

NEW JERSEY STATUTES ANNOTATED

Official Classification

Title 17

Corporations and Institutions for Finance and Insurance

17:12 to 17:33

Title 17B, Subtitle 3 Life and Health Insurance With Annotations

See Special Pamphlet

Cumulative Annual Pocket Part

For Use In 1976-1977

Replacing prior pocket part in back of volume

**INCLUDING LAWS
through the
1975 Regular Session**

ST. PAUL, MINN.

WEST PUBLISHING CO.

EXPLANATION

1. Acts, Laws and
2A. Administration of Civil and Labor
Criminal Justice.
3A. Administration of Estates—

This Cumulative Annual Pocket Part contains the text of the current provisions of Title 17 relating to insurance, as amended by Laws of the 1975 Regular Session, together with Tables, Source Notes of Decisions is published in a Special Pamphlet form. The pamphlet should be read in conjunction with the 1975 Regular Session of the Legislature.

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The laws appear herein under their authorship in conformity with the general plan and arrangement of the Revised Statutes. New Jersey Statutes Annotated and the Revised Statutes are identical as to text and classification.

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

Atlantic Reporter, Second Series	-----
New Jersey Reports	-----
New Jersey Superior Court Reports	139
Supreme Court Reporter	-----
United States Reports	-----
Lawyers' Edition, Second Series	4
Federal Reporter, Second Series	-----
Federal Supplement	4
Federal Rules Decisions	-----
Opinions of the Attorney General	Atty. Ge
Other Standard Reports	55

For subsequent judicial constructions, pending the next supplementary service, see Table of Statutes in later permanent volumes and weekly Advance Sheets listed 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 the next supplementary service. For advance copies of laws and annotations at subsequent sessions of the Legislature, see the Law Service.

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CHAPTER 21. DIRECTORS AND OFFICERS

17:21-1, 17:21-2.

Repealed in Part

Repealed insofar as applicable to company authorized to do life insurance, health insurance and annuities business by L.1971, c. 144, eff. Jan. 1, 1972. See section 17B:36-3.

For disposition of repealed subject matter, see Table at end of Title 17B.

17:21-3. Election of directors of benefit companies

Saved from Repeal

The Life and Health Insurance Code, section 17B:36-1, provides that certain enumerated sections, acts and parts of acts, including this section, and all amendments and supplements thereto, are saved from repeal.

CHAPTER 22. BROKERS AND AGENTS

Sec.

- 17:22-6.6a Lending institutions; issuance of license; prohibition; exceptions; regulations [New].
- 17:22-6.14a Canceled policy; disposition of unearned premiums; contracts with agents; commissions; termination; renewal of business; inquiries by commissioner [New].
- 17:22-6.14a1 Property and casualty insurers; filing of current underwriting guidelines [New].
- 17:22-6.14a2 Notice of nonrenewal; identification of underwriting standards not met; liability for information to insurer as to reasons for nonrenewal [New].
- 17:22-6.14a3 Rules and regulations by commissioner of insurance [New].
- 17:22-6.14b Severability [New].

Law Review Commentaries

Is New Jersey's insurance legislation sufficient to comply with the require-

ments of the McCarran Act? (1949) 3 Rutgers L.Rev. 95.

17:22-6. Licensing of war veterans as brokers, agents or solicitors

Repealed in Part

Repealed insofar as applicable to any aspect of the licensing of, business of, or any other matter pertaining to any agent, solicitor or broker, which aspect relates to life insurance, health insurance or annuities, and insofar as applicable to the health insurance business of any company transacting any insurance not defined in Title 17B by L.1971, c. 144, eff. Jan. 1, 1972. See section 17B:36-3.

For disposition of repealed subject matter, see Table at end of Title 17B.

17:22-6.1, 17:22-6.2

Repealed in Part

Repealed insofar as applicable to any aspect of licensing of, business of or any other matter relating to life insurance, health insurance or annuities, and insofar as applicable to health insurance business of any company transacting insurance not defined in Title 17B, by L.1971, c. 144, eff. Jan. 1, 1972. See section 17B:36-3.

For disposition of repealed subject matter, see Table at end of Title 17B.

