

17:22-6.14a & 6.14b

October 21, 1971 *Cyl*

LEGISLATIVE NOTES ON R.S.17:22-6.14a, 17:22-6.14b
(Contracts between agents and insurance companies)

L.1970 - chap.217 - A 1067.
May 4 - Introduced by Kaltenbacher [and others]
No statement.
Not amended during passage.

Bill listed as approved in:

974.905 N.J. Association of Realtor Boards
R286 Vol.12, No.6 May 1970 p.3

Comments in:

974.905 New Jersey Association of Independent Insurance
I62 Agents Newsletter

No clippings: V.P.--Insurance.

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Encl.

ASSEMBLY, No. 1067

STATE OF NEW JERSEY

INTRODUCED MAY 4, 1970

By Assemblymen KALTENBACHER, KEAN, DICKEY, WILSON,
DENNIS, GOLDFARB, THOMAS, PARKER, POLICASTRO,
LORDI, ESPOSITO, HURLEY and CAFIERO

Referred to Committee on Insurance

AN ACT concerning insurance to improve the stability and availability of insurance protection for the public and repealing R. S. 17:29-7 and R. S. 17:29-10.

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

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

6 (a) Reinsurance.

7 (b) Life insurance.

8 (c) Annuities.

9 (d) Accident and health insurance.

10 (e) Title insurance.

11 (f) Mortgage guaranty insurance.

12 (g) Hospital service of medical service corporations, investment
13 companies, mutual benefit associations, or fraternal beneficiary
14 associations.

15 Said rates of commission shall continue in force and effect unless
16 changed by mutual written consent or until termination of said
17 contract as hereinafter provided.

18 Termination of any such contract shall become effective after not
19 less than 90 days' notice in writing given by the company to the
20 agent and the company shall renew all contracts of insurance for
21 such agent for said company during a period of 6 months from the
22 effective date of such termination, but in the event any risk shall not
23 meet current underwriting standards of said company, that com-
24 pany may decline its renewal, provided that the company shall give

25 the agent not less than 60 days' notice of its intention not to renew
26 said contract of insurance. No new business nor increases in liability
27 on renewal or in force business shall be written by the agent for the
28 company after notice of termination without written approval of the
29 company.

30 Commissions may only be changed by mutual written consent be-
31 tween agent and company. Failure to achieve such mutual consent
32 shall require that the agent's contract be terminated as hereinabove
33 provided. The rate of commissions being paid on each class of
34 insurance on the date of enactment hereof shall be deemed to be
35 pursuant to the existing contract between agent and company.

36 During the term of said contract the company shall not refuse
37 to renew such business from the agent as would be in accordance
38 with said company's current underwriting standards.

39 The provisions of this section shall not apply to those contracts
40 in which the agent agrees to represent exclusively one company or
41 a group of companies under common management or to the termi-
42 nation of an agent's contract for insolvency, abandonment, gross
43 and willful misconduct, or failure to pay over to the company
44 moneys due to the company after his receipt of a written demand
45 therefor, or after revocation of the agent's license by the Commis-
46 sioner of Insurance.

47 The commissioner, on the written complaint of any insurer or
48 agent licensed in this State, stating that there has been a violation
49 of this section, or when he deems it necessary without a complaint,
50 shall inquire whether there has been any violation of this section
51 in the commissions paid or payable on the risks in this State.

52 All existing contracts between agent and company presently in
53 effect in the State of New Jersey are subject to all provisions of
54 this statute.

1 2. If any section, subsection, subdivision, paragraph, sentence
2 or clause of this act is held invalid or unconstitutional, such de-
3 cision shall not affect the remaining portions of this act, and to this
4 end the provisions of this act are declared to be severable.

1 3. R. S. 17:29-7 and R. S. 17:29-10 are repealed.

1 4. This act shall take effect immediately.