

**INSURANCE
DEPARTMENT OF BANKING AND INSURANCE
DIVISION OF INSURANCE**

**Insurance Producer Standards of Conduct: Management of Funds
Trust Account**

Adopted Amendment: N.J.A.C. 11:17C-2.3

Proposed: August 4, 2003 at 35 N.J.R. 3549(a)

Adopted March 4, 2004 by Holly C. Bakke, Commissioner, Department of Banking and Insurance.

Filed: March 4, 2003 as R. 2004 c. 127, **without change.**

Authority: N.J.S.A. 17:1-8.1 and 15(e); and 17:22A-48

Effective Date: April 5, 2004

Expiration Date: December 30, 2004

Summary of Public Comments and Agency Responses:

The Department of Banking and Insurance received three timely comments from three insurance trade organizations: New Jersey Auto Agents Alliance, Professional Insurance Agents of New Jersey and Independent Insurance Agents of New Jersey.

Comment: One comment strongly supported the proposed regulation and stated that the proposal will be of tremendous benefit to New Jersey producers. The comment further stated that the proposed adoption would allow producers headquartered elsewhere to retain existing banking relationships when expanding into New Jersey. Another comment offered support stating that the proposal would allow New Jersey producers to establish and maintain their trust accounts in out-of-state financial

institutions providing producers with more options and flexibility. The last comment stated that the proposal would not have any immediate impact on the majority of insurance producers domiciled in New Jersey. The commenter professed a belief that the option to use a financial institution located outside the State is a good one and may prove useful as our economy continues to evolve.

Response: The Department thanks all the commenters for their support of the proposal.

Federal Standards Statement

A Federal standards analysis is not required because the adopted amendment is not subject to any Federal standards or requirements.

Full text of adoption follows:

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