17:22-6.2a Authorization entitling broker to receive in behalf of insurer

Saved from Repeal

The Life and Health Insurance Code, section 17B:36 certain enumerated sections, acts and parts of acts section, and all amendments and supplements thereto repeal.

Supplementary Index to Notes

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- Estoppel 7
- Liability of agent 6

1. Construction and application

This section providing that an insurer which delivers a contract of insurance to a broker shall be deemed to have authorized broker to receive payment of premium on its behalf constitutes a codification of common-law principle that, in event broker has been entrusted to deliver policy, insured may justifiably believe that broker is authorized to receive payment of premium therefor on insurer's behalf. Global Am. Ins. Managers v. Perera Co., Inc., 137 N.J.Super. 377, 349 A.2d 108 (1975).

This section providing that an insurer which delivers a contract of insurance to an insurance broker shall be deemed to have authorized broker to receive payment of any premium on its behalf is remedial in nature and must be construed liberally to suppress mischief and advance liberty. Id.

Application of this section providing that an insurer which delivers a contract of insurance to an insurance broker shall be deemed to have authorized broker to receive payment of any premium on its behalf requires that there be a delivery of a "contract" as opposed to a "policy" of insurance prior to payment of premium. Id.

Provision of § 17:22-6.54 that payment of premium to a surplus lines agent settles a later question of payment as between insurer and insured is not to be understood as barring presumption arising from payment to a broker who has been held out as insurer's agent. Id.

If insurer entrusts insurance policy to insurance broker for purpose of delivering policy to and collecting premiums from insured, insured's payment of such premiums to broker is deemed payment to insurer. Commercial Ins. Co. of Newark v. Appgar, 111 N.J.Super. 108, 267 A.2d 559 (1970).

2. Purpose

Kubeck v. Concord Ins. Co., 103 N.J.Super. 525, 248 A.2d 131 (1968) [main volume] affirmed 107 N.J.Super. 510, 259 A.2d 473.

4. Relationship

Kubeck v. Concord Ins. Co., 103 N.J.Super. 525, 248 A.2d 131 (1968) [main volume] affirmed 107 N.J.Super. 510, 259 A.2d 473.

While an insurance broker acts for insured in making application and procuring policy, as a general rule, he acts for insurer in delivering policy and in collecting and remitting premium. Global Am. Ins. Managers v. Perera Co., Inc., 137 N.J.Super. 377, 349 A.2d 108 (1975).

Evidence, in action by insurer against insurance agent for wrongful and fraudulent conversion of premium, failed to establish, as predicate for claim of tortious conversion, that individual and corporate defendants, who, as insurance agents had received premiums, were required by any contractual understanding

to become trustee respect to collected special Ins. Co. of N.J.Super. 108, 267 A.

5. Cancellation
Kubeck v. Concord Ins. Co., 103 N.J.Super. 525, 248 A.2d 131 (1968) [main volume] affirmed 107 N.J.Super. 510, 259 A.2d 473.

6. Liability of agent

Where insured unaware that he binder 25 days after application was filed, and application destroyed by fire after broker had bread applicants and was to home, notwithstanding applicants had advised would not be able coverage until so period and fact that lowered their home some three months later. Bates v. Super. 162, 336 A.

Insurance agent insured for failure Eschle v. Eastern 128 N.J.Super. 295

Where individual failed to disclose prospective insured had insurance and did not indicate that policy on installment

er, in relying on agreed to accept on basis, and received not paid for insufficiently. Corporate agent of was principal stockling officer, and subsequent cancellati brought suit against was entitled to against individual new agents. Commercial Ins. Co. of Newark v. Appgar, 111 N.J.Super. 108, 267 A.2d 559 (1970).

7. Estoppel

Agent for surplus silence after broker assured that contract come into existence topped from deny been entrusted with and was authorized of premiums. Global Am. Ins. Managers v. Perera Co., Inc., 137 N.J.Super. 377, 349 A.2d 108 (1975).

8. Authority of broker

Premiums for surplus which were paid to its broker, but transmitted to plus lines insurer, gally received by broker prior to where broker, based furnished by plain plus lines insurer, defendant insured the ance had come into infying defendant,