

17:3C-1 et. al.

LEGISLATIVE HISTORY CHECKLIST

NJSA 17:3C-1; 17:22-6.6a; 17B:22-8

Laws of 1975 Chapter 346

Bill No. S 1285

Sponsor(s) Merlino

Date Introduced July 1, 1974

Committee: Assembly Banking & Insurance

Senate Labor, Industry & Professions

Amended during passage Yes

Amendments during passage denoted by asterisks

Date of passage: Assembly Dec. 1, 1975

Senate Nov. 25, 1974

Date of approval March 3, 1976

Following statements are attached if available:

Sponsor statement Yes

Committee Statement: Assembly No

Senate No

Fiscal Note No

Veto message No

Message on signing No

Following were printed:

Reports No

Hearings No

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SENATE, No. 1285

STATE OF NEW JERSEY

INTRODUCED JULY 1, 1974

By Senators MERLINO, FAY, HIRKALA, GARRAMONE,
McGAHN, PARKER and BEADLESTON

Referred to Committee on Labor, Industry and Professions

AN ACT concerning the transaction of insurance business by certain financial institutions and supplementing ****P. L. 1944, c. 175 (C. 17:22-6.1 et seq.)**, amending **N. J. S. 17B:22-8** and supplementing **** Title 17 of the Revised Statutes.**

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

1 1. No banking institution, as said term is defined in section 1 of
2 the Banking Act of 1948 (C. 17:9A-1), bank holding company,
3 savings and loan association, credit union or any other lending
4 institution **which regularly accepts deposits from New Jersey*
5 *residents* **not regularly employed by said lending institution or*
6 *its affiliates*** or any parent company, subsidiary, affiliate or
7 member bank of any thereof, shall be licensed or admitted to
8 transact in this State, directly or indirectly, any class of insurance
9 except credit life insurance, credit accident and health insurance,
10 group creditor insurance ****[or]** **,** group mortgage cancella-**
11 **tion life insurance**, or group mortgage accident and health**
12 **insurance**.**

1 ****2. **P. L. 1944, c. 175 is supplemented by the addition of the**
2 **following section:**** *No insurance agent's, broker's or solicitor's*
3 *license shall be issued or renewed to any banking institution or sav-*
4 *ings and loan association which regularly accepts deposit from New*
5 *Jersey residents not regularly employed by said lending institutions*

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

6 or its affiliates or bank holding company, finance company,
 6A ***except any finance company affiliated with an insurance com-
 6B pany,*** mortgage loan company, credit union or any other insti-
 7 tution whose principal business is the lending of money, nor any
 8 parent company, subsidiary, affiliate, service corporation or mem-
 9 ber bank thereof, ***[except insurance companies and]*** except
 10 that this section shall not apply with respect to credit life insurance,
 11 credit accident and health insurance, group mortgage cancellation
 12 life insurance or group mortgage accident and health insurance.

1 **[3.]** The Commissioner of Insurance is authorized to
 2 promulgate regulations to effectuate the purpose of this **[act]**
 3 **section**, which will assist in maintaining the separation between
 4 lending institutions and the insurance business and to minimize
 5 the possibilities of unfair competitive practices by lending institu-
 6 tions or their related companies.**

7 **3. N. J. S. 17B:22-8 is amended to read as follows:

8 17B:22-8. a. No individual, partnership or corporation or other
 9 entity shall act as an agent, nonresident agent, broker, nonresident
 10 broker or solicitor without first procuring a license so to act from
 11 the commissioner.

12 b. An agent or nonresident agent shall be licensed for each
 13 insurer represented by him.

14 c. No insurance agent's, broker's or solicitor's license shall be
 15 issued or renewed to any banking institution or savings and loan
 16 association which regularly accepts deposits from New Jersey
 17 residents not regularly employed by said lending institutions or its
 18 affiliates or bank holding company, finance company, except any
 19 finance company affiliated with an insurance company, mortgage
 20 loan company, credit union or any other institution whose principal
 21 business is the lending of money, nor any parent company, sub-
 22 sidiary, affiliate, service corporation or member bank thereof, except
 23 that this section shall not apply with respect to credit life insurance,
 24 credit accident and health insurance, group mortgage cancellation
 25 life insurance or group mortgage accident and health insurance.

26 The Commissioner of Insurance is authorized to promulgate
 27 regulations to effectuate the purpose of this section, which will
 28 assist in maintaining the separation between lending institutions
 29 and the insurance business and to minimize the possibilities of
 30 unfair competitive practices by lending institutions or their related
 31 companies.**

1 **[2.]** **4.** This act shall take effect immediately.

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INTRODUCED JULY 1, 1974

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McGAHN, PARKER and BEADLESTON

Referred to Committee on Labor, Industry and Professions

AN ACT concerning the transaction of insurance business by certain
financial institutions and supplementing Title 17 of the Revised
Statutes.

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

1 1. No banking institution, as said term is defined in section 1 of
2 the Banking Act of 1948 (C. 17:9A-1), bank holding company,
3 savings and loan association, credit union or any other lending
4 institution or any parent company, subsidiary, affiliate or member
5 bank of any thereof, shall be licensed or admitted to transact in
6 this State, directly or indirectly, any class of insurance except
7 credit life insurance, credit accident and health insurance, group
8 creditor insurance or group mortgage cancellation life insurance.

1 2. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to clarify various sections of existing
law in Title 17 regulating the business of writing or negotiating
insurance, and prohibiting financial institutions in the business of
lending money from actively engaging in the general insurance
business.