

**INSURANCE**

**DEPARTMENT OF BANKING AND INSURANCE**

**DIVISION OF INSURANCE**

**Producer Licensing**

**Sale of Limited Lines Insurance Business by Licensed Limited Lines Insurance Producers**

**Proposed Amendments: N.J.A.C. 11:17-1.2 and 2 and 11:17A-1.2**

**Proposed New Rule: N.J.A.C. 11:17-2.4**

Authorized By: Kenneth E. Kobylowski, Commissioner, Department of Banking and Insurance.

Authority: N.J.S.A. 17:1-8.1, 14, and 15.e; and 17:22A-49 to 57.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2014-124.

Submit comments by September 19, 2014, to:

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The agency proposal follows:

**Summary**

The Department is proposing amendments and new rules to N.J.A.C. 11:17-1.2 and 2 and 11:17A-1.2, which govern the sale of limited lines insurance business by licensed limited lines insurance producers pursuant to the New Jersey Insurance Producer Licensing Act of 2001, (“the Producer Act”), N.J.S.A. 17:22A-26 et seq., as supplemented by P.L. 2012, c. 56, N.J.S.A. 17:22A-49 to 57, which governs the sale of portable electronics insurance.

The Department has determined that it is reasonable and appropriate to revise existing rules to permit the sale of portable electronics insurance as a limited line insurance product and to propose new rule N.J.A.C. 11:17-2.4 to implement N.J.S.A. 17:22A-49 to 57, as well as to propose amendments to other rules on the sale of limited lines insurance products as summarized below.

The Department proposes to add definitions to N.J.A.C. 11:17-1.2 for legal expense insurance, limited lines pet insurance producer, limited lines travel insurance producer, pet insurance, portable electronics, portable electronics insurance, portable electronics vendor, and travel retailer. The Department proposes to delete the definition of ticket insurance from N.J.A.C. 11:17-1.2 as the term is being replaced with the amended definition of travel insurance and the new defined term “travel retailer.” The Department also proposes to amend the definition of “travel insurance” to conform it to the recent revisions to the Uniform Licensing Standards (ULS) of the National Association of Insurance Commissioners (NAIC) made upon recommendation of the travel insurance industry to properly reflect the nature and purpose of this product. The Department also proposes to establish limited lines travel insurance as a product that can be offered by employees and authorized representatives of a travel insurance producer via travel retailers (that is, the travel agencies), without those individuals needing to be licensed as a limited lines travel insurance producer only if they are registered with and working under the

oversight of the travel producer and have received the training required as part of the NAIC's ULS.

Similarly, the Department proposes to amend the list of limited lines coverages at N.J.A.C. 11:17-2.2(a)9iv to delete "ticket insurance" and add pet insurance. Currently, in order for licensees to sell pet insurance, they must have a property/casualty producer license and fulfill the education, testing, and continuing education requirements applicable to the holders of that license. However, pet insurance products are offered by pet stores, veterinarian offices, pet training facilities, and other similar establishments, and are incidental to the services offered by such businesses. The knowledge and training needed to offer the product is unrelated to typical property and casualty insurance products and, as such, qualifies pet insurance as a limited line. In addition, the revised ULS delineates pet insurance as a limited line and establishes the business entity licensing approach that the Department is utilizing in these proposed amendments and new rule. The Department also proposes to amend the term "legal insurance" in N.J.A.C. 11:17-2.2(a)9vii to "legal expense insurance," and to define the new term in N.J.A.C. 11:17-1.2(b) in accordance with the ULS. Legal expense insurance, group mortgage cancellation, and self-storage personal property insurance will have the same requirements as pet insurance, which allows for only business entity licensing as long as individuals are not receiving commissions for the sale of such products. If individuals are receiving commissions, they must be individually licensed.

The Department has determined that amendments to the rules on the two remaining limited lines products, bail bonds and credit insurance, are not necessary. The ULS does not include either of these lines in its recommendations for streamlining certain limited lines licensure requirements.

The Department also proposes to delete the renewal deadline date of January 1, 2007, for insurance producer licenses at N.J.A.C. 11:17-2.1(a) and to extend the May 31 license renewal date from an annual to a biennial requirement.

