

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

Chapter 17, Producer Licensing, expires on April 8, 2014.

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Subchapter 5, Transition rules, was repealed by R.2002 d.354, effective November 4, 2002.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.

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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.

“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.njdoabi.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 pro-