

§4751. Life, noncancellable health, hospital expense and hospital and surgical expense insurance contracts; default in payment of premium during strike of insurance agents

1. Default. No contract of life, noncancellable health, hospital expense or hospital and surgical expense, insurance which goes into effect in this State on or after the 30th day after January 2, 1970 shall lapse during any 30-day period immediately following the inception of a strike by reason of any default in the payment of any premium during a strike of insurance agents employed by an insurer authorized to transact business in this State, if

A. The collection of the contract premium was, at commencement of the strike, a duty, charge or obligation of any of such agents, according to the records, books, instructions, practice or organization of the insurer, and [PL 1969, c. 374 (NEW).]

B. Such agents are represented for purposes of collective bargaining by a labor organization which has been so recognized or certified or has been a party to any collective bargaining agreement with the insurer. [PL 1969, c. 374 (NEW).]

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2. Definitions. For the purpose of this section:

A. Lapse. "Lapse" shall mean lapse, be terminated or in any way modified or qualified as to the obligations of the insurer and the right of the insured. [PL 1969, c. 374 (NEW).]

B. Premium. "Premium" shall mean premium, interest, assessment or any other payment or charge for or in connection with the insurance which would be due to the insurer under the insurance contract during the strike of agents, except for the operation of this section. [PL 1969, c. 374 (NEW).]

C. Strike. "Strike" shall mean strike or other concerted stoppage of work by employees, including a stoppage by reason of the expiration of a collective bargaining agreement, so long as any of the foregoing is authorized by the labor organization according to the labor organization's own interpretation and application of its applicable internal rules and procedures. [PL 1969, c. 374 (NEW).]

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3. Claims. If a claim under any insurance contract covered by this section arises during a 30-day period immediately following the inception of a strike, the insurer may deduct from any amounts payable on account of the claim any premiums which are thus in default.

[PL 1969, c. 374 (NEW).]

4. Notice. Within 10 days from the inception of a strike, notice of same containing instructions to make payment of premiums by mail shall be mailed to each affected insured by the insurer.

[PL 1969, c. 374 (NEW).]

SECTION HISTORY

PL 1969, c. 374 (NEW).

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