The Department also proposes to amend proposed N.J.A.C. 11:17-2.1(a)1, current paragraph (b)1, deleting the reference to “licenses that were previously in effect and are initially renewed on or after January 1, 2007” concerning the first term of licenses initially issued, and retaining the language that such licenses “shall expire on May 31 of the first year that will result in the term of the license being at least 18 months.”

The Department also proposes to amend proposed N.J.A.C. 11:17-2.1(a)2, current paragraph (b)2, by deleting the phrase: “Commencing on the first license expiration on the last day of the birth month of an individual producer as set forth in (b)1 above” and retaining a less complicated expiration date: “All such licenses shall thereafter expire biennially on the last day of the birth month of the individual producer that is two years subsequent to the preceding expiration date.”

The Department further proposes to amend proposed N.J.A.C. 11:17-2.1(b)1, current paragraph (c)1, by deleting the reference to renewals on or after January 1, 2007, and retaining the following: “The first term of licenses initially issued shall expire on May 31 of the first year that will result in the term of the license being at least 18 months.”

The Department further proposes to amend proposed N.J.A.C. 11:17-2.1(b)2, current paragraph (c)2, by deleting the reference to the first license expiration on a May 31 date and retaining the following: “All such licenses shall thereafter expire biennially on the second May 31 date that is two years subsequent to the preceding expiration date.”

The Department further proposes to amend N.J.A.C. 11:17-2.2(a)9 as follows: add as new subparagraph (a)9viii, portable electronic insurance; and in proposed subparagraph (a)9x, current subparagraph (a)9ix, change “Special nonresident limited lines” to “other nonresident limited lines,” to include all limited line authorities not referenced in proposed subparagraphs (a)9i through ix.

Certain amendments are proposed to N.J.A.C. 11:17-2.3(a) and (b) governing the application filing requirements for initial producer licenses. N.J.A.C. 11:17-2.3(a)5 currently requires submission of criminal history requests and fingerprint forms for initial applicants for individual producer licenses. In this proposal, its application is being limited to only producers seeking major lines or bail bonds authorities. This paragraph will no longer apply to limited lines producers (other than bail bonds) that sell the lines listed in N.J.A.C. 11:17-2.2(a)9ii through x as proposed for amendment herein. Similarly, the application of N.J.A.C. 11:17-2.3(b)4, which requires the submission of electronic fingerprinting for each officer, director, partner, or owner of 10 percent or more of a resident business entity producer, is being limited to only those business entities requesting major lines (excluding limited lines of authority) or bail bonds authorities.

The Department is proposing a new rule at N.J.A.C. 11:17-2.4 governing the licensure of certain limited lines producers. New N.J.A.C. 11:17-2.4(a) provides that licensure of portable electronics insurance vendors as limited lines producers for portable electronics insurance shall permit that licensee and its employees or authorized representatives to engage in those activities permitted by such license. The new rule requires that the insurer issuing the portable electronics insurance shall either directly supervise, or appoint a supervising

entity to supervise the administration of the insurance program, including training, which is subject to review by the Department in accordance with N.J.S.A. 17:22A-51.

Proposed new N.J.A.C. 11:17-2.4(b) provides that a limited lines travel insurance producer may authorize a registered travel retailer and its registered employees and authorized representatives to offer travel insurance on behalf of and under the direction of the licensed travel insurance producer. This subsection also outlines the information required to be included in the registration of such entities and individuals. It also provides that the travel insurance producer will require the travel retailer's employees to receive a program of instruction subject to review by the Department, that all marketing materials given to consumers clearly identify the licensed limited lines travel insurance producer, and that the producer is responsible for the insurance-related conduct of all travel retailers registered with the licensee.

Proposed rule N.J.A.C. 11:17-2.4(c) specifies persons who are exempt from licensure as producers with regard to other limited lines of insurance, subject to certain requirements. It provides that an employee or authorized representative of a licensed limited lines insurance producer business entity that offers and disseminates limited line pet, car rental, group mortgage cancellation, self-storage personal property, or legal expense insurance on behalf of and under the direction of the licensed business entity is not required to be licensed as a limited lines insurance producer, provided that the employee or authorized representative receives a program of instruction or training subject to review by the Department prior to receiving permission to offer the limited line insurance product and the person does not receive a commission or compensation that is dependent on the placement of the limited line insurance product.

