

CHAPTER 57

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

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

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

C.17:44B-32 Licensure of individual insurance producers; exemption for certain agents, member of fraternal benefit societies, conditions.

32. Individuals acting as insurance producers with respect to societies shall be licensed in accordance with the provisions of the "New Jersey Insurance Producer Licensing Act of 2001," P.L.2001, c.210 (C.17:22A-26 et al.). Notwithstanding the provisions of this section or of any other law to the contrary, a license as an insurance producer shall not be required of 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 for that fraternal benefit society and who receives, or intends to receive, any commission or other compensation directly dependent on the amount of insurance. Any person who in the preceding calendar year has solicited or procured any of the following contracts of insurance on behalf of a fraternal benefit society shall be presumed to have devoted, or intended to devote, 50 percent of his time to the solicitation or procurement of insurance contracts:

- a. Life insurance contracts that, in the aggregate, exceed \$200,000 of coverage for all lives insured for the preceding calendar year;
- b. A permanent life insurance contract offering more than \$10,000 of coverage on an individual life;
- c. A term life insurance contract offering more than \$50,000 of coverage on an individual life;
- d. An insurance contract, other than a life insurance contract, that the fraternal benefit society may write that insures the individual lives of more than 25 persons; or
- e. Any variable life insurance or variable annuity contract.

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

Approved August 2, 2006.