

# 17:22A-38

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2010                    **CHAPTER:** 42

**NJSA:** 17:22A-38 (Provides for certain surplus lines producer fees to be determined by regulation)

**BILL NO:** A586 (Substituted for S940)

**SPONSOR(S)** Cryan and others

**DATE INTRODUCED:** January 12, 2010

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

**SENATE:** ---

**AMENDED DURING PASSAGE:** No

**DATE OF PASSAGE:**                    **ASSEMBLY:** March 15, 2010

**SENATE:** May 20, 2010

**DATE OF APPROVAL:** July 2, 2010

### FOLLOWING ARE ATTACHED IF AVAILABLE:

**FINAL TEXT OF BILL** (Introduced version of bill enacted)

#### A586

**SPONSOR'S STATEMENT:** (Begins on page 2 of introduced bill) Yes

**COMMITTEE STATEMENT:**                    **ASSEMBLY:** Yes

**SENATE:** No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at [www.njleg.state.nj.us](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

#### S940

**SPONSOR'S STATEMENT:** (Begins on page 2 of introduced bill) Yes

**COMMITTEE STATEMENT:**                    **ASSEMBLY:** No

**SENATE:** Yes

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

(continued)

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

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**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** No

LAW/RWH

# ASSEMBLY, No. 586

## STATE OF NEW JERSEY 214th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

**Sponsored by:**

**Assemblyman JOSEPH CRYAN**

**District 20 (Union)**

**SYNOPSIS**

Provides for certain surplus lines producer fees to be determined by regulation.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel



A586 CRYAN

2

1 AN ACT concerning certain surplus lines producer fees and  
2 amending P.L.2001, c.210.

3

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

6

7 1. Section 13 of P.L.2001, c.210 (C.17:22A-38) is amended to  
8 read as follows:

9 13. a. No license granting surplus lines authority shall be issued  
10 or renewed unless the applicant holds or will hold property and  
11 casualty authorities.

12 b. No surplus lines producer shall charge any fee to an  
13 originating broker in connection with the negotiation or  
14 procurement of any contract of surplus lines insurance that shall  
15 exceed **[\$50]** an amount set forth by the commissioner pursuant to  
16 regulation, plus the actual costs incurred for any services performed  
17 by a person that is not associated with the surplus lines producer,  
18 such as inspection services.

19 (cf: P.L.2001, c.210, s.13)

20

21 2. This act shall take effect on the first day of the third month  
22 next following enactment, but the Commissioner of Banking and  
23 Insurance may take any anticipatory administrative action in  
24 advance thereof as shall be necessary for the implementation of this  
25 act.

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STATEMENT

29

30 This bill provides that a surplus lines producer shall not charge  
31 any fee to an originating broker in connection with the negotiation  
32 or procurement of any contract of surplus lines insurance that  
33 exceeds an amount set forth by the commissioner pursuant to  
34 regulation, plus the actual costs incurred for any services performed  
35 by a person that is not associated with the surplus lines producer.  
36 Under the current law, the maximum fee amount is set at \$50, plus  
37 any actual costs for services by a person not associated with the  
38 producer.

**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.

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 586**

**STATE OF NEW JERSEY**

DATED: MARCH 4, 2010

The Assembly Financial Institutions and Insurance Committee reports favorably Assembly Bill No. 586.

This bill provides that a surplus lines producer shall not charge any fee to an originating broker in connection with the negotiation or procurement of any contract of surplus lines insurance that exceeds an amount set forth by the commissioner pursuant to regulation, plus the actual costs incurred for any services performed by a person that is not associated with the surplus lines producer. Under the current law, the maximum surplus lines producer fee amount is set at \$50, plus any actual costs for services by a person not associated with the producer.

This bill was pre-filed for introduction in the 2010-2011 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

# SENATE, No. 940

## STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED FEBRUARY 4, 2010

**Sponsored by:**

**Senator RAYMOND J. LESNIAK**

**District 20 (Union)**

**SYNOPSIS**

Provides for certain surplus lines producer fees to be determined by regulation.

**CURRENT VERSION OF TEXT**

As introduced.



S940 LESNIAK

2

1 AN ACT concerning certain surplus lines producer fees and  
2 amending P.L.2001, c.210.

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4 **BE IT ENACTED** by the Senate and General Assembly of the State  
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7 1. Section 13 of P.L.2001, c.210 (C.17:22A-38) is amended to  
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9 13. a. No license granting surplus lines authority shall be issued  
10 or renewed unless the applicant holds or will hold property and  
11 casualty authorities.

12 b. No surplus lines producer shall charge any fee to an  
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14 procurement of any contract of surplus lines insurance that shall  
15 exceed **[\$50]** an amount set forth by the commissioner pursuant to  
16 regulation, plus the actual costs incurred for any services performed  
17 by a person that is not associated with the surplus lines producer,  
18 such as inspection services.

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22 next following enactment, but the Commissioner of Banking and  
23 Insurance may take any anticipatory administrative action in  
24 advance thereof as shall be necessary for the implementation of this  
25 act.

26

27

28 STATEMENT

29

30 This bill provides that a surplus lines producer shall not charge  
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32 or procurement of any contract of surplus lines insurance that  
33 exceeds an amount set forth by the commissioner pursuant to  
34 regulation, plus the actual costs incurred for any services performed  
35 by a person that is not associated with the surplus lines producer.  
36 Under the current law, the maximum fee amount is set at \$50, plus  
37 any actual costs for services by a person not associated with the  
38 producer.

**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 COMMERCE COMMITTEE

STATEMENT TO

**SENATE, No. 940**

**STATE OF NEW JERSEY**

DATED: MARCH 4, 2010

The Senate Commerce Committee reports favorably Senate Bill No. 940.

This bill provides that a surplus lines producer shall not charge any fee to an originating broker in connection with the negotiation or procurement of any contract of surplus lines insurance that exceeds an amount set forth by the Commissioner of Banking and Insurance pursuant to regulation, plus the actual costs incurred for any services performed by a person that is not associated with the surplus lines producer. Under the current law, the maximum surplus lines producer fee amount chargeable to an originating broker is set at \$50, plus any actual costs for services by a person not associated with the producer.