

3. Upon request by the Department, licensees shall provide information concerning the volume of surplus lines business transacted.

(d) Licensed organizations shall notify the Department within 30 days of the addition or deletion of any licensed or unlicensed officer, director, partner or owner of five percent or more of the licensed organization. Notification of the addition of any unlicensed officer, director, partner or owner of five percent or more of the licensed organization shall be accompanied by a properly completed criminal history verification form and required fee.

(e) Departure, termination or deletion of licensee officers, directors or partners, which leaves an organization insurance producer with no licensed officers, directors or partners or with officers, directors or partners who do not have like authorities as the organization producer, shall make the organization producer license inactive. Under these circumstances, the organization 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).

11:17-2.13 Fees

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

1. License fee: \$300.00;
2. Filing or processing initial application: \$20.00;
3. Additional authority filing: \$20.00;
4. Reinstating terminated license before its stated expiration date: \$20.00;
5. Any branch office registration: \$20.00;
6. Filing or processing any Notice of Agency Contract: \$20.00;
7. Any limited insurance representative registration: \$20.00; and
8. Late renewal fee: \$50.00.

(b) All fees shall be paid by check or money order 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.

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).

11:17-2.14 Denial of license

(a) Whenever it appears from an application, attached documents and 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. 1:1-1 et seq. 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).

Case Notes

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

11:17-2.15 Termination and cancellation of license; reinstatement after termination

(a) A licensee may terminate 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 an organization license unless all current licensed officers or partners consent to the request.

(b) A producer license may be reinstated after termination 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. 11:17-2.13 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 certified statement attesting to the loss.

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

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).

Case Notes

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.

11:17-2.16 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, date of birth, license authorities, date first licensed, 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; and

6. Investigative files in any matter pending investigation, or in any completed investigation in which no formal disciplinary action was taken.

(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).

11:17-2.17 Requests for disclosure of social security numbers

(a) The Department may request that licensed producers, registered limited insurance representatives, license applicants and registration 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.

courses to satisfy professional qualification requirements for prelicensing or continuing education shall, prior to conducting such courses, obtain approval in accordance with this section.

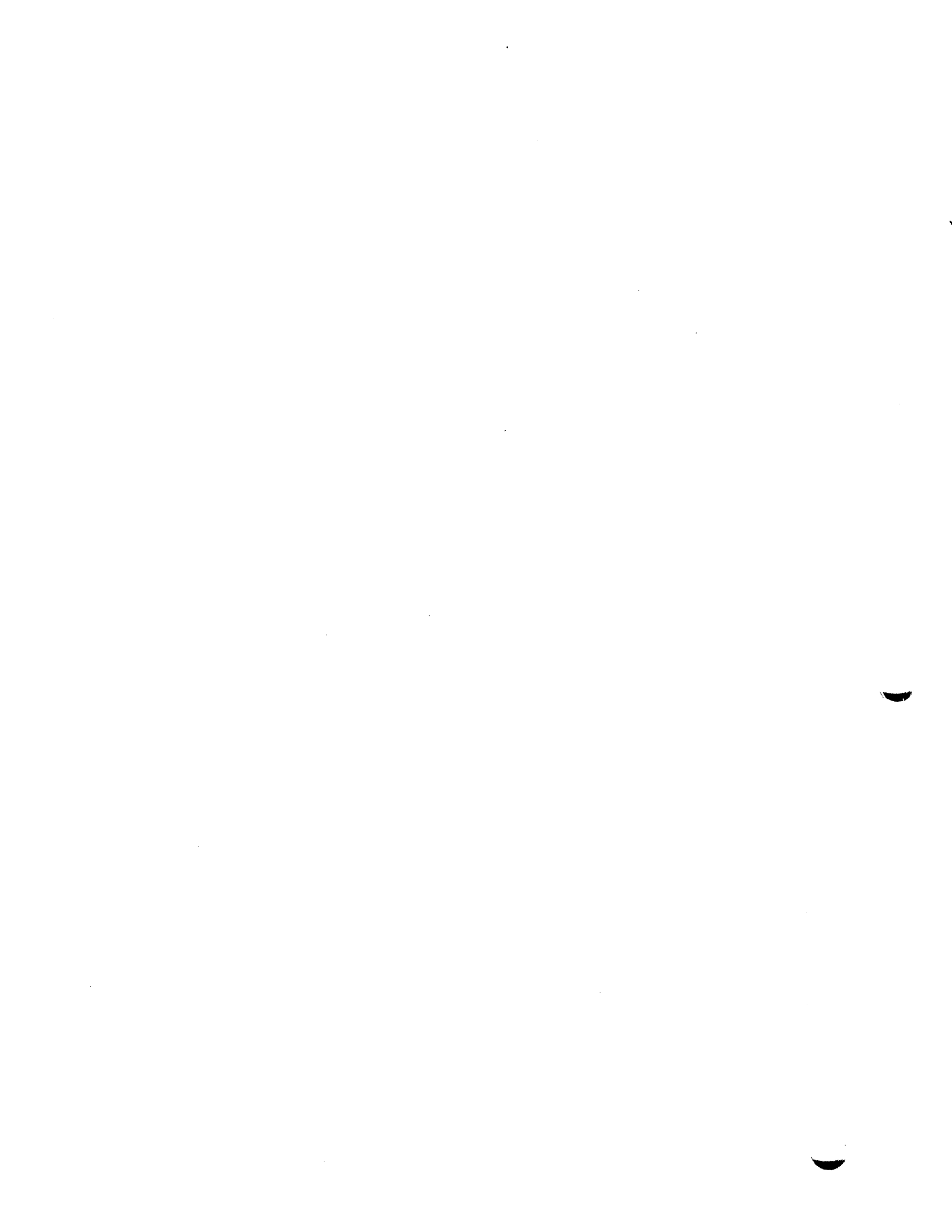
(b) An application for approval of an insurance education program shall be made on a form prescribed by the Commissioner and shall provide the following information:

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

SUBCHAPTER 3. PROFESSIONAL QUALIFICATIONS

11:17-3.1 Approval of insurance education program

(a) Professional schools, insurance companies and others who establish programs which include teaching of insurance



2. Each college level insurance course completed and passed at an accredited college, university or entity other than a college which has been evaluated and approved for college credit by the American Council on Education shall be worth four continuing education credits for each semester hour of college credit.

3. The number of continuing education credits certified shall be based upon the length of the course, course content and the level of difficulty. Each continuing education course submitted by an approved insurance education program may, depending upon the evaluation of the course content and whether the courses are offered independently or clustered with other courses, be worth the total number of credits computed in accordance with the following schedule.

- i. One credit for a half day three-hour course;
- ii. Two credits for a full day six-hour course;
- iii. Three credits for a two day 12-hour course;
- iv. Four credits for a course more than two days comprising 13 hours or more;
- v. Two additional credits for a basic level or introductory course; and
- vi. Four additional credits for an advanced course.

4. Each series of courses submitted as a single unit by an approved education program, and which are administered in connection with the issuance or annual maintenance of a professional designation approved in at least one-third of the states requiring continuing education as a condition of licensure, shall be worth up to 12 continuing education credits based upon the length of the courses and the level of difficulty of the subject matter. For example, annual maintenance of the certified insurance counselor designation shall, upon approval of the program, satisfy the continuing education requirements of this paragraph.

5. Courses offered to attain a professional designation or license will be worth no more than eight credits.

6. No approval will be granted for home study or correspondence courses except as provided in (g) below.

(d) The director of an approved insurance education program shall report the names and producer license reference number of those persons completing each continuing education course within 30 days of course completion or certification of continuing education credits, whichever is later. The instructor teaching the course may be deemed to have completed it for the purpose of securing continuing education credit. The report shall be made to the Department, or its designee, on a form prescribed by the Department, and shall include the following information:

1. The program name and school code;

2. The name and code number of the continuing education course and date completed; and

3. The number of continuing education credits as certified.

(e) Producers who request continuing education credit pursuant to (c)1 or 2 above, shall submit to the Department, on a form prescribed by the Department, the request together with a transcript or other documentation certifying completion of the course and college credits awarded.

(f) Attorneys who are licensed for title insurance only shall submit to the Department, at least six months but not more than one year prior to renewal, a certificate of good standing issued by the clerk of the Supreme Court of New Jersey accompanied by a completed form prescribed by the Department, which provides the attorney's name, producer reference number, date of birth, social security number and license expiration date.

(g) The Commissioner may grant credit for alternative courses, such as home study for handicapped or disabled persons, as defined by "The Americans with Disabilities Act," when classroom attendance is an impediment due to the person's disability. Evidence of such hardship in the form of a certification by a physician shall be submitted with any such request. The request shall describe how the person's disability is an impediment to classroom attendance. Individuals with disabilities shall contact the Supervisor of Insurance Education prior to alternative course enrollment at the Department of Insurance, CN 329, Trenton, New Jersey 08625.

(h) At least once each year, the Department, or its designee, shall issue to individual resident producers an accounting which shall identify and include:

1. The number of continuing education credits completed, the course or courses taken, and the school code where the credits were completed;
2. The total number of continuing education credits completed;
3. The total number of continuing education credits remaining to be completed; and
4. The license renewal date of the producer.

