

ADOPTIONS SECTION

BANKING

DEPARTMENT OF BANKING AND INSURANCE

DIVISION OF BANKING

Notice of Readoption

Insurance Premium Finance Company Act

Readoption: N.J.A.C. 3:22

Authority: N.J.S.A. 17:1-8.1, 17:1-15.e, and 17:16D-7 and 8.

Authorized By: Richard J. Badolato, Commissioner, Department of Banking and Insurance.

Effective Date: July 20, 2017.

New Expiration Date: July 20, 2024.

Take notice that pursuant to N.J.S.A. 52:14B-5.1, the rules at N.J.A.C. 3:22 were scheduled to expire on October 7, 2017. The rules implement the Insurance Premium Finance Company Act, N.J.S.A. 17:16D-1 et seq. (Act), regarding the licensing and regulation of insurance premium finance companies.

N.J.A.C. 3:22-1.1 contains definitions and terms used in the chapter including “personal lines policies” and “commercial policies.” N.J.A.C. 3:22-1.2 sets forth requirements concerning a premium finance agreement including: requires disclosure in the premium financing agreement of the key elements prior to the signature of the insured, prohibits continuing agreements, requires separately signed premium finance agreements for each personal lines policy financed, and requires disclosure of current conditions and provisions applicable to each loan. With regard to commercial policies, N.J.A.C. 3:22-1.2 provides that companies may

use either separately signed premium finance agreements or one agreement to cover the financing of multiple commercial policies, so long as they are issued through the same producer. N.J.A.C. 3:22-1.3 provides that each insurance premium finance company licensee file an annual report as required by N.J.S.A. 17:16D-7, and permits the Department of Banking and Insurance (Department) to assess a penalty against a licensee who files late.

The Department has reviewed these rules and has determined that the rules should be readopted without amendment. The rules are necessary, reasonable, and proper for the purpose for which they were originally promulgated. Therefore, pursuant to N.J.S.A. 52:14B-5.1.c(1), these rules are readopted and shall continue in effect for a seven-year period.