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## DIGEST

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HB 663 Reengrossed

2016 Regular Session

Thibaut

**Abstract:** Requires an insurance company to provide one hundred eighty days notice to a non-captive insurance producer prior to terminating the insurer's appointment.

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

Proposed law retains present law, but requires the insurance company to provide the producer with 180 days notice prior to the termination of the appointment. Further provides that the 180 days notice does not apply to captive producers, surplus lines, non-captive producers writing life and annuity insurance policies, and certain contractual relationships.

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

Proposed law requires an insurer 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 insurer to pay the producer commissions for the renewals.

(Adds R.S. 22:1569)

### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Clarify that proposed law does not apply to captive producers.
2. Add additional reasons allowing termination for cause without the 180 day notice.
3. Add exemptions from the application of proposed law to individually rated excess insurance policies and non-captive producers writing life and annuity insurance policies.
4. Make technical changes.

### The House Floor Amendments to the engrossed bill:

1. Allow both insurer and agent to change the notice period by mutual agreement.

2. Add additional reasons allowing termination for cause without the 180 day notice.
3. Add exemption from the application of proposed law to non-captive producers writing health insurance policies.