

SENATE, No. 316

# STATE OF NEW JERSEY

INTRODUCED APRIL 26, 1948

By Mr. VAN ALSTYNE

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 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,  
7 including 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 of  
13 steam boilers and flywheels; and arising from the use of elevators, aircraft,  
14 automobiles or other vehicles; against loss or damage by insects or disease  
15 to farm crops or products and loss of rental value of land used in producing  
16 the crops or products.

17 b. Against any kinds of loss or damage to: Vessels, craft, aircraft,  
18 cars, automobiles and vehicles of every kind, including all kinds of auto-  
19 mobile and aircraft insurance (excepting insurance against loss by reason  
20 of bodily injury to the person), as well as all goods, freights, cargoes, mer-  
21 chandise, effects, disbursements, profits, moneys, bullion, precious stones,  
22 securities, choses in action, evidence of debt, valuable papers, bottomry and  
23 respondentia interests, and all other kinds of property and interests therein,  
24 in respect to, appertaining to or in connection with any and all risks or  
25 perils of navigation, transit, or transportation, including war risks, on or  
26 under any seas or other waters, on land or in the air, or while being as-  
27 sembled, packed, created, baled, compressed or similarly prepared for ship-  
28 ment or while awaiting the same or during any delays, storage, transship-  
29 ment or reshipment incident thereto, including marine builder's risk and all  
30 personal property floater risks, and to person or to property in connection  
31 with or appertaining to a marine, inland marine, transit or transportation  
32 insurance, including liability for loss of or damage to either, arising out of  
33 or in connection with the construction, repair, operation, maintenance or use  
34 of the subject matter of the insurance (but not including life insurance or  
35 surety bonds) but, except as herein specified, not against loss by reason of  
36 bodily 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 (including, if the insured is a State or a political subdivision of a  
47 State or a municipal corporate instrumentality of one or more States, loss

48 by voluntary payments made by the insured under circumstances where the  
49 insured would have legal liability if it were a private corporation) result-  
50 ing from collision of automobiles, aircraft, or motor vehicles, or of wagons or  
51 vehicles propelled by a horse or team with moving 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  
54 the 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  
57 insured 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, se-  
71 curities, evidences of debt, deeds, mortgages, documents, gold or silver, bul-  
72 lion, currency, money, platinum and other precious metals, refined or unre-  
73 fined and articles made therefrom, jewelry, watches, necklaces, bracelets,  
74 gems, precious and semiprecious stones, and also against loss resulting from  
75 damage, except by fire, to the insured's premises, furnishings, fixtures,  
76 equipment, safes and vaults therein caused by burglary, robbery, hold-up,  
77 theft or larceny, or attempt threat. No such indemnity indemnifying against  
78 loss of any property as specified herein shall indemnify against the loss of

79 any such property occurring while in the mail or in the custody or pos-  
80 session of a carrier for hire for the purpose of transportation, except for  
81 the purpose of transportation by an armored motor vehicle accompanied  
82 by one or more 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  
91 hazards; and against any and all kinds of loss or destruction of or damage  
92 to moneys, securities, currencies, scrip, coins, bullion, bonds, notes, drafts,  
93 acceptances of drafts, bills of exchange and other valuable papers or docu-  
94 ments, except while in the custody or possession of and being transported by  
95 a carrier for hire or in the mail; and against loss or damage to automobiles  
96 and aircraft by burglary, larceny, or theft, vandalism or malicious mischief,  
97 confiscation or wrongful conversion, disposal or concealment, whether held  
98 under conditional sale contract or subject to chattel mortgages, or other-  
99 wise, or any one 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  
104 premises arising from the breaking or leakage of sprinklers, pumps, or  
105 other apparatus erected for extinguishing fires, or of other conduits or con-  
106 tainers, or by water entering through leaks or openings in buildings, and  
107 of water pipes and against accidental injury to such sprinklers, pumps, con-  
108 duits, containers, water pipes and other apparatus; including loss of use or  
109 occupancy of the property so damaged.

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 fore-  
114 going 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 Commis-  
118 sioner of Banking and Insurance to transact all of the kinds of insurance  
119 described in paragraphs "a," "b" and "l" hereof, if it is possessed of the  
120 capital stock and surplus or cash premiums required by sections 17:17-6  
121 and 17:17-7 of this Title; or any company which, by its charter, is author-  
122 ized to make any of the kinds of insurance described in any of the para-  
123 graphs "a" to "o," inclusive, of section 17:17-1 of this Title, except para-  
124 graph "c," may, without amending its charter, if it is possessed of a capital  
125 stock of at least two million dollars (\$2,000,000.00) and surplus of at least  
126 one million dollars (\$1,000,000.00) or, if a mutual company, it is possessed  
127 of net cash assets (excess of allowable assets over all liabilities) of at least  
128 three million dollars (\$3,000,000.00), be authorized by the Commissioner of  
129 Banking and Insurance to transact any other kind or kinds of insurance that  
130 may be proper subjects of insurance, except upon the lives of persons or the  
131 granting of annuities.

1 2. This act shall take effect immediately.

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#### STATEMENT

The purpose and effect of this bill is to clarify doubts with regard to the power of certain insurance companies to insure a public agency against losses by reason of payments made to persons injured or damaged by the acts or omissions of the public agency despite the fact that the agency has no liability therefor which is enforceable by suit.

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23 respondentia interests, and all other kinds of property and interests therein,  
24 in respect to, appertaining to or in connection with any and all risks or  
25 perils of navigation, transit, or transportation, including war risks, on or  
26 under any seas or other waters, on land or in the air, or while being as-  
27 sembled, packed, created, baled, compressed or similarly prepared for ship-  
28 ment or while awaiting the same or during any delays, storage, transship-  
29 ment or reshipment incident thereto, including marine builder's risk and all  
30 personal property floater risks, and to person or to property in connection  
31 with or appertaining to a marine, inland marine, transit or transportation  
32 insurance, including liability for loss of or damage to either, arising out of  
33 or in connection with the construction, repair, operation, maintenance or use  
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125 stock of at least two million dollars (\$2,000,000.00) and surplus of at least  
126 one million dollars (\$1,000,000.00) or, if a mutual company, it is possessed  
127 of net cash assets (excess of allowable assets over all liabilities) of at least  
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