

ASSEMBLY, No. 228

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 10, 1947

By Mr. LOUTREL

Referred to Committee on 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 fol-
2 lows:

3 17:17-1. Ten or more persons may form a corporation for the purpose
4 of 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 or
10 its tributaries; bombardment; invasion; insurrection; riot; civil war or com-
11 motion; military or usurped power; vandalism or malicious mischief; striking
12 employees; explosion, whether fire ensues or not, except explosion of steam
13 boilers and flywheels; and arising from the use of elevators, aircraft, auto-
14 mobiles or other vehicles; against loss or damage by insects or disease to
15 farm crops or products and loss of rental value of land used in producing the
16 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 and
19 aircraft insurance (excepting insurance against loss by reason of bodily in-
20 jury 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 respon-
23 dentia interests, and all other kinds of property and interests therein, in
24 respect to, appertaining to or in connection with any and all risks or perils
25 of navigation, transit, or transportation, including war risks; on or under
26 any seas or other waters, on land or in the air, or while being assembled,
27 packed, crated, baled, compressed or similarly prepared for shipment or
28 while awaiting the same or during any delays, storage, transshipment or re-
29 shipment incident thereto, including marine builder's risk and all personal
30 property floater risks, and to person or to property in connection with or
31 appertaining to a marine, inland marine, transit or transportation insurance,
32 including liability for loss of or damage to either, arising out of or in con-
33 nection with the construction, repair, operation, maintenance or use of the
34 subject matter of the insurance (but not including life insurance or surety
35 bonds) but, except as herein specified, not against loss by reason of bodily
36 injury to the person.

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

39 d. Against bodily injury or death by accident, and upon the health of
40 persons, including a funeral benefit to an amount not exceeding one hundred
41 dollars (\$100.00) or against loss or damage to automobiles or motor vehicles,
42 or to wagons or vehicles propelled by a horse or team of any description,
43 resulting from collision with moving or stationary objects, against perils to
44 property arising from the use of elevators, aircraft, automobiles or other
45 motor vehicles, or against loss by legal liability for damage to persons or
46 property resulting from collision of automobiles, aircraft, or motor vehicles,

47 or of wagons or vehicles propelled by a horse or team with moving or sta-
48 tionary objects.

49 e. Against loss or damage resulting from accident to or injury suffered
50 by any person for which loss or damage the insured is liable.

51 f. Against damage to property of the insured or loss of life or damage
52 to the person or property of others for which the insured is liable, caused by
53 the explosion of steam boilers, pipes, engines, motors and machinery con-
54 nected therewith or operated thereby.

55 g. Against loss from the defaults of persons in positions of trust, public
56 or private, or against loss or damage on account of neglect or breaches of
57 duty or obligations guaranteed by the insurer; and against loss by banks,
58 bankers, brokers, financial or moneyed corporations or associations, of any
59 bills of exchange, notes, checks, drafts, acceptances of drafts, bonds,
60 securities, evidences of debt, deeds, mortgages, documents, gold or silver, bul-
61 lion, currency, money, platinum and other precious metals, refined or un-
62 refined and articles made therefrom, jewelry, watches, necklaces, bracelets,
63 gems, precious and semiprecious stones, and also against loss resulting from
64 damage, except by fire, to the insured's premises, furnishings, fixtures, equip-
65 ment, safes and vaults therein caused by burglary, robbery, hold-up, theft
66 or larceny, or attempt threat. No such indemnity indemnifying against loss
67 of any property as specified herein shall indemnify against the loss of any
68 such property occurring while in the mail or in the custody or possession of
69 a carrier for hire for the purpose of transportation, except for the purpose of
70 transportation by an armored motor vehicle accompanied by one or more
71 armed guards.

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

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

78 j. Against loss or damage by burglary, theft, larceny, robbery, forgery,
79 fraud, vandalism or malicious mischief, or any one or more of such hazards;
80 and against any and all kinds of loss or destruction of or damage to moneys,
81 securities, currencies, scrip, coins, bullion, bonds, notes, drafts, acceptances
82 of drafts, bills of exchange and other valuable papers or documents, except
83 while in the custody or possession of and being transported by a carrier for
84 hire or in the mail; and against loss or damage to automobiles and aircraft
85 by burglary, larceny, or theft, vandalism or malicious mischief, confiscation
86 or wrongful conversion, disposal or concealment, whether held under con-
87 ditional sale contract or subject to chattel mortgages, or otherwise, or any
88 one or more of such hazards.

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

92 l. Against loss or damage by water or other fluid to any goods or
93 premises arising from the breaking or leakage of sprinklers, pumps, or other
94 apparatus erected for extinguishing fires, or of other conduits or containers, or
95 by water entering through leaks or openings in buildings, and of water pipes
96 and against accidental injury to such sprinklers, pumps, conduits, containers,
97 water pipes and other apparatus; including loss of use or occupancy of the
98 property so damaged.

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

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

102 o. [Against loss or damage to property by any other casualty which may
103 lawfully be the subject of insurance.]

