

CHAPTER 26.1-26.1

INDEPENDENT INSURANCE AGENT CONTRACT TERMINATION

26.1-26.1-01. Definitions.

For the purposes of this chapter, an "independent insurance producer" means any licensed property and casualty insurance producer representing a property and casualty insurance company on an independent contractor basis and not as an employee. This term includes only those producers not obligated by contract to place property and casualty insurance accounts with any insurance company or group of companies. This chapter only applies to contracts which have been in effect for more than one year between an independent insurance producer and a property and casualty insurance company.

26.1-26.1-02. Producer and company rehabilitation.

In an effort to avoid termination, a property and casualty insurance company and an independent insurance producer may endeavor to reach mutual agreement on a written plan for rehabilitation for a period of time agreed upon by them. Any written plan agreed upon must identify the problem areas and specify what the insurance producer must do in order to avoid termination.

26.1-26.1-03. Notice of termination.

Contracts between an independent insurance producer and any property and casualty insurance company may not be terminated or amended by the company except by mutual agreement or unless ninety-day prior written notice has been provided to the independent insurance producer. The rate of commission and renewal terms must be in accordance with those in effect immediately prior to the termination.

26.1-26.1-04. Termination of insurance producers for cause - Exceptions.

This chapter does not apply to terminations for abandonment, insolvency of the terminating company, gross and willful misconduct, refusal, suspension, revocation, or termination of the insurance producer's license by the insurance commissioner, sale or material change or ownership of agency, fraud, material misrepresentation or failure to pay an independent insurance producer's account less the independent insurance producer's commission and any disputed items within thirty days after written demand by the company.