Current N.J.A.C. 11:17-2.4 through 2.16 are proposed to be recodified as N.J.A.C. 11:17-2.5 through 2.17.

The Department proposes to delete references in recodified N.J.A.C. 11:17-2.13(a)1 and 2 to renewed licenses issued on or after January 1, 2007.

Recodified N.J.A.C. 11:17-2.13(c) currently waives payment of licensing fees for disabled veterans who submit a recent certificate of confirmation of a current service-connected disability from the United States Veterans Administration (VA) to the Department. The Department proposes to amend this submission requirement to provide for the acceptance of such certificate or of a statement from the VA.

N.J.A.C. 11:17A-1.2, Definitions, currently defines the term “clerical duties” to include, at paragraph 19, the provision, receipt, and/or recording of information from an applicant for travel or car rental insurance. The Department is proposing to amend the paragraph to add references to the following additional limited lines: pet, group mortgage cancellation, self-storage personal property, legal expense, and portable electronics insurance products. The definition currently applies to unlicensed employees of insurers and licensed producers. It is also being amended to refer to authorized representatives of producer licensees and of travel agencies selling travel insurance that are registered with an insurance producer licensee.

A 60-day comment period is provided for the notice of proposal, and, therefore, pursuant to N.J.A.C. 1:30-3.3(a)5, the proposal is not subject to the provisions of N.J.A.C. 1:30-3.1 and 3.2 governing rulemaking calendars.

### **Social Impact**

The proposed amendments and new rule refine the definitions of limited lines insurance and provide for the licensing only of business entities for certain limited lines insurance products. The amendments and new rule will have a beneficial social impact in that compliance by insurers and producers will ensure that sales of travel insurance and portable electronic device insurance products, as well as other limited lines insurance products, are made in accordance with the State's producer licensing laws.

### **Economic Impact**

The proposed amendments and new rule will have a favorable economic impact upon insurance companies and producers transacting limited lines business in the State. The cost for obtaining and renewing a limited lines insurance business entity producer license for the new portable electronics limited line will be the same amount as for all other limited line producer licenses. Consequently, the amendments and new rule will not significantly impact the cost of purchasing the insurance products. Consumers will benefit from the ease in obtaining limited lines insurance products at the points of sale in the State through the application of these rules.

### **Federal Standards Statement**

Executive Order No. 27 (1994) and P.L. 1995, c. 65 require State agencies that adopt, readopt, or amend State regulations that exceed any Federal standards or requirements to include in the rulemaking document a comparison with Federal law. A Federal standards analysis is not required in this instance because there are no Federal standards or requirements applicable to the proposed amendments and new rule.

### **Jobs Impact**



The Department does not believe that these amendments and new rule will cause any jobs to be generated or lost. The Department invites interested parties to submit any data or studies concerning the jobs impact of these amendments and new rule together with their written comments on other aspects of the amendments and new rule.

### **Agriculture Industry Impact**

The Department does not expect any impact upon the State agriculture industry by these proposed amendments and new rule.

### **Regulatory Flexibility Analysis**

There are no provisions in the proposed amendments and new rule that are excessively onerous to “small businesses” as that term is defined in N.J.S.A. 52:14B-17. The amendments will impose no new reporting or recordkeeping requirements. No professional services beyond those currently retained or utilized in-house by insurers and producers should be needed in order to comply with the proposed amendments and new rule. The amendments and new rule have no differing standards for small businesses because the limited lines products which are the subject of these amendments and new rule may be offered by any insurer or producer regardless of the size of their business. In addition, the quantity of Departmental resources required to be expended to review limited lines insurance producer license applications is not determined by the size of the insurer or the business entity.

### **Housing Affordability Impact Analysis**

The proposed amendments and new rule will not have an impact on housing affordability because the proposed amendments and new rule address limited lines insurance and insurance producer licensing.

