

HOUSE SUMMARY OF SENATE AMENDMENTS

House Bill No. 1195 by Representative Lorusso

INSURERS/AGENTS: Provides relative to unfair trade practices in the business of insurance

Synopsis of Senate Amendments

1. Added failure to include in any policy or contract of insurance a conspicuous notice that the policy or contract contains defense costs within the limit of liability to the enumerated list of unfair trade practices.
2. Made technical changes.

Digest of Bill as Finally Passed by Senate

Present law provides that it is an unfair trade practice to require or offer any incentive to a producer who represents multiple companies to limit the information provided to consumers on limited benefit plans. Provides for a penalty of \$2,500 to \$5,000, payable to the producer.

Proposed law retains present law but also makes it applicable to information provided to consumers on supplemental benefit plans. Further specifies that any attempt to enforce provisions in a sales agreement, a sales agent agreement, a non-solicitation agreement, or a non-competition agreement against such a producer which would result in limiting the information provided by the producer to consumers on limited benefit and supplemental benefit plans is an unfair trade practice in the business of insurance. Makes any such attempt subject to the penalty provided for in present law.

Present law provides that it is an unfair trade practice in the business of insurance to require or offer any incentive to a producer who represents multiple companies to limit the number of other insurers that such a producer may represent. Provides for a penalty of up to \$10,000.

Proposed law retains present law and specifies that any attempt to enforce provisions in a sales agreement, a sales agent agreement, a non-solicitation agreement, or a non-competition agreement against such a producer is an unfair trade practice in the business of insurance. Makes any such attempt subject to the penalty provided for in present law.

Proposed law provides that failure to include in any policy or contract of insurance a conspicuous notice that the policy or contract contains defense costs within the limit of liability is an unfair trade practice. Further provides for a penalty of up to \$10,000.00.

(Amends R.S. 22:1964(24) and (25); Adds R.S. 22:1964(26))