

17:22-6.9

June 16, 1971

LEGISLATIVE HISTORY OF R.S. 17:22-6.9  
(Issuance of broker's license to individual or corporation)

- L. 1944, Chapter 175 (p. 666 §9 - S147  
Introduced March 27 by Barton.  
April 3 - Passed Senate.  
April 3 - Passed Assembly.  
April 12 - Recalled from Senate.  
April 12 - Reconsidered.  
April 12 - Amended.  
April 12 - Passed in Assembly, amended.  
April 12 - Assembly Amendment passed in Senate.  
April 20 - Approved, Chapter 175.  
The bill had a sponsor's statement (copy enclosed).

Searched Annual Report of the Commissioner of Banking and Insurance, 1944 without success.

Amended by:

- L. 1945, Chapter 82 (p. 416 §1) - S17 (2-4)  
January 29 - Introduced by Barton.  
January 29 - Banking and Insurance Committee.  
March 19 - Reported with Committee amendments.  
March 19 - Read second time.  
March 19 - Passed in Senate, amended.  
March 20 - Received in Assembly.  
March 20 - Insurance Committee.  
March 23 - Reported.  
March 23 - Read second time.  
March 23 - Passed in Assembly.  
April 2 - Approved, Chapter 82.  
Bill had sponsor's statement (copy enclosed).

Searched Report of Commissioner of Banking and Insurance, 1945 without success.  
No Governor's Counsel files available.

- L. 1946, Chapter 20 (p. 56 §1) - S81  
January 28 - Introduced by Farley.  
February 11 - Passed in Senate.  
March 4 - Passed in Assembly.  
March 15 - Approved, Chapter 20.  
Bill had no sponsor's statement.

Searched Report of Commissioner of Banking and Insurance, 1946 without success.

- L. 1958, Chapter 69 (p. 496 §3) - A94  
February 3 - Introduced by Ronco and 3 others.  
March 17 - Passed in Assembly.  
June 9 - Passed in Senate.  
June 19 - Approved, Chapter 69  
Bill had no sponsor's statement.
- L. 1966, Chapter 49 §2 - A278  
February 7 - Introduced by Tanzman.  
March 14 - Passed in Assembly.  
May 2 - Passed in Senate.  
May 24 - Approved, Chapter 49  
Bill had no sponsor's statement.
- L. 1967, Chapter 145 §1 - A700  
March 20 - Introduced by Tanzman, Gibson.  
April 17 - Passed in Assembly.  
May 8 - Passed in Senate.  
July 7 - Approved, Chapter 145  
Bill had no sponsor's statement.  
Not amended during passage.
- L. 1970, Chapter 127 §9 - A1038  
May 4 - Introduced by Volk and 6 others.  
May 11 - Passed Assembly under emergency resolution.  
June 8 - Passed in Senate.  
July 1 - Approved, Chapter 127  
Bill had no sponsor's statement.  
Not amended during passage.
- L. 1971, Chapter 144 - S2093
- NOTE: N.J.S.A. 17:22-6.9 is now  
17B 22-9 to 17B 22-12  
17B 22-15 to 17B 22-17  
17B 22-19 to 17B 22-24  
See enclosed 17B.

ASSEMBLY, No. 700

STATE OF NEW JERSEY

INTRODUCED MARCH 20, 1967

By Assemblymen TANZMAN and GIMSON

Referred to Committee on Business Affairs

AN ACT concerning insurance, amending "An act relating to the licensing, regulation and supervision of insurance agents, insurance brokers and insurance solicitors, supplementing chapters 22, 32 and 36 of Title 17 of the Revised Statutes and repealing sections 17:22-1, 17:22-2, 17:22-3, 17:22-4, 17:22-5, 17:23-3, 17:32-6 and 17:32-11 of the Revised Statutes and section 1 of 'An act concerning the licensing of agents for insurance companies in certain cases, supplementing chapter 22 of Title 17, and amending section 17:33-1 of the Revised Statutes,' approved May 16, 1941 (P. L. 1941, c. 118)," approved April 20, 1944 (P. L. 1944, c. 175).

