

**§ 1399.3. Material change to contract effective upon delivery of notice by health care service plan to solicitor**

(a) A material change made by a health care service plan, as defined in subdivision (f) of Section 1345, to the terms and conditions of a contract between the health care service plan and a solicitor shall not become effective until the health care service plan has delivered to the solicitor, at least 45 days prior to the effective date of the change, written or electronic notice indicating the change or changes to the contract. For purposes of this section, a “material change” is a change made to a provision of the contract affecting any of the following:

- (1) Commissions, bonuses, and incentives paid to the solicitor.
- (2) Right of survivorship.
- (3) Indemnification of the solicitor by the health care service plan.
- (4) Errors and omissions coverage requirements for the solicitor.

(b) Subdivision (a) shall not apply under either of the following circumstances:

- (1) The change to the contract is mutually agreed upon by the health care service plan and the solicitor.
- (2) The change to the contract is required by state or federal law.

**HISTORY:**

Added Stats 2015 ch 482 (AB 1163), effective January 1, 2016.