### **Smart Growth Development Impact Analysis**

The Department believes that there is an extreme unlikelihood that the proposed amendments and new rule would evoke a change in the housing production in Planning Areas 1 and 2, or within the designated centers, under the State Development and Redevelopment Plan in New Jersey because the proposed amendments and new rule address the sale of limited lines insurance including portable electronics device insurance by licensed business entities.

**Full text** of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

#### 11:17-1.2 Definitions

(a) (No change.)

(b) The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

...

**“Legal expense insurance” means a contractual obligation to provide specific legal services, or to reimburse for specific legal expenses, in consideration of a specified payment for an interval of time, regardless of whether the payment is made by the beneficiaries individually or by a third person for them, but does not include the provision of, or**

reimbursement for, legal services incidental to other insurance coverages, or consultation or advice in connection with, or a part of referral services. Legal expenses insurance does not include a retainer agreement directly between the lawyer and the client, where no third party is at risk.

**“Limited lines pet insurance producer”** means an insurer designee, such as a managing general underwriter, managing general agent, or limited lines producer of pet insurance.

**“Limited lines travel insurance producer”** means an insurer designee, such as a managing general underwriter, managing general agent, or an individual or travel insurance business entity licensed as a limited lines producer of travel insurance.

...

**“Pet insurance”** means health insurance coverage including, but not limited to, coverage for injury, illness, and wellness, for pets such as birds, cats, dogs, and rabbits.

**“Portable electronics”** means electronic devices that are portable in nature, and accessories and services related to the use of the devices.

**“Portable electronics insurance”** means insurance providing coverage for the repair or replacement of portable electronics that may provide coverage for portable electronics against any one or more of the following causes of loss: loss; theft; inoperability due to mechanical failure; malfunction; damage; or other similar causes of loss. Portable electronics insurance shall not include:

1. A service contract or extended warranty providing coverage limited to the repair, replacement, or maintenance of property for the operational or structural failure of

**property due to a defect in materials, workmanship, accidental damage from handling, power surges, or normal wear and tear;**

**2. A policy of insurance covering a seller's or a manufacturer's obligations under a warranty; or**

**3. A homeowner's, renter's, private passenger automobile, commercial multi-peril, or similar policy of insurance.**

**“Portable electronics vendor” means a person engaged, directly or indirectly, in the business of portable electronic transactions.**

...

[“Ticket insurance” means the insurance coverage sold covering only the risk of travel sold by a travel agent or an agent of any railroad company, steamship company, airline company, car rental company or bus company.]

“Travel insurance” means insurance coverage for [trip cancellation, trip interruption, baggage, life, sickness and accident, disability, and personal effects when limited to a specific trip and sold in connection with transportation provided by a common carrier.] **personal risks incident to planned travel, including, but not limited to:**

- 1. Interruption or cancellation of trip or event;**
- 2. Loss of baggage or personal effects;**
- 3. Damages to accommodations or rental vehicles; and**
- 4. Sickness, accident, disability, or death occurring during travel.**

**Travel insurance does not include major medical plans, which provide comprehensive medical protection for travelers with trips lasting six months or longer, including, for example, those working overseas as an expatriate or military personnel being deployed.**

**“Travel retailer” means a business entity that offers and disseminates travel insurance on behalf and under the direction of a limited lines travel insurance producer.**

(c) (No change.)

## SUBCHAPTER 2. LICENSING RULES

### 11:17-2.1 Term of license

[(a) For licenses issued or renewed prior to January 1, 2007, the standard term of an insurance producer license shall be 16 licensing quarters. Licensing quarters shall begin on the first day of February, May, August and November of each year. Licenses shall expire in the fourth year on the last day of the quarter before the quarter in which the license was effective.]

[(b)] **(a)** The terms of individual producer licenses are established as set forth below.

1. The first term of licenses that are initially issued[, or of licenses that were previously in effect and are initially renewed on or after January 1, 2007] shall expire on the last day of the birth month of the producer in the year that will result in the term of the license being at least 18 months.

2. [Commencing on the first license expiration on the last day of the birth month of an individual producer as set forth in (b)1 above, all] **All** such licenses shall thereafter expire biennially on the last day of the birth month of the individual producer that is two years subsequent to the preceding expiration date.

