

policy. The provisions of the bill apply to banks, savings and loan associations and federally chartered savings banks. The Director of Banking shall promulgate regulations to effectuate the provisions of this bill.

By committee amendments, requested by the sponsor, restore provisions deleted by the Senate; except that the monetary penalty shall be limited to willful violations and have a limit of \$5,000.00 in any case. Amendments also require giving notice to account holders on the date following the bill's enactment.

Section 370, approved Nov. 12, 1985, L.1985, c. 370, holders may draw against deposits.

Effect on the 60th day

Library References

Words and Phrases (Perm. Ed.)

Banking institutions to discontinue when certain account

Statement of policy regarding withdrawal of deposits

The institution shall provide a written disclosure to every deposit holder on the effective date of this act and to every applicant for a deposit account. The institution's policy with respect to when an account holder may withdraw deposits, and shall notify in writing all of its deposit account holders of the policy. All disclosures and notifications required by this act shall be made in a manner consistent with regulations promulgated by the Director of Banking.

Section under § 17:16L-1.

Administrative Code References

Banking, availability of funds, see N.J.A.C. 3:1-15.1 et seq.

Statement to Senate, No. 17:16L-1.

Penalty

Any institution which willfully violates any provision of this act or any provision of any regulation promulgated thereunder shall be subject to a fine of not more than \$5,000.00 for each violation, up to a maximum of \$5,000.00 in any one proceeding in a summary proceeding under "the penalty enforcement law" (see § 17:16L-1).

Section under § 17:16L-1.

Statement to Senate, No. 17:16L-1.

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Last additions in text indicated by underline;

# NEW JERSEY STATUTES ANNOTATED

## Official Classification

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1988

### Cumulative Annual Pocket Part

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# PREFACE

This Cumulative Annual Pocket Part contains laws of permanent nature through Laws 1987, Chapter 460, 1987 Regular Session of the Legislature.

The laws appear herein under their authorized form with the general plan and arrangement of Statutes. New Jersey Statutes Annotated and the Supplement are identical as to text and classification. Footnotes in the Supplement are the publisher's.

The latest amendments to the laws are indicated by asterisks and by printing deletions in strike-out type, unless otherwise extensive, in which case a note following the text summarizes the material.

The annotations from the decisions of the State Supreme Court construing the laws close with cases reported in:

Atlantic Reporter, Second Series.....	
New Jersey Reports.....	
New Jersey Superior Court Reports.....	222
New Jersey Tax Court.....	9
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Other Standard Reports.....	

For subsequent judicial constructions, pending the next supplementary service, see Table of Statutes Cited in Permanent Volumes and weekly Advance Sheets of the Supplement above.

Library References to Key Number Digests and Secundum are included as a convenient aid to research.

Later laws and annotations will be cumulated in subsequent parts and annotated pamphlets. For advance copies of subsequent sessions of the Legislature, see the New Jersey Statutes Service.

\* Subsequent case history, if by unpublished opinion, is indicated by an asterisk in the New Jersey Administrative Report's Citation Tracker.

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SUBTITLE 3. INSURANCE

PART 1. INSURANCE COMPANIES GENERALLY

CHAPTER 17. FORMATION

17:17-1. Kinds of insurance

Cross References

Pet health insurance, see §§ 17:46D-1, 17:46D-2.

CHAPTER 22. BROKERS AND AGENTS

Section

17:22-6.55a. Advisory surplus lines organizations.

17:22-6 to 17:22-6.2. Repealed by L.1987, c. 293, § 26

Effective date of L.1987, c. 293, see Historical Note under § 17:22A-1.

See, now, § 17:22A-1 et seq.

17:22-6.3 to 17:22-6.14. Repealed by L.1987, c. 293, § 26

Effective date of L.1987, c. 293, see Historical Note under § 17:22A-1.

See, now, § 17:22A-1 et seq.

