

1. Its current original license, marked to request the additional authority or authorities, dated, signed and certified to be correct by a licensed officer or partner who holds or has applied for that authority;

2. If a nonresident applicant, a recent certification issued by the licensing authority in the applicant's home state, evidencing that the applicant holds a currently valid license with comparable authority in that state;

3. If applying for surplus lines authority, a performance bond as required in accordance with N.J.A.C. 11:17-2.12(c); and

4. A valid check or money order for the processing fee described in N.J.A.C. 11:17-2.13.

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

11:17-2.7 Legal and business names; addresses

(a) No resident licensed producer shall conduct insurance business under a name other than its 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 legal name and the words "agency", "insurance agency", "brokerage" or words 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) Standards for approval of 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 any subdivision of such entities;

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 No business name shall contain the name of, or imply any affiliation with, a producer whose license has been revoked.

(d) An applicant may obtain prior Departmental approval of a proposed business name before the filing of the name with the Secretary of State, 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.

(e) The requirements for business addresses and notification of change of business mailing or location address and residence address are as follows:

1. All licensees shall provide the Department with a complete and current business mailing address, which shall include a street or location address. Individual licensees shall also provide the Department with a complete and current residence address.

2. All licensees shall provide the Department with written notification of any change of business mailing or location address and residence address within 20 days of the change and maintain a proof of notification for five years or until receipt of a new or renewed license or other documentation from the Department showing the new address.

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.

(f) 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 noting the change on its current original license and returning it to the Department for cancellation and reissuance of a new license containing the updated information. No fee shall be required for such changes. If the notice is to change a legal or business name, the request shall be accompanied by a copy of the document filed in the office of the Secretary of State, County Clerk or other authority evidencing that the change has been properly recorded.

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

11:17-2.8 Branch offices

(a) Licensees shall file with the Department a branch office registration form within 30 days before business is first conducted there. A branch office registration form shall be accompanied by the processing fee specified in N.J.A.C. 11:17-2.13. The appropriate registration form will be prescribed by the Department.

(b) Upon receipt of a properly completed branch office registration form and fee, the Department shall issue a branch office certificate. Branch office certificates shall expire contemporaneously with the producer's own license. The branch office certificate shall not authorize the transaction of business at any location other than that named.

(c) The licensee shall advise the Department in writing of the closing of any branch office within 20 calendar days of the closing by returning the branch office certificate for cancellation.

(d) A branch office shall be open to the public during such hours and days of the week as to provide the public reasonable access to the branch office. The branch office shall post the hours and days of operation in a manner reasonably calculated to inform the public.

(e) No branch office may be opened or operated unless at least one licensed individual insurance producer is permanently and exclusively assigned to that office and present or accessible during normal business hours except when engaged in the activities of the branch office elsewhere. The requirements of this section shall not preclude a branch office from remaining open to service accounts while the assigned producer is temporarily absent, and shall not permit unlicensed individuals to engage in any activities for which a license is required.

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

11:17-2.9 Business relationships

(a) The agency relationship between company and producer is subject to the following requirements:

1. An agency relationship between an insurance company and licensed producer is established by written contract executed by both parties. Both parties shall maintain copies of agency contracts and make them available for inspection by the Department upon request.

2. An insurance company contracting with a licensed insurance producer shall be responsible to advise the Department of that relationship by filing a notice within 15 days after execution of the contract, on a form prescribed by the Department containing the company's name and reference number; the producer's name and reference number; and the effective date of the contract. The form shall contain the name and title of the company official who signed and certified the notice. The notice shall be submitted with the fee set forth in N.J.A.C. 11:17-2.13.

3. Prior to executing any agency contract, the insurance company shall determine that the producer is properly licensed with authority for the kinds of insurance described in the contract. The insurance company shall not accept any business produced prior to a person's licensure nor shall an insurance company pay commissions to any person for any business produced prior to licensure. The company officer executing the notice shall certify that he or she examined the credentials of the producer and is satisfied that the producer is currently licensed with the authorities for one or more of the kinds of insurance for which the company is authorized.

4. Unless otherwise specified in the notice, filing a notice of agency contract shall be deemed to mean that the producer is that company's agent for all kinds or lines of insurance for which the company and producer are jointly authorized.

5. The agency contract shall be deemed to continue in effect until a notice of termination of that contract is filed by the insurance company with the Department on a form prescribed by the Commissioner.

6. The notice of termination filed shall specify the true reason for termination. If the reason is conduct by the producer that may constitute cause for disciplinary action against the producer, an additional copy of the notice of cancellation shall be mailed by the insurance company to the Department's Enforcement Division together with an outline of available documentation.

7. The insurer shall make a good faith attempt to collect from producers all company brochures, solicitation or other related materials subsequent to termination. This requirement shall not apply to underwriting guidelines and other materials required for use during the time the producer continues to service policies following termination, as provided by contract or pursuant to N.J.S.A. 17:22-6.14a1.

8. Notwithstanding the lack of any contract establishing an agency relationship, any insurer that delivers in this State to any insurance producer a contract of insurance pursuant to the application or request of such producer, acting for an insured other than himself, shall be deemed to have authorized such producer to receive on its behalf payment of any premium which is due on such contract at the time of its issuance or delivery or the payment of any installment of such premium or any additional premium which becomes due or payable thereafter on such contract, providing such payment is received by the producer within 90 days after the due date of the premium or installment or after the date of delivery of a statement by the insurer of such additional premium.

(b) The employment of another producer by a producer is subject to the following requirements:

1. Licensed producers may enter into employment contracts by which the employed producer (employee) conducts business under the supervision of and in the name of an employing producer (employer). The employment contract shall be in writing and shall specify that it does not include all license authorities of the parties, if such is the case. Both parties shall retain copies of the contract and shall make them available to the Department upon request.

2. An employer who has entered into such an employment contract shall notify the Department of the agreement by submitting a document signed by the employer, or licensed officer or partner if an organization, containing the employee's name, license reference number and the date of employment. The employer shall examine the credentials of the employee to determine that he or she is licensed to conduct the kinds of business described in the contract.

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.

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).