



**State of New Jersey**  
DEPARTMENT OF BANKING AND INSURANCE  
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JAMES E. MCGREEVEY  
*Governor*

HOLLY C. BAKKE  
*Commissioner*

**BULLETIN NO. 03-29**

**TO: ALL INSURANCE COMPANIES, INSURANCE PRODUCERS AND LIMITED INSURANCE REPRESENTATIVES**

**FROM: HOLLY C. BAKKE, COMMISSIONER**

**RE: PRODUCER LICENSING**

On November 4, 2002 the Department of Banking and Insurance adopted new and amended regulations implementing the Producer Licensing Act of 2001. In order to allow for a smooth and effective transition, the effective date of some of these regulations was delayed until December 31, 2003. On November 4, 2002, the Department issued Bulletin No. 02-27 that provided guidelines for many of the significant changes, with their effective dates. This Bulletin is to remind insurance companies, licensed producers and limited lines representatives of some significant provisions which will become effective December 31, 2003. Additional information concerning these regulations may be found on the Department's website at [www.njdoji.org](http://www.njdoji.org).

**Limited Lines Authority:** Consistent with the creation of limited lines authority which will require a producer license, limited insurance representatives are being eliminated. N.J.A.C. 11:17-2.2(d) allowed insurance companies to submit limited insurance representative registrations until June 30, 2003. All registered limited insurance representatives have until December 31, 2003 to qualify and apply for, and become licensed as limited lines producers.

Limited insurance representatives selling bail bonds must complete their education, pass the qualifying exam for their bail bonds limited lines authority, and apply for and become licensed by December 31, 2003.

As of December 31, 2003, all limited insurance representative registrations will be terminated. Thereafter, if a limited insurance representative has not obtained a producer license, he or she cannot transact the business of insurance in this State.

**Variable Life and Variable Annuity Authority:** N.J.A.C. 11:17-2.2(c) allows producers licensed with life authority prior to November 4, 2002 who also hold a securities license to continue to sell variable products until December 31, 2003. During this transition period, these producers may add variable authority to their license by providing, on a form prescribed by the Commissioner, their NASD license or registration number without the usual \$20.00 fee. After December 31, 2003, no life producer can sell variable life or annuity products unless he or she has added the variable life and annuity authority to their producer license and has paid the \$20.00 fee.

The Department has implemented the new State Based Systems license processing system to add these lines to current licenses. Licensees who submit request forms will receive new licenses showing the variable authority. Due to the volume of requests, additions may take several months to complete. However, if a request is submitted prior to December 31, 2003, it will be processed without the \$20.00 fee.

**Health Authority for Producers Currently Licensed for Property/Casualty:**

Producers licensed for property/casualty prior to November 4, 2002 completed prelicensing education and testing for health authority as well. Any producer currently licensed for property/casualty will continue to have authority to write health insurance through December 31, 2003.

After December 31, 2003, no producer with property and/or casualty authority can sell health insurance unless he or she first adds the health authority, documents that he or she has completed prelicensing education and testing for health authority either by being licensed for property/casualty authority prior to November 4, 2002, or by satisfying the education and testing requirements for health authority, and pays the \$20.00 fee.

Until December 31, 2003, eligible producers may add health authority to their license by applying to do so, on a form prescribed by the Commissioner, without the usual \$20.00 fee. Since producers already have a license reflecting health authority they will not be receiving a new license on submission. Producers who have submitted the request need take no further action.

11/7/03

Date

/s/ Holly C. Bakke

Holly C. Bakke  
Commissioner

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