(i) If the accounting required by (h) above is considered by the resident producer to be inaccurate, he or she shall promptly request the director of the approved education program to file with the Department, or its designee, an appropriate supplemental report.

(j) At least four months prior to the renewal of license, the Department, or its designee, shall issue to individual resident producers a statement indicating, based on current records, whether the continuing education requirement for renewal has been met. In the event the producer asserts

that credit has not been recorded for a certified continuing education course, it shall be the sole responsibility of the producer to request the director of the approved program where the course was taken to file with the Department, or its designee, a supplemental report of continuing education credits.

Public Notice: operative date delayed until May 1, 1991.

See: 22 N.J.R. 662(b).

Amended by R.1991 d.218, effective April 15, 1991 (operative May 1, 1991).

See: 23 N.J.R. 287(a), 23 N.J.R. 1133(a).

Added "For example, annual maintenance of the certified insurance counselor designation shall, upon approval of the program, satisfy the continuing education requirements of this paragraph." to (c)4.

Amended by R.1994 d.438, effective September 6, 1994.

See: 26 N.J.R. 1289(a), 26 N.J.R. 3731(a).

11:17-3.5 Recognized professional designations

(a) The Department recognizes the following professional designations as acceptable substitutes for the producer education and examination requirements except continuing education:

1. For life and health authorities, a Chartered Life Underwriter (CLU) designation conferred by The American College of Life Underwriters;

2. For property/casualty, health and surplus lines authorities, a Chartered Property/Casualty Underwriter (CPCU) designation conferred by The American Institute of Property and Liability Underwriters.

(b) An applicant seeking to rely on a recognized professional designation to satisfy any education or examination requirements in accordance with (a) above, shall submit adequate proof of such achievement which shall include an official document or transcript issued by the organization conferring the designation.

SUBCHAPTER 4. (RESERVED)

SUBCHAPTER 5. TRANSITION RULES

11:17-5.1 Prelicensing education and examination

(a) Beginning on the effective date of the Act, no license shall be issued to any individual who has last passed the State licensing examination more than one year before the date of application. For purposes of this subsection, the date of application shall be deemed to be the date the application was received by the Department.

(b) Beginning on the effective date of the Act, no license shall be issued to any individual who has last completed the course of prelicensing education more than two years before the date of application.

(c) For purposes of this section, the date of application shall be deemed the date the application was received by the Department.

Recodified from 11:17-5.5 by R.1994 d.438, effective September 6, 1994.

See: 26 N.J.R. 1289(a), 26 N.J.R. 3731(a).

Prior text at 11:17-5.1, Effective dates, repealed.

11:17-5.2 Professional qualifications

No continuing education credits shall be accepted for courses completed prior to May 1, 1991.

New Rule: R.1989 d.192, effective April 3, 1989.

See: 20 N.J.R. 1152(a), 21 N.J.R. 899(b).

Recodified from 11:17-5.7 and amended by R.1994 d.438, effective September 6, 1994.

See: 26 N.J.R. 1289(a), 26 N.J.R. 3731(a).

Prior text at 11:17-5.2, Relicensing current licensees as producers, repealed.

Case Notes

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.

11:17-5.3 (Reserved)

Repealed by R.1994 d.438, effective September 6, 1994.

See: 26 N.J.R. 1289(a), 26 N.J.R. 3731(a).

Section was "Limited insurance representatives".

11:17-5.4 (Reserved)

Repealed by R.1994 d.438, effective September 6, 1994.

See: 26 N.J.R. 1289(a), 26 N.J.R. 3731(a).

Section was "Insurance consultants".

11:17-5.5 (Reserved)

Recodified as 11:17-5.1 by R.1994 d.438, effective September 6, 1994.

See: 26 N.J.R. 1289(a), 26 N.J.R. 3731(a).

11:17-5.6 (Reserved)

Repealed by R.1994 d.438, effective September 6, 1994.

See: 26 N.J.R. 1289(a), 26 N.J.R. 3731(a).

Section was "Effect of license revocation or suspension".

11:17-5.7 (Reserved)

Recodified as 11:17-5.2 by R.1994 d.438, effective September 6, 1994.

See: 26 N.J.R. 1289(a), 26 N.J.R. 3731(a).

SUBCHAPTER 6. MANAGING GENERAL AGENTS

Authority

N.J.S.A. 17:1-8.1, 17:1C-6(e) and P.L. 1993, c.237.

Source and Effective Date

R.1993 d.563, effective October 15, 1993.
See: 25 N.J.R. 4318(a), 25 N.J.R. 5229(c).