

40-2,107. Minimum notice requirements for cancellation of insurance agency contract by insurance company. (a) Insurance companies may contract with independent insurance agents as to binding authority, policy services, adjusting services, commissions and other subjects of interest between agent and company. Such contracts which have been effective for more than one year shall not be terminated or amended by the company except by mutual agreement or unless 180 days' prior notice has been tendered to the agent, except that this shall not apply to terminations for fraud, material misrepresentation or failure to pay such agent's account less the agent's commission and any disputed items within 10 days after written demand by the company. During such notice period all contractual conditions existing prior to such notice shall continue.

(b) Any independent insurance agent whose contract with an insurance company has been terminated under the provisions of subsection (a) shall have until the policy renewal date, but not more than one year, to place the business written under such terminated contract with another insurance company.

History: L. 1977, ch. 163, § 2; L. 1982, ch. 199, § 2; L. 1985, ch. 161, § 1; July 1.