

SENATE, No. 205

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 16, 1953

By Mr. LITTELL

Referred to Committee on Banking and Insurance

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*  
2 *Jersey:*

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

3 17:17-1. Ten or more persons may form a corporation for the purpose of  
4 making of any kinds of insurance, as follows:

5 a. Against direct or indirect loss or damage to property, including loss  
6 of use or occupancy by fire, smoke; smudge; lightning; tempest on land, in-  
7 cluding windstorm, tornado and cyclone; earthquake;; collapse of buildings;  
8 hail; frost or snow; weather or climatic conditions, including excess or de-  
9 ficiency of moisture, flood, rain or drought, rising of the waters of the ocean  
10 or its tributaries; bombardment; invasion; insurrection; riot; civil war or  
11 commotion; military or usurped power; vandalism or malicious mischief;  
12 striking employees; explosion, whether fire ensues or not, except explosion  
13 of steam boilers and flywheels; and arising from the use of elevators, air-  
14 craft, automobiles or other vehicles; against loss or damage by insects or  
15 disease to farm crops or products and loss of rental value of land used in pro-  
16 ducing the crops or products.

17       b. Against any kinds of loss or damage to: Vessels, craft, aircraft, cars, 48  
18 automobiles and vehicles of every kind, including all kinds of automobile 49  
19 and aircraft insurance (excepting insurance against loss by reason of bodily 50  
20 injury to the person), as well as all goods, freights, cargoes, merchandise, 51  
21 effects, disbursements, profits, moneys, bullion, precious stones, securities, 52  
22 choses in action, evidence of debt, valuable papers, bottomry and respondentia 53  
23 interests, and all other kinds of property and interests therein, in respect to, 54  
24 appertaining to or in connection with any and all risks or perils of naviga- 55  
25 tion, transit, or transportation, including war risks, on or under any seas or 56  
26 other waters, on land or in the air, or while being assembled, packed, crated, 57  
27 baled, compressed or similarly prepared for shipment or while awaiting the 58  
28 same or during any delays, storage, transshipment or reshipment incident 59  
29 thereto, including marine builder's risk and all personal property floater 60  
30 risks, and to person or to property in connection with or appertaining to a 61  
31 marine, inland marine, transit or transportation insurance, including liability 62  
32 for loss of or damage to either, arising out of or in connection with the con- 63  
33 struction, repair, operation, maintenance or use of the subject matter of the 64  
34 insurance (but not including life insurance or surety bonds) but, except as 65  
35 herein specified, not against loss by reason of bodily injury to the person. 66

36       c. Upon the lives or health of persons, and every insurance appertain- 67  
37 ing thereto, and to grant, purchase or dispose of annuities. 68

38       d. Against bodily injury or death by accident, and upon the health of 69  
39 persons, including a funeral benefit to an amount not exceeding one hundred 70  
40 dollars (\$100.00) or against loss or damage to automobiles or motor ve- 71  
41 hicles, or to wagons or vehicles propelled by a horse or team of any descrip- 72  
42 tion, resulting from collision with moving or stationary objects, against 73  
43 perils to property arising from the use of elevators, aircraft, automobiles or 74  
44 other motor vehicles, or against loss by legal liability for damage to persons 75  
45 or property (including, if the insured is a State or a political subdivision of 76  
46 a State or a municipal corporate instrumentality of one or more States, 77  
47 loss by voluntary payments made by the insured under circumstances 78

48 where the insured would have legal liability if it were a private cor-  
49 poration) resulting from collision of automobiles, aircraft, or motor ve-  
50 hicles, or of wagons or vehicles propelled by a horse or team with moving  
51 or stationary objects.

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

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

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

79 property occurring while in the mail or in the custody or possession of a  
 80 carrier for hire for the purpose of transportation, except for the purpose of  
 81 transportation by an armored motor vehicle accompanied by one or more  
 82 armed guards.

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

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

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

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

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

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

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

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

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

1 2. This act shall take effect immediately.

STATEMENT

The purpose of this amendment is to make it possible for fire insurance companies to write the added extended coverage endorsement on dwellings without meeting the capital requirements necessary to write the general perils of glass, boiler explosion and water on all classes of business.

