New Jersey Insurance Regulations

NEW JERSEY ADMINISTRATIVE CODE...Title 11. Department of Banking and Insurance...Division of Insurance...Chapter 17B -- INSURANCE PRODUCER STANDARDS OF CONDUCT: COMMISSIONS AND FEES...Subchapter 2. Commissions

The text of Title 11 Chapter 17B expires on August 14, 2024 NJAC

11:17B-2.1 Commissions
(a) No insurance producer shall pay any commission to any unlicensed individual or organization for services rendered in this State as an insurance producer except for services rendered while licensed.
(b) Payment or receipt of renewal or other deferred commissions to or by any individual or organization who has ceased to hold a license under N.J.S.A. 17:22A-26 et seq. shall be permitted only for business produced by that individual or organization while an insurance producer.
(c) No commission or renewal, deferred or otherwise, or any other compensation shall be paid to any individual or organization whose license has been revoked or suspended, except for services rendered while licensed. Nothing in this subsection shall prohibit a person from selling its book of business for compensation contingent upon the persistency of the business. Nothing in this subsection shall prohibit any person from asserting a right of setoff against an insurance producer whose license is revoked.
(d) No insurance producer shall pay or return, or offer to pay or return to any policyholder, certificate holder, or prospective policyholder or certificate holder, all or any portion of the commission received or which will be received in connection with the sale of insurance.
(e) An insurer or insurance producer may pay or assign commissions, service or brokerage fees or other valuable consideration to an insurance agency or to persons who do not sell, solicit or negotiate insurance in this State, unless the payment would violate the laws of this State.

Authority - N.J.S.A. 17:1-8.1, 17:1-15e and 17:22A-26 et seq