

SENATE, No. 148

STATE OF NEW JERSEY

INTRODUCED MARCH 22, 1954

By Mr. FARLEY

Referred to Committee on Business Affairs

AN ACT concerning insurance companies, and amending section 17:17-1 of the Revised Statutes.

1. BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. Section 17:17-1 of the Revised Statutes is amended to read as follows:

17:17-1. Ten or more persons may form a corporation for the purpose of making of any kinds of insurance, as follows:

a. Against direct or indirect loss or damage to property, including loss of use or occupancy by fire, smoke; smudge; lightning; tempest on land, including windstorm, tornado and cyclone; earthquake; collapse of buildings; hail; frost or snow; weather or climatic conditions, including excess or deficiency of moisture, flood, rain or drought, rising of the waters of the ocean or its tributaries; bombardment; invasion; insurrection; riot; civil war or commotion; military or usurped power; vandalism or malicious mischief; striking employees; explosion, whether fire ensues or not, except explosion of steam boilers and flywheels; and arising from the use of elevators, aircraft, automobiles or other vehicles; against loss or damage by insects or disease to farm crops or products and loss of rental value of land used in producing the crops or products.

17 b. Against any kinds of loss or damage to: Vessels, craft, aircraft, cars,
18 automobiles and vehicles of every kind, including all kinds of automobile
19 and aircraft insurance (excepting insurance against loss by reason of bodily
20 injury to the person), as well as all goods, freights, cargoes, merchandise,
21 effects, disbursements, profits, moneys, bullion, precious stones, securities,
22 choses in action, evidence of debt, valuable papers, bottomry and respondentia
23 interests, and all other kinds of property and interests therein, in respect to,
24 appertaining to or in connection with any and all risks or perils of naviga-
25 tion, transit, or transportation, including war risks, on or under any seas or
26 other waters, on land or in the air, or while being assembled, packed, crated,
27 baled, compressed or similarly prepared for shipment or while awaiting the
28 same or during any delays, storage, transshipment or reshipment incident
29 thereto, including marine builder's risk and all personal property floater
30 risks, and to person or to property in connection with or appertaining to a
31 marine, inland marine, transit or transportation insurance, including liability
32 for loss of or damage to either, arising out of or in connection with the con-
33 struction, repair, operation, maintenance or use of the subject matter of the
34 insurance (but not including life insurance or surety bonds) but, except as
35 herein specified, not against loss by reason of bodily injury to the person.

36 c. Upon the lives or health of persons, and every insurance appertain-
37 ing thereto, and to grant, purchase or dispose of annuities.

38 d. Against bodily injury or death by accident, and upon the health of
39 persons, including a funeral benefit to an amount not exceeding \$100.00 or
40 against loss or damage to automobiles or motor vehicles, or to wagons or ve-
41 hicles propelled by a horse or team of any description, resulting from col-
42 lision with moving or stationary objects, against perils to property arising
43 from the use of elevators, aircraft, automobiles or other motor vehicles, or
44 against loss by legal liability for damage to persons or property (including,
45 if the insured is a State or a political subdivision of a State or a municipal
46 corporate instrumentality of one or more States, loss by voluntary payments
47 made by the insured under circumstances where the insured would have le-

48 gal liability if it were a private corporation) resulting from collision of
49 automobiles, aircraft, or motor vehicles, or of wagons or vehicles propelled
50 by a horse or team with moving or stationary objects.

51 e. Against loss or damage resulting from accident to or injury suffered
52 by any person for which loss or damage the insured is liable, including, if the
53 insured is a State or a political subdivision of a State or a municipal cor-
54 porate instrumentality of 1 or more States, loss or damage resulting from
55 accident to or injury suffered by any person for which loss or damage the in-
56 sured would be liable if it were a private corporation.

57 f. Against damage to property of the insured or loss of life or damage
58 to the person or property of others for which the insured is liable (includ-
59 ing, if the insured is a State or a political subdivision of a State or a mu-
60 nicipal corporate, instrumentality of 1 or more States, loss of life or dam-
61 age to the person or property of others for which the insured would be liable
62 if it were a private corporation), caused by the explosion of steam boilers,
63 pipes, engines, motors and machinery connected therewith or operated
64 thereby.

