

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL NO. 85

(First Reading File Bill)

AMENDMENT NO. 1

Strike beginning with “under” in line 3 down through “the” in line 4 and substitute “from varying the amount of”; and in line 5 after “producers” insert “based on the size of a certain small employer group except under certain circumstances”.

AMENDMENT NO. 2

Strike in their entirety lines 16 and 17 and substitute:

“(F) A CARRIER MAY NOT IMPLEMENT A PRODUCER COMMISSION SCHEDULE THAT VARIES THE AMOUNT OF A COMMISSION BASED ON THE SIZE OF A SMALL EMPLOYER GROUP UNLESS THE VARIATION:

(1) IS INVERSELY RELATED TO THE SIZE OF THE SMALL EMPLOYER GROUP;

(2) APPLIES TO THE CUMULATIVE PREMIUM PAID OVER A SPECIFIC PERIOD OF TIME, IS UNIFORMLY APPLIED, AND IS INVERSELY RELATED TO THE CUMULATIVE PREMIUM PAID DURING THE PERIOD OF TIME; OR

(3) IS ESTABLISHED BY A CONTRACT BETWEEN THE CARRIER AND EACH OUTSIDE PRODUCER, AND THE CARRIER:

(I) SPECIFIES IN THE CONTRACT THE GROUP SIZE TO WHICH THE VARIATION APPLIES;

(II) DIRECTS THE OUTSIDE PRODUCER TO REFER SMALL

(Over)

EMPLOYERS OF THE SPECIFIED SIZE TO AN EMPLOYEE OF THE CARRIER WHO IS A LICENSED PRODUCER OR TO A COMPANY AFFILIATED WITH THE CARRIER THROUGH COMMON OWNERSHIP WITHIN AN INSURANCE HOLDING COMPANY; AND

(III) PAYS A COMMISSION TO THE EMPLOYEE PRODUCER DESCRIBED IN ITEM (II) OF THIS ITEM.”.