

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 former (e); recodified former (f) as (e) and rewrote the paragraph.

11:17D-2.6 Reinstatement after suspension of insurance producer license

(a) Upon completion of any period of suspension and upon the completion of all conditions contained in the order suspending an insurance producer's license, a former licensee may reapply for an insurance producer license by submitting a properly completed application as required by N.J.A.C. 11:17-2.3.

(b) The applicant shall submit with the application a copy of the order of suspension and an executed affidavit that states:

1. That the period of suspension has been completed;
2. That all required conditions for reinstatement as described in the order of suspension have been met;
3. That documents confirming that all conditions have been met, such as receipts for fines or restitution, satisfactions of judgement, etc. are attached to the affidavit; and
4. That the applicant has complied with all restrictions imposed by the order of suspension.

(c) If a resident producer, the applicant shall demonstrate compliance with the professional qualification provisions of N.J.S.A. 17:22A-32a(3) and (5).

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

In (c), substituted "If a resident producer, the" for "The" and amended the N.J.S.A. references.

11:17D-2.7 Reinstatement after revocation of insurance producer license

(a) A person whose license has been revoked may, after five years from the effective date of any order revoking an insurance producer license, apply for reinstatement of the license on the form of application used for initial insurance producer license applicants.

(b) The applicant shall demonstrate compliance with the professional qualification requirements of N.J.S.A. 17:22A-32a(3) and (5).

(c) The applicant shall include with the application an affidavit containing the following information concerning the applicant's activities since revocation:

1. An employment history;
2. A statement concerning the other business interests, if any, of the applicant;

3. The manner of disposition of the applicant insurance producer business upon revocation of his or her insurance producer license;

4. Whether restitution has been made as a result of the activities that led to revocation, including the names and addresses of the persons or entities to whom restitution was made and amounts of restitution made;

5. Whether the applicant currently holds any other business, professional or occupational licenses in this or any other state;

6. Whether the applicant, or any business in which he or she owns five percent or more, is or has been a party to any legal or administrative proceedings in this or any other state, and if so a statement concerning the nature of the proceedings, the parties and the result or current status; and

7. A written statement by the applicant describing the manner in which he or she has improved during the period of revocation his or her reputation, character, trustworthiness, competency and worthiness to be an insurance producer.

(d) If the revocation was based upon the conviction of a crime or if the applicant was convicted of a crime since revocation, a report from the applicant's chief probation officer must be submitted with the application for licensing.

(e) The Commissioner, or his or her designee, shall review the application to determine whether reinstatement is warranted. The review of the application may include further investigation or inquiry, may require the applicant to provide additional information, and may further include a conference with Department personnel.

(f) If the Department is satisfied that reinstatement is warranted, the Department shall issue the license. If the Department is not satisfied that reinstatement is warranted, the Department shall deny the license in accordance with the procedures described in N.J.A.C. 11:17D-2.3.

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

In (b), amended the N.J.S.A. references.

Case Notes

Pursuant to N.J.A.C. 11:17D-2.7, an individual whose producer license has been revoked may after a period of five years apply for reinstatement of the license; given the existence of this opportunity to seek re-entry into the profession after a five-year separation, the conclusion that revocation is the appropriate sanction in all cases where producer licensees are found to have personally committed insurance fraud, but for those in which truly extraordinary mitigating factors are present, is all the more inescapable. *Comm'r of Banking & Ins. v. Furman*, OAL Dkt. No. BKI 3891-06, 2007 N.J. AGEN LEXIS 994, Final Decision (September 17, 2007).

Where undisputed facts showed that licensee intentionally destroyed his clients' applications and premium payments, issued checks that were returned for insufficient funds, failed to remit premium payments, led his clients to believe that they had insurance coverage, commingled funds, failed to maintain a trust account, and failed to notify the Commissioner of his entry into a Letter of Consent with the NASD, licensee's low

standards of operation, recordkeeping, and total disregard for insurance producer standards of conduct demonstrated that licensee was unfit to hold an insurance producer's license; therefore, the Commissioner affirmed the ALJ's decision that licensee's insurance producer license should be revoked and concurred that N.J.A.C. 11:17D-2.7 et seq., which bars reinstatement of the license until five years after an order of revocation, should apply notwithstanding that the license had earlier lapsed from non-renewal. *Goldman v. Erwin*, OAL Dkt. No. BKI 4573-06, 2007 N.J. AGEN LEXIS 995, Final Decision (September 17, 2007).

Given the existence of N.J.A.C. 11:17D-2.7, which offers an opportunity for offenders to seek re-entry into the profession after a five-year separation, revocation is the appropriate sanction in all but the most extraordinary cases where producer licensees are found to have personally committed insurance fraud. *Bryan v. Malek*, OAL Dkt. No. BKI 4520-05 and BKI 4686-05, 2006 N.J. AGEN LEXIS 92, Final Decision (January 18, 2006).

Request for reinstatement of license as an insurance broker following a prior revocation was denied absent a showing of rehabilitation. *Hudson v. Karpinski*, 95 N.J.A.R.2d (INS) 4.

11:17D-2.8 Severability

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

Recodified from N.J.A.C. 11:17D-2.9 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).

Former N.J.A.C. 11:17D-2.8, Suspension or revocation of registration as a limited insurance representative, repealed.