, 2009 N.J. AGEN LEXIS 1210, Final Decision (December 1, 2009).

Partial Summary Decision (2006 N.J. AGEN LEXIS 552) adopted, which concluded that the president and partial owner of the insurance producer at issue was responsible for the conduct of the business of the company in accordance with N.J.A.C. 11:17A-4.10 and N.J.A.C. 11:17A-1.6(c), no matter who in the company may have actually failed to transmit premiums to insurers, return premiums to insureds, and obtain insurance coverage for its customers, in violation of N.J.A.C. 11:17C-2.2(a) and (b); by violating these insurance remittance laws of New Jersey, the licensee was also in violation of N.J.S.A. 17:22A-40(a)(2). *Bakke v. Prime Ins. Syndicate*, OAL Dkt. No. BKI 1168-05, 2006 N.J. AGEN LEXIS 509, Final Decision (May 8, 2006).

Adopting Initial Decision's conclusion that licensees failed to comply with fiduciary standards owed by insurance producers by engaging in a pattern of collecting insurance premiums from customers and issuing insurance identification cards and certificates of insurance for insurance policies that were not yet bound (adopting and modifying 2005 N.J. AGEN LEXIS 916). *Bakke v. AMF Insurance Services, Inc.*, OAL Dkt. No. BKI 85-05 (REMAND), Final Decision (March 13, 2006).

11:17A-4.11 Penalties

(a) The Commissioner shall impose penalties for violations of this subchapter in accordance with the provisions of N.J.S.A. 17:22A-26 et seq. and any other applicable law.

(b) For the purpose of determining the existence of a violation and assessing a penalty under this subchapter, a separate violation shall be deemed to exist, and a separate penalty therefor shall be assessed, for each violation of the provisions of this subchapter.

Amended by R.2002 d.354, effective November 4, 2002.

See: 34 N.J.R. 2286(a), 34 N.J.R. 2549(b), 34 N.J.R. 3839(a).

In (a), amended the N.J.S.A. reference.

11:17A-4.12 Severability

If any provision of this subchapter or the application thereof to any person or circumstance is held invalid, the remainder of the subchapter and the application of such provision to other persons or circumstances shall not be affected thereby.

for its processing, and upon request by the Department, submit proof of completion.

2. An applicant for a resident business entity license shall complete an electronic fingerprint scan through the vendor approved by the Department, pay the fees required for their processing, and upon request by the Department, submit proof of completion for each officer, director, partner and owner of 10 percent or more of the organization. Applicants who contemporaneously submit resident business entity and resident individual applications need not submit duplicates.

3. Upon request by the Department, a licensed producer or license applicant shall supply copies of any complaint, indictment, judgment of conviction or other related documents.

4. Failure to respond to any specific request or to submit documentation requested shall constitute grounds for denial of the license, or suspension or revocation of any current license.

5. Failure to indicate a criminal conviction on the application for an insurance producer's license shall constitute a material misrepresentation and subject a licensee to the penalties provided at N.J.S.A. 17:22A-40a and c and 17:22A-45.

6. All licensed insurance producers shall otherwise comply with the criminal and administrative action reporting requirements set forth at N.J.S.A. 17:22A-40a(18) and 17:22A-47.

(b) Upon request by the Department, a licensed producer or license applicant shall supply copies of any documentation pertaining to any bankruptcy involving funds held on behalf of others, assignment to creditors, insurance related debt or child support action. Failure to respond to any specific request or to submit documentation requested shall constitute grounds for denial of the license application or renewal of the license, or suspension or revocation of any current license.

(c) Licensed business entities shall notify the Department within 30 days of the addition or deletion of any licensed or unlicensed officer, director, partner or owner of 10 percent or more of the licensed organization. For resident business entities, notification of the addition of any unlicensed officer, director, partner or owner of 10 percent or more of the licensed business entity shall be accompanied by properly completed fingerprint forms together with the required fee. Licensed business entities shall retain evidence of notification for a period of five years or, until receipt of documentation from the Department verifying such change, if earlier.

(d) Departure, termination or deletion of licensee officers, directors or partners, which leaves a business entity insurance producer with no licensed officers, directors or partners or with officers, directors or partners who do not have like authorities as the business entity producer, shall make the business entity producer license inactive. Under these circum-

stances, the business entity license shall be returned immediately to the Commissioner.

