
DIGEST

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HB 596 Engrossed

2016 Regular Session

Huval

Abstract: Provides for notification and effectiveness of a material change in a contract between a health insurance issuer and a producer.

Proposed law provides that a material change made by a health insurance issuer to the terms and conditions of a contract between such issuer and a producer shall not become effective until the issuer has delivered written or electronic notice to the producer at least 90 days prior to the effective date of the change.

Proposed law further provides that it shall not apply when the change to the contract is mutually agreed upon by the health insurance issuer and the producer or when the change to the contract is required by state or federal law.

Proposed law defines a "material change" as a change made to a provision of the contract affecting: commissions, bonuses, and incentives paid to the producer; right of survivorship; indemnification of the producer by the health insurance issuer; and errors and omissions coverage requirements for the producer.

Proposed law further defines the terms "health benefit plan" and "health insurance issuer".

(Adds R.S. 22:1569)