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4 making of any kinds of insurance, as follows:

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6 of use or occupancy by fire, smoke; smudge; lightning; tempest on land, in-  
7 cluding windstorm, tornado and cyclone; earthquake;; collapse of buildings;  
8 hail; frost or snow; weather or climatic conditions, including excess or de-  
9 ficiency of moisture, flood, rain or drought, rising of the waters of the ocean  
10 or its tributaries; bombardment; invasion; insurrection; riot; civil war or  
11 commotion; military or usurped power; vandalism or malicious mischief;  
12 striking employees; explosion, whether fire ensues or not, except explosion  
13 of steam boilers and flywheels; and arising from the use of elevators, air-  
14 craft, automobiles or other vehicles; against loss or damage by insects or  
15 disease to farm crops or products and loss of rental value of land used in pro-  
16 ducing the crops or products.

17        b. Against any kinds of loss or damage to: Vessels, craft, aircraft, cars, 48  
18 automobiles and vehicles of every kind, including all kinds of automobile 49  
19 and aircraft insurance (excepting insurance against loss by reason of bodily 50  
20 injury to the person), as well as all goods, freights, cargoes, merchandise, 51  
21 effects, disbursements, profits, moneys, bullion, precious stones, securities. 52  
22 choses in action, evidence of debt, valuable papers, bottomry and respondentia 53  
23 interests, and all other kinds of property and interests therein, in respect to, 54  
24 appertaining to or in connection with any and all risks or perils of naviga- 55  
25 tion, transit, or transportation, including war risks, on or under any seas or 56  
26 other waters, on land or in the air, or while being assembled, packed, crated, 57  
27 baled, compressed or similarly prepared for shipment or while awaiting the 58  
28 same or during any delays, storage, transshipment or reshipment incident 59  
29 thereto, including marine builder's risk and all personal property floater 60  
30 risks, and to person or to property in connection with or appertaining to a 61  
31 marine, inland marine, transit or transportation insurance, including liability 62  
32 for loss of or damage to either, arising out of or in connection with the con- 63  
33 struction, repair, operation, maintenance or use of the subject matter of the 64  
34 insurance (but not including life insurance or surety bonds) but, except as 65  
35 herein specified, not against loss by reason of bodily injury to the person. 66  
36        c. Upon the lives or health of persons, and every insurance appertain- 67  
37 ing thereto, and to grant, purchase or dispose of annuities. 68  
38        d. Against bodily injury or death by accident, and upon the health of 69  
39 persons, including a funeral benefit to an amount not exceeding one hundred 70  
40 dollars (\$100.00) or against loss or damage to automobiles or motor ve- 71  
41 hicles, or to wagons or vehicles propelled by a horse or team of any descrip- 72  
42 tion, resulting from collision with moving or stationary objects, against 73  
43 perils to property arising from the use of elevators, aircraft, automobiles or 74  
44 other motor vehicles, or against loss by legal liability for damage to persons 75  
45 or property (including, if the insured is a State or a political subdivision of 76  
46 a State or a municipal corporate instrumentality of one or more States, 77  
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48 where the insured would have legal liability if it were a private cor-  
49 poration) resulting from collision of automobiles, aircraft, or motor ve-  
50 hicles, or of wagons or vehicles propelled by a horse or team with moving  
51 or stationary objects.

52 e. Against loss or damage resulting from accident to or injury suffered  
53 by any person for which loss or damage the insured is liable, including, if the  
54 insured is a State or a political subdivision of a State or a municipal cor-  
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67 or private, or against loss or damage on account of neglect or breaches of  
68 duty or obligations guaranteed by the insurer; and against loss by banks,  
69 bankers, brokers, financial or moneyed corporations or associations, of any  
70 bills of exchange, notes, checks, drafts, acceptances of drafts, bonds, securi-  
71 ties, evidences of debt, deeds, mortgages, documents, gold or silver, bullion,  
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75 age, except by fire, to the insured's premises, furnishings, fixtures, equip-  
76 ment, safes and vaults therein caused by burglary, robbery, hold-up, theft or  
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 80 carrier for hire for the purpose of transportation, except for the purpose of  
 81 transportation by an armored motor vehicle accompanied by one or more  
 82 armed guards.

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

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

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

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

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

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

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

1 2. This act shall take effect immediately.