104 Any specified kinds of insurance not included in any of the foregoing
105 paragraphs and which are proper subjects of insurance.

106 Any company, which, by its charter, is authorized to make insurance
107 against loss or damage to property caused by fire, lightning, or tempest on

108 land, may, without amending its charter, be authorized by the Commis-
 109 sioner of Banking and Insurance to transact all of the kinds of insurance
 110 described in paragraph "a," "b" and "l" hereof, if it is possessed of the
 111 capital stock and surplus or cash premiums required by sections 17:17-6
 112 and 17:17-7 of this Title [.]; or any company which, by its charter, is
 113 authorized to make any of the kinds of insurance described in any of the para-
 114 graphs "a" to "o," inclusive, of section 17:17-1 of this Title, except para-
 115 graph "c," may, without amending its charter, if it is possessed of a capital
 116 stock of at least two million dollars (\$2,000,000.00) and surplus of at least one
 117 million dollars (\$1,000,000.00) or, if a mutual company, it is possessed of net
 118 cash assets (excess of allowable assets over all liabilities) of at least three
 119 million dollars (\$3,000,000.00), be authorized by the Commissioner of Bank-
 120 ing and Insurance to transact any other kind or kinds of insurance that may
 121 be proper subjects of insurance, except upon the lives of persons or the
 122 granting of annuities.

1 2. This act shall take effect immediately.

STATEMENT

This bill amends the omnibus clause (paragraph "o" of Revised Statutes, section 17:17-1) of the section describing kinds of insurance, to make clear that the clause itself does not specify other insurance as a kind of insurance, but merely authorizes a company to specify other kinds of insurance in its charter. This change aids the meaning of Revised Statutes, section 17:17-4, as amended in 1945, which provides for setting forth in a charter the kinds of insurance to be transacted, stating the paragraphs of section 17:17-1 authorizing the same.

The bill also gives authority to the Commissioner of Banking and Insurance in certain cases to authorize transaction of lawful kinds of insurance business not specified in a company's charter, other than life insurance and the granting of annuities. It is anticipated that, if this bill is passed, insurance companies

will deem it unnecessary in many situations to incur the expense and inconvenience of amending their corporate charters in order to take up new lines within authorized classes of insurance activity.

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23 dentia interests, and all other kinds of property and interests therein, in
24 respect to, appertaining to or in connection with any and all risks or perils
25 of navigation, transit, or transportation, including war risks, on or under
26 any seas or other waters, on land or in the air, or while being assembled,
27 packed, crated, baled, compressed or similarly prepared for shipment or
28 while awaiting the same or during any delays, storage, transshipment or re-
29 shipment incident thereto, including marine builder's risk and all personal
30 property floater risks, and to person or to property in connection with or
31 appertaining to a marine, inland marine, transit or transportation insurance,
32 including liability for loss of or damage to either, arising out of or in con-
33 nection with the construction, repair, operation, maintenance or use of the
34 subject matter of the insurance (but not including life insurance or surety
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36 injury to the person.

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56 or private, or against loss or damage on account of neglect or breaches of
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61 lion, currency, money, platinum and other precious metals, refined or un-
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64 damage, except by fire, to the insured's premises, furnishings, fixtures, equip-
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87 ditional sale contract or subject to chattel mortgages, or otherwise, or any
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90 mentation thereon, and the frame in which the glass is set resulting from
91 breakage of the insured glass.

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93 premises arising from the breaking or leakage of sprinklers, pumps, or other
94 apparatus erected for extinguishing fires, or of other conduits or containers, or
95 by water entering through leaks or openings in buildings, and of water pipes
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97 water pipes and other apparatus; including loss of use or occupancy of the
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108 land, may, without amending its charter, be authorized by the Commis-

109 sioner of Banking and Insurance to transact all of the kinds of insurance
110 described in paragraph "a," "b" and "1" hereof, if it is possessed of the
111 capital stock and surplus or cash premiums required by sections 17:17-6
112 and 17:17-7 of this Title; or any company which, by its charter, is
113 authorized to make any of the kinds of insurance described in any of the para-
114 graphs "a" to "o," inclusive, of section 17:17-1 of this Title, except para-
115 graph "c," may, without amending its charter, if it is possessed of a capital
116 stock of at least two million dollars (\$2,000,000.00) and surplus of at least one
117 million dollars (\$1,000,000.00) or, if a mutual company, it is possessed of net
118 cash assets (excess of allowable assets over all liabilities) of at least three
119 million dollars (\$3,000,000.00), be authorized by the Commissioner of Bank-
120 ing and Insurance to transact any other kind or kinds of insurance that may
121 be proper subjects of insurance, except upon the lives of persons or the
122 granting of annuities.

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SENATE AMENDMENTS TO
ASSEMBLY, No. 228

STATE OF NEW JERSEY

ADOPTED APRIL 8, 1947

Page 4, section 1, lines 108-109, delete "be authorized by the Commissioner of Banking and Insurance to".

Page 5, section 1, lines 119-120, delete "be authorized by the Commissioner of Banking and Insurance to".