3. (No change.)

[(c)] **(b)** The terms of business entity producer licenses are established as set forth below.

1. The first term of licenses initially issued[, or of licenses that were previously in effect and are initially renewed on or after January 1, 2007] shall expire on May 31 of the first year that will result in the term of the license being at least 18 months.

2. [Commencing on the first license expiration on a May 31 date as set forth in (c)1 above, all] **All** such licenses shall thereafter expire biennially on the second May 31 date that is two years subsequent to the preceding expiration date.

3. (No change.)

[(d)] **(c)** An insurance producer license shall remain in effect unless revoked or suspended as long as the renewal fee set forth in N.J.A.C. 11:17-[2.12]**2.13** is timely paid and, in the case of resident individual insurance producers, education requirements are timely satisfied.

[(e)] **(d)** An initial license shall be deemed effective as of the date of issuance of any temporary authority issued pursuant to N.J.A.C. 11:17-[2.4(a)]**2.5(a)** if the application for licensure and applicable fees are received by the Department prior to expiration of the temporary authority.

#### 11:17-2.2 License authorities

(a) Producers licensed in accordance with the Act and this chapter shall be authorized to write the kinds of insurance designated, if qualified by each authority set forth below.

1. - 8. (No change.)

9. Limited lines Authority includes:

- i. (No change.)
- ii. Car rental insurance[, for licenses issued or renewed effective on or after January 1, 2007];
- iii. (No change.)
- iv. [Ticket insurance, for licenses issued or renewed prior to January 1, 2007] **Pet insurance**;
- v. Travel insurance[, for licenses issued or renewed effective on or after January 1, 2007];
- vi. (No change.)
- vii. Legal **expense** insurance;
- viii. Portable electronics insurance**;
- [viii.] **ix.** (No change in text.)

[ix]x. [Special] **Other** nonresident limited lines. This authority shall be limited to those **limited line** authorities [for] **in** which the applicant is licensed in his or her home state and for which there is no corresponding authority in this State.

(b) – (c) (No change.)

#### 11:17-2.3 Application filing requirements for initial licenses

(a) Requirements for a first time applicant for an individual license are as follows:

- 1. – 4. (No change.)
- 5. If a resident **and applying for major lines of authority (excluding limited lines of authority) or bail bonds authority**, properly completed criminal history requests and fingerprint forms in a format prescribed by the Department, which shall include electronic fingerprinting; and

6. Payment of the fees required in accordance with N.J.A.C. 11:17-[2.12]**2.13**.

(b) A first time applicant for a business entity license shall submit the following:

1. A properly completed application in a form, including electronic online submissions, approved by the Department or the current version of the NAIC uniform application for business entities in effect at the time of application, requesting issuance of an insurance producer license for one or more authorities, which shall contain the business entity's legal name; business mailing and location address; other business names, if any; names, license [reference] numbers, if any, and license authorities of each licensed officer or partner; names, addresses, and license [reference] numbers, if any, of all persons owning 10 percent or more of the business entity; and responses to questions concerning the applicant's character, fitness, and financial responsibility. The application must be dated, signed and certified to be correct by [all] **an** officer[s] or partner[s] of the organization [that hold, or have applied for, New Jersey insurance producer licenses]. In lieu of the NAIC uniform application, a nonresident applicant may submit a copy of the application for licensure submitted to the home state;

2. - 3. (No change.)

4. For resident business entities **requesting major line(s) authority (excluding limited lines of authority) or bail bond authority**, properly completed fingerprint forms in a format prescribed by the Department, which shall include electronic fingerprinting, for each officer, director, partner, or owner of 10 percent or more of the applicant business entity;

5. (No change.)

6. Payment of the fees required by N.J.A.C. 11:17-[2.12]**2.13**.

(c) (No change.)



