



General Assembly

February Session, 2004

**Amendment**

LCO No. 5090

\*HB0520305090HDO\*

Offered by:

REP. OREFICE, 37<sup>th</sup> Dist.

To: Subst. House Bill No. 5203

File No. 580

Cal. No. 83

**"AN ACT CONCERNING MANAGED CARE CONTRACTS AND PHYSICIANS."**

1 After the last section, add the following and renumber sections and  
2 internal references accordingly:

3 "Sec. 501. Section 38a-709 of the general statutes is repealed and the  
4 following is substituted in lieu thereof (*Effective October 1, 2004*):

5 (a) [Any] Each insurance company authorized to transact fire or  
6 casualty business in this state shall, upon termination of a producer's  
7 appointment by said company, permit the renewal of all contracts of  
8 insurance written by such producer for a period of eighteen months  
9 from the date of such termination, as determined by the individual  
10 underwriting requirements of said company, [provided, in the event  
11 of] except that (1) for any contract not meeting such underwriting  
12 requirements, the company shall give the producer sixty days' notice  
13 of its intention not to renew said contract, and [provided further that]  
14 (2) any such period of time may be reduced, in whole or in part, as the

15 commissioner [may deem] deems necessary for the purpose of  
16 adequately protecting the insured or securing the solvency of such  
17 company.

18 (b) No insurance agency contract entered into in this state, by a  
19 licensed insurer with an insurance producer licensed under section  
20 38a-769, shall be terminated by the licensed insurer appointing such  
21 producer unless the licensed insurer upon terminating such contract  
22 [shall give] gives not less than ninety days' written notice in advance to  
23 the [other party unless] producer, except that the contract [shall] may  
24 be terminated by the licensed insurer for failure of the producer, after  
25 receiving a written demand, to pay over moneys due to such insurer. [,  
26 provided during] During said ninety-day period after any such notice,  
27 the producer shall not write or bind any new business on behalf of the  
28 licensed insurer without the specific written approval of such business  
29 by such insurer. [of such business.]

30 (c) [Any] Each insurance company renewing contracts of insurance  
31 in accordance with this section shall pay commissions for such  
32 renewals to the terminated producer in the same amount as had been  
33 paid to [him] the producer on similar policies during the twelve  
34 months immediately preceding the notice of termination.

35 (d) The provisions of this section shall not apply to (1) any contract  
36 with a producer for the sale of life or accident and health insurance, or  
37 (2) any contract of insurance owned by the insurer where, upon  
38 termination of a producer's appointment, the insurer offers to continue  
39 or renew the contract through another producer."