

**CHAPTER 22****INSURANCE PREMIUM FINANCE COMPANY ACT****Authority**

N.J.S.A. 17:1-15e and 17:16D-7 and 8.

**Source and Effective Date**

R.2010 d.255, effective October 7, 2010.  
See: 42 N.J.R. 1274(a), 42 N.J.R. 2608(b).

**Chapter Expiration Date**

Chapter 22, Insurance Premium Finance Company Act, expires on October 7, 2015.

**Chapter Historical Note**

Chapter 22, Insurance Premium Finance Company Act, was filed on May 8, 1980 as Emergency New Rule, R.1980 d.203, effective May 9, 1980. See: 12 N.J.R. 302(c).

Pursuant to Executive Order No. 66(1978), Chapter 22, Insurance Premium Finance Company Act, was readopted as R.1984 d.194, effective May 21, 1984. See: 16 N.J.R. 298(a), 16 N.J.R. 1196(c).

Pursuant to Executive Order No. 66(1978), Chapter 22, Insurance Premium Finance Company Act, was readopted as R.1989 d.307, effective May 12, 1989. See: 21 N.J.R. 661(a), 21 N.J.R. 1516(a). Pursuant to Executive Order No. 66(1978), Chapter 22 expired on May 12, 1994.

Chapter 22, Insurance Premium Finance Company Act, was adopted as new rules by R.1994 d.562, effective November 7, 1994. See: 26 N.J.R. 2697(a), 26 N.J.R. 4348(a).

Pursuant to Executive Order No. 66(1978), Chapter 22, Insurance Premium Finance Company Act, was readopted as R.1999 d.418, effective November 4, 1999. See: 31 N.J.R. 2672(a), 31 N.J.R. 4001(a).

Chapter 22, Insurance Premium Finance Company Act, was readopted as R.2005 d.166, effective April 29, 2005. See: 36 N.J.R. 5191(a), 37 N.J.R. 2009(a).

Chapter 22, Insurance Premium Finance Company Act, was readopted as R.2010 d.255, effective October 7, 2010. See: Source and Effective Date. See, also, section annotations.

**CHAPTER TABLE OF CONTENTS****SUBCHAPTER 1. PREMIUM FINANCE AGREEMENT**

- 3:22-1.1 Definitions
- 3:22-1.2 Premium finance agreement
- 3:22-1.3 Annual report; penalty
- 3:22-1.4 through 3:22-1.5 (Reserved)

**SUBCHAPTER 1. PREMIUM FINANCE AGREEMENT****3:22-1.1 Definitions**

The following words and terms, when used in this subchapter, shall have the following meanings unless the context clearly indicates otherwise:

“Personal lines policies” means policies as defined by N.J.A.C. 11:13-1.2.

“Commercial policies” means policies subject to the Commercial Insurance Deregulation Act of 1982, N.J.S.A. 17:29AA-1 et seq. and N.J.A.C. 11:13-1.1.

New Rule, R.2005 d.166, effective June 6, 2005.

See: 36 N.J.R. 5191(a), 37 N.J.R. 2009(a).

Former N.J.A.C. 3:22-1.1, Premium finance agreement, recodified to N.J.A.C. 3:22-1.2.

**3:22-1.2 Premium finance agreement**

(a) There shall be disclosure in each premium finance agreement of the key elements prior to the signature of the insured in accordance with the requirements set forth in N.J.S.A. 17:16D-9 and (c) below.

(b) A continuous payment agreement which authorizes renewable or continuing arrangements is prohibited.

(c) Companies shall utilize separately signed premium finance agreements for each personal lines policy, renewal, addition or change on which the premium is to be financed. With respect to the premiums on commercial policies, companies may utilize either separately signed agreements, or one premium finance agreement covering multiple commercial policies, renewals, additions or changes where the commercial policies to which the single premium financing agreement pertains are issued through the same producer. Regardless of whether they finance one or multiple policies, all premium finance agreements shall disclose current conditions and provisions applicable to each loan.