17:22-6.14a. Canceled policy; disposition of unearned premiums; contracts with agents; commissions; termination; renewal of business; inquiries by commissioner

a. In the event that a policy is canceled by the insurer, either at its own behest or at the behest of the agent or broker of record, the unearned premium, including the unearned commission, shall be returned to the policyholder.

b. In the event that a policy of automobile insurance, issued by the automobile insurance plan established pursuant to P.L.1970, c. 215 (C. 17:29D-1) or any successor thereto, is canceled by reason of nonpayment of premium to the insurer issuing the policy or nonpayment of an installment payment due pursuant to an insurance premium finance agreement, the broker of record for that policy may retain the full annual commission due thereon and, if a premium finance agreement is not involved, the effective date of cancellation of the policy shall be no earlier than 10 days prior to the last full day for which the premium paid by the insured, net of the broker's full annual commission, would pay for coverage on a pro rata basis in accordance with rules established by the commissioner.

c. Contracts between insurance companies and agents for the appointment of the agent as the representative of the company shall set forth the rate of commission to be paid to the agent for each class of insurance within the scope of such appointment written on all risks or operations in this State, except:

- (a)(1) Reinsurance.
(b)(2) Life insurance.
(c)(3) Annuities.
(d)(4) Accident and health insurance.

Last additions in text indicated by underline;

(e)(5) Title insurance.

(f)(6) Mortgage guaranty insurance.

(g)(7) Hospital service, medical service, or dental service companies; mutual benefit associations; or fraternal benefit

Said rates of commission shall continue in force and effect until mutual written consent or until termination of said contract a Failure to achieve such mutual consent shall require that the contract be terminated as hereinbelow provided. The rate of commission for each class of insurance on the date of enactment hereof shall be the rate existing under the existing contract between agent and company.

d. Termination of any such contract for any reason other than the death of the insured herein shall become effective after not less than 90 days' notice to the company to the agent and the Commissioner of Insurance. Any increase in liability on renewal or in force business shall be the liability of the company after notice of termination without written approval of the Commissioner. However, during the term of the agency contract, including the term of any renewal, the company shall not refuse to renew such business from the date of termination in accordance with said company's current underwriting standards. The company shall, during a period of nine months from the effective date of termination, provided the former agent has not been replaced as the broker of record, insure for such agent for said company as may be in accordance with the company's then current underwriting standards and pay to the agent the commission in accordance with the previous agency contract or the rate of commission. Said commission can be paid only to the holder of a New Jersey license. If the event any risk shall not meet the then current underwriting standards of the company, that company may decline its renewal, provided that the company give the terminated agent and the insured not less than 90 days' notice of intention not to renew said contract of insurance.

e. The agency termination provisions of this act shall not apply to any agent in which the agent is paid on a salary basis without commission. No agent shall represent exclusively one company or to the termination of the agency contract, insolvency, abandonment, gross and willful misconduct, or failure to pay company moneys due to the company after his receipt of a written statement or after revocation of the agent's license by the Commissioner. In any such case the company shall, upon request of the insured, pay to the insured any such case the company shall, upon request of the insured, pay to the insured the then current underwriting standards of the company, renewal of the contract, and any other matter formerly processed by the terminated agent, through the agency contract directly pursuant to such rules and regulations as may be established by the Commissioner of Insurance.

f. The Commissioner of Insurance, on the written request of the insured, stating that there has been a violation of this act, or when the insured, without a complaint, may inquire and otherwise investigate the insured if there has been any violation of this act.

g. All existing contracts between agent and company in New Jersey on the effective date of this act are subject to the provisions of this act.

h. The Commissioner of Insurance may, if he determines that the financial condition of the company is unsatisfactory, exclude such company from doing business in this State.

i. Whenever under this act it is required that the company of insurance, the renewal shall be for a time period equal to the term specified in the original contract, but in no event to exceed the term of the original contract.

j. The provisions of subsection b. of this section shall not apply to policies issued pursuant to sections 13 through 34 of P.L.1983, c. 65.

k. The New Jersey Automobile Full Insurance Underwriting Standards shall be established pursuant to sections 13 through 34 of P.L.1983, c. 65. Last deletions by strikeouts