Recodified from 11:17-2.11 and amended by R.1993 d.507, effective October 18, 1993.

See: 24 N.J.R. 3216(a), 25 N.J.R. 4744(b).

Amended by R.1998 d.233, effective May 18, 1998.

See: 30 N.J.R. 779(a), 30 N.J.R. 1833(a).

Recodified from N.J.A.C. 11:17-2.12 and amended by R.2002 d.354, effective November 4, 2002.

See: 34 N.J.R. 2286(a), 34 N.J.R. 2549(b), 34 N.J.R. 3839(a).

Rewrote the section. Former N.J.A.C. 11:17-2.11, Limited insurance representatives, repealed.

Amended by R.2006 d.429, effective December 18, 2006.

See: 38 N.J.R. 2378(a), 38 N.J.R. 5369(a).

Rewrote (a)1 and (a)2; in (a)5, inserted "and 17:22A-45"; added (a)6; in the introductory paragraph of (b), inserted "involving funds held on behalf of others"; and in (c), substituted "10" for "five" two times and "For resident business entities, notification" for "Notification".

11:17-2.12 Fees

(a) The following fees shall be payable as set forth in this chapter:

1. License fee, not limited line, for a biennial license issued or renewed on or after January 1, 2007: \$150.00;
2. License fee for limited line only, for a biennial license issued or renewed on or after January 1, 2007: \$75.00;
3. Filing or processing initial application, electronic online submission: \$20.00;
4. Filing or processing initial application, paper application: \$40.00;
5. Additional authority filing, electronic online submission: \$20.00;
6. Additional authority filing, paper application: \$40.00;
7. Reinstating terminated license before its stated expiration date, electronic online submission: \$20.00;
8. Reinstating terminated license before its stated expiration date, paper submission: \$40.00;
9. Any branch office registration: \$20.00;
10. License renewal processing fee for paper renewals: \$20.00;
11. Late renewal fee, not limited line: \$100.00;
12. Late renewal fee, limited line: \$50.00;
13. Producer company appointment or termination fee, electronic online submissions: \$25.00;
14. Producer company appointment or termination fee, paper submission: \$35.00; and
15. Producer company appointment renewal fee: \$25.00.

(b) All fees shall be paid by check or money order or electronic debit or credit card made payable to: State of New Jersey—General Treasury. All Department fees are non-refundable after the license effective date.

(c) Disabled veterans may be exempted from payment of the fees described in (a) above upon submission to the Department of a recent certificate of the United States Veterans Administration confirming a current service connected disability.

(d) Notwithstanding any action by the Department to the contrary, no license will be deemed issued or renewed if payment of the license fee is subsequently dishonored. In such cases, the Department will provide notice of the fact that funds were dishonored and the status of the application or license to the applicant.

Recodified from 11:17-2.12 and amended by R.1993 d.507, effective October 18, 1993.

See: 24 N.J.R. 3216(a), 25 N.J.R. 4744(b).

Recodified from N.J.A.C. 11:17-2.13 and amended by R.2002 d.354, effective November 4, 2002.

See: 34 N.J.R. 2286(a), 34 N.J.R. 2549(b), 34 N.J.R. 3839(a).

Rewrote (a); in (b), substituted "all" for "a" preceding "fees shall be paid" and inserted "or electronic debit or credit card" preceding "made payable". Former N.J.A.C. 11:17-2.12, Licensing information requirements, recodified to N.J.A.C. 11:17-2.11.

Amended by R.2003 d.441, effective November 3, 2003.

See: 35 N.J.R. 2159(a), 35 N.J.R. 5115(a).

Added (d).

Amended by R.2006 d.429, effective December 18, 2006.

See: 38 N.J.R. 2378(a), 38 N.J.R. 5369(a).

Rewrote (a).

Amended by R.2009 d.153, effective May 4, 2009.

See: 40 N.J.R. 6523(a), 41 N.J.R. 2014(c).

Deleted former (a)1; recodified former (a)2 as (a)1; deleted former (a)3; and recodified former (a)4 through (a)17 as (a)2 through (a)15.

11:17-2.13 Denial of license

(a) Whenever it appears from an application, renewal form, attached documents or Department records that an applicant has not demonstrated the qualifications prescribed in the Act and this chapter, the Department shall advise the applicant in writing that the license requested is denied; shall specify the reason for denial; and shall further advise the applicant of the right to request a hearing in accordance with the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1, and the procedure for doing so.

