

2025 -- S 0315

=====
LC000887
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

—————
A N A C T

RELATING TO INSURANCE -- PRODUCER LICENSING ACT

Introduced By: Senators McKenney, Tikoian, and Patalano

Date Introduced: February 21, 2025

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 27-2.4-20.1 of the General Laws in Chapter 27-2.4 entitled "Producer
2 Licensing Act" is hereby amended to read as follows:

3 **27-2.4-20.1. Revocation or modification of property and casualty insurance**
4 **producer's contract — Procedures.**

5 (a) No property and casualty insurance company shall cancel the authority of an insurance
6 producer, having a contract with and placing such insurance with more than one property and
7 casualty insurance company, unless the company gives written notice of its intent to cancel that
8 insurance producer at least fourteen (14) months before the proposed effective date of any
9 cancellation. In such case, no company shall allow the license of that insurance producer to expire
10 unless the company gives written notice of its intent to do so at least fourteen (14) months before
11 the proposed effective date of expiration because of cancellation. In addition, no company shall
12 modify a contract with an insurance producer, unless the company gives written notice of its intent
13 to modify the contract of that insurance producer at least one hundred eighty (180) days before the
14 proposed effective date of the modification. [Any change in producer compensation shall be](#)
15 [considered a contract modification.](#)

16 (b) When a property and casualty insurance company cancels the authority of an insurance
17 producer having a contract with and places such insurance with more than one property and casualty
18 insurance company, under the provisions of this section, the company shall continue to renew the
19 expiring policies of the insurance producer who has received notification of cancellation that meets

1 its underwriting guidelines for a period of fourteen (14) months of the issuance of the notice at a
2 rate of compensation to that insurance producer equal to that provided in the expiring contract.

3 (c) The provisions of subsections (a) and (b) do not apply to a property and casualty
4 insurance producer:

5 (1) Convicted of a dishonest act related to his or her occupation as an insurance agent; or

6 (2) Whose license to engage as an insurance producer was revoked; or

7 (3) Whose company surrendered its license to do business in the state; or

8 (4) Who is an employee of the insurance company.

9 SECTION 2. This act shall take effect upon passage.

=====
LC000887
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO INSURANCE -- PRODUCER LICENSING ACT

1 This act would declare that any change in producer compensation would be a contract
2 modification.

3 This act would take effect upon passage.

=====
LC000887
=====