RÉSUMÉ DIGEST

ACT 142 (HB 663) **2016 Regular Session** **Thibaut**

Existing law allows an insurance company to terminate the appointment of an insurance producer.

New law defines the terms "captive insurance producer" and "non-captive insurance producer".

New law retains existing law, but prohibits the insurance company from terminating a non-captive insurance producer unless it is mutually agreed upon or the insurance company provides the producer with 180 days notice prior to the termination of the appointment.

New law allows an insurance company to terminate the non-captive producer's appointment without notice under certain conditions for cause.

New law requires an insurance company who has terminated a non-captive producer's appointment to renew all contracts of insurance written by the producer for 180 days from the notice of termination. Further requires the insurance company to pay the producer commissions for the renewals.

New law allows the insurer and producer to change the 180 day notice by mutual agreement, provided the agreement is in writing at the time of the termination of the agency agreement.

New law does not apply captive insurance producers; nonadmitted, excess, or surplus lines policies; non-captive producers writing life, health, and annuity insurance policies; and certain contractual relationships.

Effective August 1, 2016.

(Adds R.S. 22:1569)