(b) Upon receipt of a request for a hearing on a license denial, the Department shall review the application and attachments, its records and any additional information submitted and determine whether the license may be issued. If after this review the Department determines that the applicant is not qualified, the Department shall find that the matter is a contested case and transmit it to the Office of Administrative Law for hearing.

(c) Nothing in this section shall prevent the return of an application to the applicant for correction of ministerial errors.

Recodified from 11:17-2.13 and amended by R.1993 d.507, effective October 18, 1993.

See: 24 N.J.R. 3216(a), 25 N.J.R. 4744(b).

Recodified from N.J.A.C. 11:17-2.14 and amended by R.2002 d.354, effective November 4, 2002.

See: 34 N.J.R. 2286(a), 34 N.J.R. 2549(b), 34 N.J.R. 3839(a).

In (a), inserted "renewals form," following "application" and substituted "or" for "and" preceding "Department records and amended the N.J.A.C. reference". Former N.J.A.C. 11:17-2.13, Fees, recodified to N.J.A.C. 11:17-2.12.

Amended by R.2006 d.429, effective December 18, 2006.

See: 38 N.J.R. 2378(a), 38 N.J.R. 5369(a).

In (a), substituted "renewal" for "renewals" and inserted commas following "et seq." and "N.J.A.C. 1:1".

Case Notes

Plea of guilty to indictment charging second degree felony of indecent sexual conduct precluded finding of good character necessary to license as insurance producer. *Anderson v. Karpinski*, 95 N.J.A.R.2d (INS) 61.

11:17-2.14 Surrender and cancellation of license; reinstatement after surrender

(a) A licensee may surrender a current producer license by returning the license document to the Department for cancellation at any time before expiration. The Department may refuse to accept a request for cancellation of a business entity license unless all current licensed officers or partners consent to the request.

(b) A producer license may be reinstated after surrender during the same license period by completing an application in accordance with the provisions of N.J.A.C. 11:17-2.3. No additional license fee for that period shall be required but the processing fee provided in N.J.A.C. 11:17-2.12 shall be paid.

(c) Submitting a license for cancellation or allowing a license to expire shall not void or terminate any disciplinary proceedings against the licensee, nor prevent imposition of any penalty, ordered restitution or costs.

(d) In the event a license is lost or destroyed, the licensee may request a duplicate by submitting a signed statement attesting to the loss.

(e) Nothing in these rules shall authorize any person whose license has been revoked, suspended, cancelled or surrendered to continue to transact insurance business after the date of revocation, suspension, cancellation or surrender.

Recodified from 11:17-2.14 and amended by R.1993 d.507, effective October 18, 1993.

See: 24 N.J.R. 3216(a), 25 N.J.R. 4744(b).

Recodified from N.J.A.C. 11:17-2.15 and amended by R.2002 d.354, effective November 4, 2002.

See: 34 N.J.R. 2286(a), 34 N.J.R. 2549(b), 34 N.J.R. 3839(a).

In (a), substituted "surrender" for "terminate" and "a business entity" for "an organization"; in (b) substituted "surrender" for "termination" and amended the N.J.A.C. reference; rewrote (e). Former N.J.A.C. 11:17-2.14, Denial of license, recodified to N.J.A.C. 11:17-2.13.

Amended by R.2006 d.429, effective December 18, 2006.

See: 38 N.J.R. 2378(a), 38 N.J.R. 5369(a).

In (d), substituted "signed" for "certified".

Case Notes

Fraudulently filed insurance claims justifies insurance producer's license revocation. *Randall v. Martini*, 97 N.J.A.R.2d (INS) 22.

Failure to supervise conduct of persons working under authority of agent's producer's license not excused by illness. *Commissioner of Insurance v. Holloway, Sr.*, 97 N.J.A.R.2d (INS) 6.

Resident insurance producer's license was revoked after he submitted false claim to insurance company. *New Jersey Department of Insurance v. Rosenblatt*, 96 N.J.A.R.2d (INS) 102.

Insurance producer's license was revoked because he failed to disclose that his real estate licenses had previously been revoked. *Karpinski v. Pepe*, 96 N.J.A.R.2d (INS) 97.