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

3 1. Section 9 of the act of which this act is amendatory is amended  
4 to read as follows:

5 9. After the receipt of such application in due form, properly  
6 verified and certified, it shall be the duty of the commissioner or  
7 his deputy, or any salaried employee of the department designated  
8 by the commissioner, within a reasonable time and in a place  
9 reasonably accessible to the applicant, to subject each first-time  
10 applicant for license and if the commissioner deems necessary,  
11 any applicant for renewal of license, to personal examination in  
12 order to determine his trustworthiness and competency to act as  
13 such agent, broker or solicitor. If the applicant for a broker's or  
14 solicitor's license be a broker, solicitor or agent licensed in another  
15 State, the commissioner may waive such examination; provided,  
16 the State issuing such license requires no like examination of  
17 licensed brokers, solicitors or agents of this State. *The commis-*  
18 *sioner shall have the power to enter into written reciprocal agree-*  
19 *ments with other States where he deems same to be necessary.*  
20 If the application is for license as an insurance agent, either

1 first-time or for an additional group or groups of insurance, the  
2 commissioner may waive the examination if, at the time, the  
3 applicant has previously passed the examination for and holds  
4 an unexpired broker's license issued in accordance with the pro-  
5 visions of this act, or if the application is for a license as an  
6 insurance agent, broker or solicitor and the applicant is a citizen  
7 of this State and has served in the Armed Forces of the United  
8 States in any war and has been honorably discharged or released  
9 under conditions other than dishonorable and was the holder at  
10 any time of an agent's certificate of authority or license, a broker's  
11 license or a solicitor's license, in this State, the commissioner may  
12 waive examination, for license for the same kind or kinds of in-  
13 surance the applicant was previously authorized to transact. When  
14 it is shown from such application and examination, except where  
15 waived, that the applicant

16 (a) intends in good faith to act as an insurance agent, broker  
17 or solicitor, and

18 (b) is actively to engage in the general insurance business, or a  
19 particular group or groups thereof with the general public, and

20 (c) is of good reputation, and

21 (d) has had experience or training, or is otherwise qualified by  
22 education in the kind or kinds of insurance for which he desires  
23 to be licensed, and

24 (e) is a resident of this State or has his principal office for the  
25 conduct of such business in this State (unless such application be  
26 for a nonresident broker's or solicitor's license), and

27 (f) is reasonably familiar with the insurance laws of this State,  
28 and with the provisions, terms and conditions of the policies or  
29 contracts he is proposing to solicit, negotiate or effect, and

30 (g) he is then engaged in or intends to engage in the business  
31 of writing or negotiating insurance as his principal business or  
32 occupation or as a substantial part thereof, separate and apart  
33 from any connection which he may have with any partnership or  
34 corporation whose principal business is lending of money, and

35 (h) is not seeking such license principally for the purpose of  
36 negotiating or writing insurance on property owned by him, or in  
37 which he has an insurable interest, or on property or insurable  
38 interests of a relative or his employer, and

39 (i) is worthy of a license, and

40 (j) has not been convicted of a crime involving moral turpitude,  
41 the commissioner shall issue to the applicant a license to transact  
42 business in this State as an insurance agent, broker or solicitor, as  
43 the case may be. A license may be issued by the commissioner to

1 and in the name of any copartnership or corporation engaged in  
2 the insurance brokerage business upon written request and pay-  
3 ment of the \$25.00 fee prescribed in section 13 of this chapter;  
4 provided, all members of the copartnership or all of the officers  
5 of the corporation, as the case may be, actively engaged in the  
6 insurance brokerage business of the copartnership or corporation  
7 in this State hold an unexpired license as an insurance broker  
8 issued in accordance with the provisions of this act. Where the  
9 request is for license in the name of a corporation organized under  
10 the laws of a foreign State or jurisdiction and it shall appear in  
11 the application, by affidavit of the president or other officer of a  
12 foreign corporation, that the sole business sought to be transacted  
13 by it is that of a broker, as herein defined, the commissioner may  
14 grant such license, notwithstanding the corporation has not com-  
15 plied with the provisions of the general corporation act and ob-  
16 tained a license thereunder to transact business in this State, if  
17 with the first request for such license the corporation shall file  
18 with the commissioner a duly executed power of attorney as is  
19 required in section 7 of this act to be filed by a nonresident in-  
20 dividual applicant for a broker's license. Licenses so issued shall  
21 expire annually as follows:

22 To agents on April 30; and to brokers and solicitors on October  
23 31, unless sooner revoked by the commissioner for cause as pro-  
24 vided in this act. A license so issued to a solicitor shall be suspended  
25 upon termination of the required established solicitor relationship  
26 but shall be reinstated upon a written request from another licensed  
27 agent or broker with whom such solicitor has established a solicitor  
28 relationship.

29 2. Section 24 of the act of which this act is amendatory is amended  
30 to read as follows:

31 24. No agent of any insurance company authorized to transact  
32 in this State the business of life insurance, or life, accident and  
33 health insurance shall make or procure to be made, or act or aid in  
34 any manner in the negotiation of any such insurance for such a  
35 company in this State until such agent procures from the com-  
36 missioner a certificate of authority so to do, which shall state in  
37 substance that the company is authorized to do business under the  
38 laws of this State, and that the person, copartnership or corpora-  
39 tion named therein is the constituted agent of the company for  
40 the transaction of business. Upon receipt of a certificate by the  
41 company of its appointment of a suitable person, copartnership  
42 or corporation to act as its agent in this State, the commissioner  
43 shall, if the facts warrant it, grant the certificate, which shall

1 continue in force until May 1 next after its issue, and by renewal  
2 thereof before May 1 of each year until suspended or revoked by  
3 the commissioner or until the appointment of the agent is revoked  
4 by written notice from the company to that effect, filed with the  
5 commissioner.

