

17:44B-32

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2006 **CHAPTER:** 57

NJSA: 17:44B-32 (Exempts members of fraternal benefit societies from insurance producer licensing requirements in certain circumstances)

BILL NO: S275 (Substituted for A447)

SPONSOR(S) Sarlo and others

DATE INTRODUCED: January 10, 2006

COMMITTEE: **ASSEMBLY:** Financial Institutions and Insurance

SENATE: Commerce

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** June 22, 2006

SENATE: March 13, 2006

DATE OF APPROVAL: August 2, 2006

FOLLOWING ARE ATTACHED IF AVAILABLE:

[FINAL TEXT OF BILL](#) (Original version of bill enacted)

S275

[SPONSOR'S STATEMENT:](#) (Begins on page 2 of original bill) [Yes](#)

COMMITTEE STATEMENT: **[ASSEMBLY:](#)** [Yes](#)

[SENATE:](#) [Yes](#)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL NOTE: No

A447

[SPONSOR'S STATEMENT:](#) (Begins on page 2 of original bill) [Yes](#)

COMMITTEE STATEMENT: **[ASSEMBLY:](#)** [Yes](#)

[SENATE:](#) No

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext. 103 or <mailto:refdesk@njstatelib.org>.

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

RWH 3/7/08

P.L. 2006, CHAPTER 57, *approved August 2, 2006*
Senate, No. 275

1 AN ACT concerning fraternal benefit societies and amending
2 P.L.1997, c.322.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

7 1. Section 32 of P.L.1997, c.322 (C.17:44B-32) is amended to
8 read as follows:

9 32. Individuals acting as insurance producers with respect to
10 societies shall be licensed in accordance with the provisions of
11 **[P.L.1987, c.293 (C.17:22A-1 et seq.)]** the "New Jersey Insurance
12 Producer Licensing Act of 2001," P.L.2001, c.210 (C.17:22A-26 et
13 al.). Notwithstanding the provisions of this section or of any other
14 law to the contrary, a license as an insurance producer shall not be
15 required of any agent, representative or member of a fraternal
16 benefit society who devotes, or intends to devote, less than 50
17 percent of his time to the solicitation and procurement of insurance
18 contracts for that fraternal benefit society and who receives, or
19 intends to receive, any commission or other compensation directly
20 dependent on the amount of insurance. Any person who in the
21 preceding calendar year has solicited or procured any of the
22 following contracts of insurance on behalf of a fraternal benefit
23 society shall be presumed to have devoted, or intended to devote, 50
24 percent of his time to the solicitation or procurement of insurance
25 contracts:

26 a. Life insurance contracts that, in the aggregate, exceed
27 \$200,000 of coverage for all lives insured for the preceding
28 calendar year;

29 b. A permanent life insurance contract offering more than
30 \$10,000 of coverage on an individual life;

31 c. A term life insurance contract offering more than \$50,000 of
32 coverage on an individual life;

33 d. An insurance contract, other than a life insurance contract,
34 that the fraternal benefit society may write that insures the
35 individual lives of more than 25 persons; or

36 e. Any variable life insurance or variable annuity contract .
37 (cf: P.L.1997, c.322, s.32)

38

39 2. This act shall take effect on the 90th day following
40 enactment.

41

42

43

44 Exempts members of fraternal benefit societies from insurance
45 producer licensing requirements in certain circumstances.

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

Matter underlined thus is new matter.

SENATE, No. 275

STATE OF NEW JERSEY 212th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2006 SESSION

Sponsored by:

Senator PAUL A. SARLO

District 36 (Bergen, Essex and Passaic)

Senator RAYMOND J. LESNIAK

District 20 (Union)

Co-Sponsored by:

Senator Scutari

SYNOPSIS

Exempts members of fraternal benefit societies from insurance producer licensing requirements in certain circumstances.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



(Sponsorship Updated As Of: 2/10/2006)

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14 law to the contrary, a license as an insurance producer shall not be
15 required of any agent, representative or member of a fraternal
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STATEMENT

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45 This bill exempts agents, representatives and members of

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1 fraternal benefit societies from the licensing requirements of the
2 "New Jersey Insurance Producers Licensing Act of 2001,"
3 P.L.2001, c.210 (C:17:22A-26 et seq.), in certain circumstances.
4 The bill provides this exemption for any agent, representative or
5 member of a fraternal benefit society who devotes, or intends to
6 devote, less than 50 percent of his time to the solicitation and
7 procurement of insurance contracts for that fraternal benefit society
8 and who receives or intends to receive any commission or other
9 compensation directly dependent on the amount of insurance. Any
10 person who in the preceding calendar year has solicited or procured
11 certain contracts of insurance on behalf of a fraternal benefit society
12 is presumed to have devoted, or intended to devote, 50 percent of
13 his time to the solicitation or procurement of insurance. These
14 contracts include: (1) life insurance contracts that, in the aggregate,
15 exceed \$200,000 of coverage for all lives insured for the preceding
16 calendar year; (2) a permanent life insurance contract offering more
17 than \$10,000 coverage on an individual life; (3) a term life
18 insurance contract offering more than \$50,000 of coverage on an
19 individual life; (4) an insurance contract, other than a life insurance
20 contract, that the fraternal benefit society may write that insures the
21 individual lives of more than 25 persons; or (5) any variable life
22 insurance or variable annuity contract.

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO

SENATE, No. 275

STATE OF NEW JERSEY

DATED: MAY 18, 2006

The Assembly Financial Institutions and Insurance Committee reports favorably Senate Bill No. 275.

This bill exempts, under certain circumstances, agents, representatives, and members of fraternal benefit societies involved in the solicitation and procurement of insurance contracts for these societies from the licensing requirements of the "New Jersey Insurance Producer Licensing Act of 2001," P.L.2001, c.210 (C:17:22A-26 et al.).

The insurance producer licensing exemption applies to any agent, representative, or member of a fraternal benefit society who devotes, or intends to devote, less than 50 percent of his time to the solicitation and procurement of insurance contracts and who receives, or intends to receive, any commission or other compensation directly dependent on the amount of insurance.

In order to measure the percentage of time that a person devotes to the solicitation and procurement of contracts, as used to determine one's eligibility for the licensing exemption, the bill provides a list of insurance contracts, the solicitation or procurement of which establish a person's devotion of too much time to contract solicitation and procurement, thus making the person ineligible for the licensing exemption. These contracts, based upon activity during the preceding calendar year, include:

(1) Life insurance contracts that, in the aggregate, exceed \$200,000 of coverage for all lives insured for the preceding calendar year;

(2) A permanent life insurance contract offering more than \$10,000 coverage on an individual life;

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(5) any variable life insurance or variable annuity contract.

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 275

STATE OF NEW JERSEY

DATED: FEBRUARY 9, 2006

This bill exempts, under certain circumstances, agents, representatives, and members of fraternal benefit societies involved in the solicitation and procurement of insurance contracts for these societies from the licensing requirements of the "New Jersey Insurance Producer Licensing Act of 2001," P.L.2001, c.210 (C:17:22A-26 et al.).

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(5) any variable life insurance or variable annuity contract.

This bill was pre-filed for introduction in the 2006-2007 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

ASSEMBLY, No. 447

STATE OF NEW JERSEY 212th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2006 SESSION

Sponsored by:

**Assemblyman JOSEPH VAS
District 19 (Middlesex)**

Co-Sponsored by:

**Assemblyman Diegnan, Assemblywoman Quigley, Assemblymen
Chivukula and Caraballo**

SYNOPSIS

Exempts members of fraternal benefit societies from insurance producer licensing requirements in certain circumstances.

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