License of insurance producer was properly revoked upon proof of fraudulent misconduct, including issuing bad checks and forging insured's signature. *Fortunato v. Huertas*, 96 N.J.A.R.2d (INS) 34.

Insurance producer's conviction for issuing bad checks shows unfitness for licensure. *Karpinski v. McKishen*, 96 N.J.A.R.2d (INS) 20.

Prior theft convictions and numerous misrepresentations on application warranted denial of request for licensure as resident insurance producer. *Fortunato v. Thomas*, 95 N.J.A.R.2d (INS) 73.

Long course of conduct in issuing false premium and rating information and in wrongfully applying premium funds justified denial of application for licensure as an insurance producer. *Sirchio v. Fortunato*, 95 N.J.A.R.2d (INS) 68.

Misappropriation of funds that led to federal conviction justified revocation of license as an insurance broker. *Shipitofsky v. Karpinski*, 95 N.J.A.R.2d (INS) 67.

Resident insurance producer license revoked; penalties, restitution and costs; failure to remit collected funds to an insurer. *Samuel F. Fortunato v. Wallace W. Lee, t/a Universal Casualty Insurance Agency*, 94 N.J.A.R.2d (INS) 53.

Revocation of insurance producer's license was appropriate. *Karpinski v. Weiss*, 94 N.J.A.R.2d (INS) 43.

11:17-2.15 Licensee records

(a) The following licensee records shall be public records in accordance with N.J.S.A. 47:1A-1 et seq.:

1. Individual licensee: Name, license reference number, business name, business mailing and location address, business telephone and fax numbers, date of birth, license authorities, date first licensed, date of license examination, current license issue date, professional qualification, date last licensed or current license expiration date; names of companies for which notice of agency contracts have been filed, date of agency contract and date of termination of agency contract if any, and limits on authority if any; names and reference numbers of licensed organizations for which the producer serves as a licensed officer or partner, date became a licensed officer or partner and date terminated if any; names and reference numbers of employed or employing producers, date relationship began and terminated.

2. Licensed organization: Legal name of producer, license reference number, other business name if any, business mailing and location address; license authorities, date first licensed, date last licensed or current expiration date, names and reference numbers of licensed officers and partners; names and reference numbers of insurance companies for which notice of agency contracts have been filed, agency contract date and termination date if any, limits of authority if any; names and reference numbers of employed producers, date relationship began and terminated.

(b) The following licensee records are specifically determined to be nonpublic records in accordance with N.J.S.A. 47:1A-1 et seq.:

1. Criminal complaints, indictments, judgments of conviction and other separate documents submitted in connection with a license application concerning whether an applicant is disqualified by reason of conviction of a crime;
2. Criminal history records obtained as the result of any criminal history check;
3. Petitions or discharges in bankruptcy, complaints, orders or other pleadings in actions for assignment to creditors and other separate documents submitted in connection with a license application concerning whether the applicant is disqualified by reason of unworthiness;
4. Copies of orders of suspension or revocation issued by professional or occupational licensing authorities, and other separate documents submitted in connection with a license application concerning whether the applicant is disqualified by reason of unworthiness;
5. Records concerning the medical disability of any licensee;
6. Investigative files in any matter pending investigation, or in any completed investigation in which no formal disciplinary action was taken; and
7. Records identified in N.J.S.A. 17:22A-43.

(c) Upon request by any person, the Department shall issue a certification of the license status of any currently licensed producer or producer licensed within the preceding four years. Such certification shall contain the licensee's name, date of birth, license reference number, whether currently licensed or expired, kinds of insurance for which authorized whether qualified by examination or the equivalent, and whether any formal disciplinary action was taken during the last four years.

(d) Nothing in this section shall compel the Department to maintain licensee records beyond normal retirement or destruction schedules as approved by the Division of State Library, or to retrieve and provide a copy of any written record required to be filed with the Department when the information requested is available as a certified abstract of information contained in the Department's electronic data processing system.

Recodified from 11:17-2.15 R.1993 d.507, effective October 18, 1993.

See: 24 N.J.R. 3216(a), 25 N.J.R. 4744(b).

Amended by R.1998 d.233, effective May 18, 1998.

See: 30 N.J.R. 779(a), 30 N.J.R. 1833(a).