6 The commissioner may issue a certificate of authority to and in  
7 the name of any copartnership or corporation under the provisions  
8 of this section; provided all members of the copartnership or all  
9 officers of the corporation, as the case may be, actively engaged  
10 in the life insurance or life, accident and health insurance business  
11 of the copartnership or corporation in this State hold an unexpired  
12 certificate of authority issued in accordance with the provisions  
13 of this section.

14 No certificate of authority shall be issued by the commissioner  
15 under the provisions of this section to an individual first-time ap-  
16 pointee as such agent until he has qualified by personal examina-  
17 tion, to the satisfaction of the commissioner, as to his trustworthi-  
18 ness and competency to act as such agent. The fee for such  
19 examination shall be \$5.00; but no such examination fee shall be  
20 required if such appointee shall, concurrently with the examination  
21 taken hereunder, also take an examination for an agent's, broker's  
22 or solicitor's license under section 9 of this act and shall pay the  
23 examination fee required therefor. The commissioner may waive  
24 the examination otherwise required by this section of any first-time  
25 appointee who (a) holds an unexpired broker's license issued in  
26 accordance with the provisions of this act, or (b) is a nonresident  
27 and the holder of a license or certificate of authority to act as such  
28 agent in the State wherein he resides, or in which he maintains  
29 his principal office for the conduct of his insurance business if  
30 that be other than the State in which he resides, *provided, the State*  
31 *issuing such license or certificate requires no like examination of*  
32 *agents of this State*, or (c) is a citizen of this State and has served  
33 in the Armed Forces of the United States in any war and has been  
34 honorably discharged or released under condition other than dis-  
35 honorable and was the holder at any time of an agent's certificate  
36 of authority or a broker's license in this State, which authorized  
37 such veteran to transact the business of life insurance. *In granting*  
38 *a license to a nonresident applicant, under paragraph (b) the com-*  
39 *missioner shall have the power to enter into written reciprocal*  
40 *agreements with other States where the commissioner deems same*  
41 *to be necessary.* No examination shall be required as prerequisite  
42 to the issuance of a certificate of authority to any ticket selling  
43 agent of a railroad company, steamship company, carrier by air,

1 or public bus carrier, who shall act thereunder as agent of any  
2 company subject to this section only in reference to the issuance  
3 of accident insurance tickets.

4 Regular salaried officers or employees of any company subject  
5 to this section who do not receive any part of the commission paid  
6 on business which they may solicit, or agents of any such company  
7 for collecting premiums and servicing policies on a debit who do  
8 not solicit or accept applications for the kinds of insurance to which  
9 this section applies, may act on behalf of the company without a  
10 certificate of authority hereunder.

11 The commissioner, after 10 days' notice in the form of a show-  
12 cause order, given in writing to the holder of a certificate of au-  
13 thority, and after a hearing held in conformity with said show-cause  
14 order may as an alternative to or in addition to other penalties  
15 provided by law revoke the certificate of authority or refuse to  
16 renew the same, or suspend the same for a limited period of time,  
17 if he shall find that the holder of such certificate

18 (a) has willfully violated any provision of the insurance laws  
19 of this State, or

20 (b) has intentionally made a material misstatement in the appli-  
21 cation for such certificate of authority, or

22 (c) has misappropriated or converted to his own use or illegally  
23 withheld money belonging to an insurer or an insured or bene-  
24 ficiary, or

25 (d) has obtained or has used such certificate not for the purpose  
26 of holding himself out to the general public as a life, or life, accident  
27 and health insurance agent, but primarily for the purpose of  
28 soliciting, negotiating or procuring life or accident and health in-  
29 surance or annuity contracts covering himself, members of his  
30 family, members or employees of any organization of which the  
31 holder is an officer, or officers or employees of a firm, partnership  
32 or corporation in which the holder or his mother, father, sister,  
33 brother or wife or combination of such persons owns a controlling  
34 interest, or

35 (e) has been convicted after obtaining his certificate of authority  
36 of a crime involving moral turpitude, or

37 (f) has paid all or part of his commission to a person who does  
38 not hold a certificate of authority hereunder or a broker's license  
39 as compensation for services rendered in the solicitation or sale  
40 of life, health, or accident insurance in this State or to a person  
41 who is not properly licensed as agent or broker under the laws of  
42 another State as compensation for services rendered in the sollicita-  
43 tion or sale of life, health or accident insurance in that State, or