65 g. Against loss from the defaults of persons in positions of trust, public
66 or private, or against loss or damage on account of neglect or breaches of
67 duty or obligations guaranteed by the insurer; and against loss by banks,
68 bankers, brokers, financial or moneyed corporations or associations, of any
69 bills of exchange, notes, checks, drafts, acceptances of drafts, bonds, securi-
70 ties, evidences of debt, deeds, mortgages, documents, gold or silver, bullion,
71 currency, money, platinum and other precious metals, refined or unrefined
72 and articles made therefrom, jewelry, watches, necklaces, bracelets, gems,
73 precious and semiprecious stones, and also against loss resulting from dam-
74 age, except by fire, to the insured's premises, furnishings, fixtures, equip-
75 ment, safes and vaults therein caused by burglary, robbery, hold-up, theft or
76 larceny, or attempt thereat. No such indemnity indemnifying against loss of
77 any property as specified herein shall indemnify against the loss of any such
78 property occurring while in the mail or in the custody or possession of a

79 carrier for hire for the purpose of transportation, except for the purpose of
80 transportation by an armored motor vehicle accompanied by 1 or more armed
81 guards.

82 h. Against loss or damage on account of encumbrances upon or defects
83 in titles to real property. Any company organized or operating under this
84 paragraph shall have the right, in addition to its other powers, to make
85 searches, abstracts, examine titles to real property and chattels, and procure
86 and furnish information in relation thereto.

87 i. Against loss from bad debts, commonly known as credit insurance.

88 j. Against loss or damage by burglary, theft, larceny, robbery, forgery,
89 fraud, vandalism or malicious mischief, or any one or more of such hazards;
90 and against any and all kinds of loss or destruction of or damage to moneys,
91 securities, currencies, scrip, coins, bullion, bonds, notes, drafts, acceptances of
92 drafts, bills of exchange and other valuable papers or documents, except
93 while in the custody or possession of and being transported by a carrier for
94 hire or in the mail; and against loss or damage to automobiles and aircraft
95 by burglary, larceny, or theft, vandalism or malicious mischief, confiscation
96 or wrongful conversion, disposal or concealment, whether held under condi-
97 tional sale contract or subject to chattel mortgages, or otherwise, or any one
98 or more of such hazards.

99 k. Against loss of and damage to glass, including lettering and orna-
100 mentation thereon, and the frame in which the glass is set resulting from
101 breakage of the insured glass.

102 l. Against loss or damage by water or other fluid to any goods or prem-
103 ises arising from the breaking or leakage of sprinklers, pumps, or other ap-
104 paratus erected for extinguishing fires, or of other conduits or containers, or
105 by water entering through leaks or openings in buildings, and of water pipes
106 and against accidental injury to such sprinklers, pumps, conduits, con-
107 tainers, water pipes and other apparatus; including loss of use or occupancy
108 of the property so damaged.

109 m. Upon the lives of horses, cattle and other livestock or against loss by
110 theft of any such property or both.

111 n. Against loss or damage to property by smoke or smudge, or both.

112 o. Any specified kinds of insurance not included in any of the foregoing
113 paragraphs and which are proper subjects of insurance.

114 Any company, which, by its charter, is authorized to make insurance
115 against loss or damage to property caused by fire, lightning, or tempest on
116 land, may, without amending its charter, be authorized by the Commissioner
117 of Banking and Insurance to transact all of the kinds of insurance described
118 in paragraphs "a," "b," and "l" hereof, if it is possessed of the capital
119 stock and surplus or cash premiums required by sections 17:17-6 and 17:17-7
120 of this Title; and any company which, by its charter, is authorized to make
121 insurance against loss or damage to private dwelling property and contents
122 thereof under paragraph "a" hereof, may, without amending its charter or
123 increasing its capital and surplus, or net cash assets if a mutual company, be
124 permitted to transact all of the kinds of insurance described in paragraphs
125 "f," "k," and "l," hereof, limited, however, to extending fire or casualty in-
126 surance policies to provide such coverages on private dwellings and contents
127 thereof, notwithstanding the provisions of sections 17:17-6 and 17:17-7 of
128 this Title; or any company which, by its charter, is authorized to make any
129 kinds of insurance described in any of the paragraphs "a" to "o," inclu-
130 sive, of section 17:17-1 of this Title, except paragraph "e," may, without
131 amending its charter, if it is possessed of a capital stock of at least \$2,-
132 000,000.00 and surplus of at least \$1,000,000.00 or, if a mutual company, it is
133 possessed of net cash assets (excess of allowable assets over all liabilities)
134 of at least \$3,000,000.00, be authorized by the Commissioner of Banking and
135 Insurance to transact any other kind or kinds of insurance that may be
136 proper subjects of insurance, except upon the lives of persons or the granting
137 of annuities.

1 2. This act shall take effect immediately.

STATEMENT

The purpose of this amendment is to permit companies issuing casualty insurance policies covering residences to provide insurance involving perils of glass, boiler explosion and water damage without meeting the capital requirements prescribed to write insurance against such perils generally.

This bill has the approval of the Commissioner of Banking and Insurance