In (a)1, included business telephone and fax numbers, date of license examination, and current license issue date as public records.

Recodified from N.J.A.C. 11:17-2.16 and amended by R.2002 d.354, effective November 4, 2002.

See: 34 N.J.R. 2286(a), 34 N.J.R. 2549(b), 34 N.J.R. 3839(a).

Added (b)7. Former N.J.A.C. 11:17-2.15, Termination and cancellation of license; reinstatement after termination, recodified to N.J.A.C. 11:17-2.14.

11:17-2.16 Requests for disclosure of social security numbers

(a) The Department may request that licensed producers and license applicants submit their social security numbers to the Department. All such requests shall either include or be accompanied by a notice stating:

1. The purpose or purposes for which the Department intends to use the social security numbers;
2. That disclosure made pursuant to the request is either voluntary or mandatory; and
3. That the request is authorized by this section and by such other law as may be applicable.

New Rule, R.1996 d.183, effective April 1, 1996.

See: 28 N.J.R. 234(a), 28 N.J.R. 1891(a).

Amended by R.1997 d.187, effective May 5, 1997.

See: 29 N.J.R. 304(a), 29 N.J.R. 2178(a).

In (a), inserted reference to registered insurance representatives and registration applicants; in (a)2, inserted reference to mandatory disclosure; and in (a)3, inserted reference to other applicable law.

Recodified from N.J.A.C. 11:17-2.17 and amended by R.2002 d.354, effective November 4, 2002.

See: 34 N.J.R. 2286(a), 34 N.J.R. 2549(b), 34 N.J.R. 3839(a).

In (a), rewrote the introductory paragraph. Former N.J.A.C. 11:17-2.16, Licensee records, recodified to N.J.A.C. 11:17-2.15.

SUBCHAPTER 3. PROFESSIONAL QUALIFICATIONS**11:17-3.1 Approval of insurance education program**

(a) Persons and entities that establish programs that include teaching or offering insurance courses to satisfy professional qualification requirements for prelicensing or continuing education for producers or continuing education for public adjusters shall, prior to conducting such courses, be approved by the Department in accordance with this section.

(b) An application for approval of an insurance education provider shall be made on a form prescribed by the Commissioner and shall provide the following information:

1. The name of the insurance education provider and the address of the permanent program office;
2. The name and address of the sponsoring organization, if any;
3. The name, address, email address, and telephone number of the program director or directors, New Jersey producer license reference number(s), if any, and a signed statement from each insurance education director that he or she has read this subchapter, understands his or her responsibilities as an insurance education director, and that he or she is fully responsible for the activity of the insurance education program;
4. The names, addresses and telephone numbers of any authorized personnel;

5. Whether the insurance education provider will teach or offer producer prelicensing education courses, producer continuing education courses, public adjuster continuing education courses, or any combination of the three;

6. The address of any permanent classroom or classrooms to be used by the provider; and

7. Any other information that may be required by the Department to determine whether the provider and the insurance education program meets the requirements for approval.

(c) Insurance education providers seeking approval to teach courses of prelicensing education shall also provide:

1. The names of all instructors employed by the insurance education provider to teach prelicensing education courses and certify that the producers have completed the prelicensing program together with documentation confirming that each is qualified in accordance with N.J.A.C. 11:17-3.2(a)3;

2. The names of the courses, by license authority, which will be taught by the insurance education provider, if approved;

3. A copy of the enrollment application for the insurance education provider, the student contract, and any other agreement between the insurance education provider and student; and

4. Copies of the course curriculum and a detailed description of the methods that the provider will use to document that the student has satisfactorily completed the course content for each line of authority for which prelicensing education shall be offered.

(d) Each application for approval of an insurance education provider's program shall be certified as correct by the insurance education director or directors named in the application, and shall be accompanied by a fee of \$300.00. The application shall be submitted to the Department at least 90 days prior to the anticipated opening of the program.

(e) Applications for program approval shall be reviewed to determine compliance with the requirements prescribed in this subchapter. An applicant shall supply such additional information or documentation as may be required by the Department to determine whether such requirements are met.

1. An inspection of the provider's office and any permanent classroom facility may be conducted prior to approval or the approval may be granted conditioned upon the results of an inspection.

2. Upon approval of an application, the Department shall issue a certificate of approval which shall contain:

- i. The name and approval code number of the insurance education provider;