



LEGISLATIVE POSITION

PROFESSIONAL INSURANCE AGENTS OF NEW HAMPSHIRE INC.

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DATE: Jan. 23, 2018

TO: House Commerce and Consumer Affairs Committee

FROM: Professional Insurance Agents of New Hampshire Inc.
Jeffrey Foy, Past President

STATEMENT RE: ***H.B.1308—AN ACT RELATIVE TO NONRENEWAL
OF LINES OF BUSINESS***

Professional Insurance Agents of New Hampshire Inc., an association of independent insurance agents throughout the state and their employees, support raised bill H.B.1308 in its present form.

Currently, the nonrenewal statute in New Hampshire allows carriers two options for issuing nonrenewal notices of fire and casualty policies. The first falls under agency termination, and requires any carrier that terminates an agency contract to notify the agent 90 days before the nonrenewal is effective; and requires the carrier to renew the policy for one year or 15 months before the first nonrenewal is effective. However, this requirement only applies if the carrier terminates the agency contract. Carriers also are permitted to nonrenew a line of business by merely notifying mailing nonrenewal notices to their insureds 45 days prior to the nonrenewal date. This effectively creates an incentive for carriers to forgo terminating their agency agreements in favor of simply nonrenewing their insureds and avoid the more stringent requirements of the agency termination laws. By doing so, insureds first notice of the nonrenewal may be through a notice from the carrier, which can cause confusion and frustration for the consumer.

H.B.1308 enhances the current protections of consumers, while strengthening the agents and brokers ability to service their clients, by requiring carriers to notify any appointed agents and the Insurance Department of their decision not to renew all, or substantially all, of a line of business 60 days prior to the nonrenewal effective date. It further protects consumers by requiring the carrier to renew all contracts of insurance for a period of one year following the expiration of the 60-day period. This allows insurance producers to be the first point of contact with the insured regarding any nonrenewal notice, and provides the opportunity for the producer to explain the nonrenewal and assist them with the process of finding replacement coverage.

The raised bill also enhances the protections of the producers by requiring carriers to continue to pay commissions on such renewals at the same rate the carrier had paid on similar policies for the previous 12 months before the notice of nonrenewal was issued.

PIANH commends the Legislature for addressing this issue. PIANH strongly supports H.B.1308 in its current form, and would support any measure increasing the protections of consumers, as well as agents and brokers in New Hampshire. PIANH welcomes the opportunity to work with the committee on this issue going forward.