(d) This rule shall apply to insurance premium finance companies doing business or authorized to do business in the State of New Jersey.

Repeal and recodification, R.1984 d.346, effective August 20, 1984.

See: 15 N.J.R. 1707(a), 16 N.J.R. 2264(a), 17 N.J.R. 990(a).

Repealed sections 1.1, 1.2 and 1.3 and recodified old 1.4 as new 1.1. Old 1.1 was “Maximum finance charge rate permissible.”

Amended by R.1989 d.307, effective June 5, 1989.

See: 21 N.J.R. 661(a), 21 N.J.R. 1516(a).

In (b), (c) and (d): Corrections and stylistic changes.

Amended by R.2004 d.389, effective October 18, 2004.

See: 36 N.J.R. 1154(a), 36 N.J.R. 4813(a).

In (a), substituted “shall” for “must”, “each” for “the”, “finance” for “financing” and inserted “and (c) below” following the N.J.S.A. reference; rewrote (c).

Recodified from N.J.A.C. 3:22-1.1 by R.2005 d.166, effective June 6, 2005.

See: 36 N.J.R. 5191(a), 37 N.J.R. 2009(a).

Former N.J.A.C. 3:22-1.2, Annual report; fee, recodified to N.J.A.C. 3:22-1.3.

**3:22-1.3 Annual report; penalty**

Each insurance premium finance company licensee shall file an annual report as mandated by N.J.S.A. 17:16D-7. In accordance with N.J.A.C. 3:1-7.6, the Department may assess a penalty against any licensee for each report the licensee files late.

New Rule, R.1995 d.655, effective December 18, 1995.

See: 27 N.J.R. 3655(a), 27 N.J.R. 5011(a).

Recodified from N.J.A.C. 3:22-1.2 by R.2005 d.166, effective June 6, 2005.

See: 36 N.J.R. 5191(a), 37 N.J.R. 2009(a).

Former N.J.A.C. 3:22-1.3, Reserved, recodified to N.J.A.C. 3:22-1.4.

Amended by R.2006 d.235, effective June 19, 2006.

See: 38 N.J.R. 10(a), 38 N.J.R. 2674(a).

Substituted "In accordance with N.J.A.C. 3:1-7.6, the" for "The licensee shall remit a fee of \$100.00 for each such report filed. The" and deleted "\$50.00" preceding "penalty".

Amended by R.2007 d.306, effective October 1, 2007.

See: 39 N.J.R. 2299(a), 39 N.J.R. 4111(a).

Deleted ", on or before February 1," following "file".

Amended by R.2010 d.255, effective November 1, 2010.

See: 42 N.J.R. 1274(a), 42 N.J.R. 2608(b).

Section was "Annual report; fee". Substituted "may" for the second occurrence of "shall".

### 3:22-1.4 (Reserved)

Repealed by R.1984 d.346, effective August 20, 1984.

See: 15 N.J.R. 1707(a), 16 N.J.R. 2264(a), 17 N.J.R. 990(a).

Was "Term of regulation."

Recodified from N.J.A.C. 3:22-1.3 by R.2005 d.166, effective June 6, 2005.

See: 36 N.J.R. 5191(a), 37 N.J.R. 2009(a).

Former N.J.A.C. 3:22-1.4, Reserved, recodified to N.J.A.C. 3:22-1.5.

### 3:22-1.5 (Reserved)

New Rule, R.1984 d.194, effective May 21, 1984.

See: 16 N.J.R. 298(a), 16 N.J.R. 1196(c).

Amended by R.1984 d.346, effective August 20, 1984.

See: 15 N.J.R. 1707(a), 16 N.J.R. 2264(a), 17 N.J.R. 990(a).

Recodified old 1.4 as new 1.1.

Recodified from N.J.A.C. 3:22-1.4 by R.2005 d.166, effective June 6, 2005.

See: 36 N.J.R. 5191(a), 37 N.J.R. 2009(a).