

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.2003 d.441, effective October 10, 2003.
See: 35 N.J.R. 2159(a), 35 N.J.R. 5115(a).

Chapter Expiration Date

Chapter 17, Producer Licensing, expires on October 10, 2008.

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).

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 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Subchapter 5, Transition rules, was repealed by R.2002 d.354, effective November 4, 2002.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: Source and Effective Date. See, also, section annotations.

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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.

“Branch office” means an office in New Jersey other than a principal office where a resident 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.

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

“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.

“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.

“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.