HOUSE SUMMARY OF SENATE AMENDMENTS

HB 663 2016 Regular Session

Thibaut

INSURERS/AGENTS: Requires notice to a non-captive insurance producer prior to an insurance company terminating the producer's appointment

Synopsis of Senate Amendments

1. Requires that any mutual agreement between an insurer and a producer to change the 180 day advance written notice by an insurer to a producer that the producer's appointment will be terminated must be in writing at the time of the termination of the agency agreement.

Digest of Bill as Finally Passed by Senate

<u>Present law</u> allows an insurance company to terminate the appointment of an insurance producer.

<u>Proposed law</u> retains <u>present law</u>, 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.

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

<u>Proposed law</u> 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.

<u>Proposed law</u> 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.

(Adds R.S. 22:1569)