**11:17-2.4 Requirements for licensing of certain limited lines insurance producers**

**(a) A limited lines portable electronics insurance producer license issued to a portable electronics insurance vendor shall authorize the licensee and its employees or authorized representatives to engage in those activities permitted pursuant to that license. The insurer providing the portable electronics insurance coverage shall either directly supervise, or appoint a supervising entity to supervise, the administration of the portable electronics insurance program, including development of a training program subject to review by the Department for employees and authorized representatives of the portable electronics vendors in accordance with N.J.S.A. 17:22A-51.**

**(b) Upon a travel retailer and its employees and authorized representatives being registered with a licensed limited lines travel insurance producer and subject to the requirements as described below, the travel retailer and its registered employees and representatives shall be authorized to offer travel insurance on behalf of and under the direction of the licensed limited lines travel insurance producer.**

**1. The registration with the limited lines travel insurance producer shall include, at a minimum, the following: the name and contact information of the travel retailer and an officer or person who directs or controls the travel retailer's operations, and the travel retailer's Federal Employer Identification Number (FEIN). Upon request, the licensed limited lines travel insurance producer shall provide the Department a list of all travel retailers registered with the producer.**

**2. The licensed limited lines travel insurance producer shall require each employee of the travel retailer whose duties include offering and disseminating**

**travel insurance to be registered and to receive a program of instruction subject to review by Department.**

**3. All marketing materials and travel documents distributed by travel retailers to customers that make reference to travel insurance shall clearly identify the licensed limited lines travel insurance producer with whom the travel retailer is registered and provide its contact information.**

**4. The licensed limited lines travel insurance producer shall be responsible for the insurance-related conduct of all travel retailers registered with the licensee and of all of the travel retailer's employees and authorized representatives.**

**(c) An employee or authorized representative of a licensed limited lines insurance producer business entity that offers and disseminates limited line pet, car rental, group mortgage cancellation, self-storage personal property, or legal expense insurance on behalf of and under the direction of the licensed business entity is not required to be licensed as a limited lines insurance producer if the employee or authorized representative:**

- 1. Receives a program of instruction or training subject to review by the Department prior to receiving permission to offer the limited line insurance product offered by the licensed business entity and under the direction of the responsible licensed producer; and**
- 2. Does not receive a commission or compensation that is dependent on the placement of the limited line insurance product.**

**11:17-[2.5]2.6 License renewal**

(a) A current licensee shall renew a license in the following manner:

1. Prior to expiration of the current license term, each licensee shall submit a properly completed renewal application, including electronic online submissions, together with payment of renewal fees in accordance with N.J.A.C. 11:17-[2.12]2.13. The renewal application shall be signed, dated and certified to be correct by the licensee or a licensed officer, partner, owner or designated licensed responsible producer of a licensed business entity, or an authorized submitter for electronic online submissions. The licensee shall certify that he, she or it continues to be qualified in accordance with the insurance laws of New Jersey.

(b) (No change.)

(c) If an applicant's license has lapsed for a period of less than one year, the applicant may apply for late renewal of the license within one year of the date the license expired if evidence of the following is provided:

1.-2. (No change.)

3. Late renewal fee as provided by N.J.A.C. 11:17-[2.12]2.13.

(d) (No change.)

**11:17-[2.6]2.7 Additional authorities**

(a) A currently licensed individual producer may obtain additional authorities as described in N.J.A.C. 11:17-2.2 by submitting a written request to the Department or by completing an online application, which may be submitted by an authorized submitter, and by providing the following:

1.-3. (No change.)

4. Payment of the processing fee as required by N.J.A.C. 11:17-[2.12]**2.13**.

(b) A currently licensed business entity producer may obtain additional authorities as described in N.J.A.C. 11:17-2.2 by submitting a written request to the Department dated, signed and certified to be correct by a licensed officer, partner, owner or designated licensed responsible producer who holds or has applied for that authority or by completing an online application, and by providing the following:

1.-2. (No change.)

3. Payment of the processing fee described in N.J.A.C. 11:17-[2.12]**2.13**.

11:17-[2.7]**2.8** (No change in text.)

11:17-[2.8]**2.9** Branch offices

(a) Except for licensees with authority in only ticket insurance, group mortgage cancellation insurance, legal insurance, credit insurance, car rental insurance, travel insurance or self-storage personal property insurance, licensees shall file with the Department by hard copy or electronic means 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-[2.12]**2.13**. The appropriate registration form will be prescribed by the Department.

(b) – (e) (No change.)

11:17-[2.9]**2.10** Business relationships(a) The agency relationship between company and producer is subject to the following requirements:

1. (No change.)

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 or within 15 days after the first insurance application is submitted by the producer, on a form prescribed by the Department or by using the online appointment and termination system available through the National Insurance Producer Registry, incorporated herein by reference, as amended and supplemented, located at <http://www.nipr.com> containing the company's name and license reference number; the producer's name and license 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 fee set forth in N.J.A.C. 11:17-[2.12]**2.13** for each appointment shall be collected from the insurer.

3.-4. (No change.)

5. All appointment notifications shall be renewed with the Department annually on May 1. An insurer shall utilize the online appointment renewal process available through the National Insurance Producer Registry, incorporated herein by reference, as amended and supplemented, located at <http://www.nipr.com>. The renewal appointment fee as set forth in N.J.A.C. 11:17-[2.12]**2.13** shall be collected from the insurer. All active appointments on record with the Department as of April 1 of the same year shall be subject to renewal.

6. 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 or by using the online appointment and termination system available through the National Insurance Producer Registry, incorporated herein by reference, as amended and supplemented, located at <http://www.nipr.com>. The fee set forth in N.J.A.C. 11:17-[2.12]**2.13** for each termination shall be collected from the insurer.

7.-9. (No change.)

(b) (No change.)

Recodify existing N.J.A.C. 11:17-2.10 and 2.11 as **2.11 and 2.12** (No change in text.)

#### 11:17-[2.12]**2.13** Fees

(a) The following fees shall be payable as set forth in this chapter:

1. License fee, not limited line, for a biennial license [issued or renewed on or after January 1, 2007]: \$150.00;

2. License fee for limited line only, for a biennial license [issued or renewed on or after January 1, 2007]: \$75.00;

3. – 15. (No change.)

(b) (No change.)

(c) Disabled veterans may be exempted from payment of the fees described in (a) above upon submission to the Department of a [recent] certificate [of] **or statement from** the United States Veterans Administration confirming a current service connected disability.

(d) (No change.)

11:17-[2.13]**2.14** (No change in text.)

11:17-[2.14]**2.15** Surrender and cancellation of license; reinstatement after surrender

(a) (No change.)

(b) A producer license may be reinstated after surrender during the same license period by completing an application in accordance with the provisions of N.J.A.C. 11:17-2.3. No additional license fee for that period shall be required but the processing fee provided in N.J.A.C. 11:17-[2.12]**2.13** shall be paid.

(c)-(e) (No change.)

Recodify existing N.J.A.C. 11:17-2.15 and 2.16 as **2.16 and 2.17** (No change in text.)

## CHAPTER 17A

### INSURANCE PRODUCER STANDARDS OF

#### CONDUCT: MARKETING

#### SUBCHAPTER 1. ACTIVITIES FOR WHICH A PERSON MUST BE LICENSED AS AN INSURANCE PRODUCER

##### 11:17A-1.2 Definitions

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

...

"Clerical duties" means the administrative and underwriting tasks accomplished in the office and under the supervision of the insurer or licensed producer that are necessary to produce the insurance contract in accordance with the insurer's or producer's normal procedures and systems, including, but not limited to, the following:

1. – 18. (No change.)

19. Providing information to and receiving and recording information from an applicant for **pet, limited line** travel [insurance or], car rental, **group mortgage cancellation, self-storage personal property, legal expense, or portable electronics** insurance **products** for processing by a licensee where the unlicensed person is an employee **or authorized representative** of the licensee, **or of a travel retailer registered with a licensed travel insurance business entity as set forth in N.J.A.C. 11:17-2.4(b).**

Example: An unlicensed counter person in a car rental or travel [agency] **retailer** may receive and record an applicant's request for personal effects coverage or travel insurance, **as applicable.**

The car rental company or **limited line** travel [agency must] **insurance producer that has registered the travel retailer shall** be a licensee and the counter person [must] **shall** provide the customer with written information about the coverage.

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