Cancellation Laws Webinar

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Purpose of the webinar
Cancellation Laws Webinar

Personal Auto
Homeowners
Commercial - other than WC
Workers Compensation
Personal Auto

NH - Chapter 417-A

VT - Title 8, Sections 4223 - 4225

ME - Title 24A, Sections 2914 - 2916-A
NEW HAMPSHIRE- CHAPTER 417-A
REFUSAL TO ISSUE, CANCELLATION AND REFUSAL TO RENEW AUTOMOBILE INSURANCE

No insurer can cancel, refuse to write or refuse to renew an auto policy on any person with at least 2 years’ driving experience solely based on age, residence, race, color, creed, national origin, ancestry, marital status or lawful occupation,
NEW HAMPSHIRE CHAPTER 417-A
REFUSAL TO ISSUE, CANCELLATION AND REFUSAL TO RENEW AUTOMOBILE INSURANCE

Also, no insurer can cancel, refuse to write or refuse to renew an auto policy of anyone who is or seeks to become insured or solely because another insurer has refused to write a policy, or has cancelled or has refused to renew an existing policy in which that person was the named insured.
NEW HAMPSHIRE - CHAPTER 417-A
REFUSAL TO ISSUE, CANCELLATION AND REFUSAL TO RENEW AUTOMOBILE INSURANCE

417-A:3-a No insurer can refuse to renew an auto policy previously issued to an individual solely because that individual has no other policy of insurance with that insurer.
NEW HAMPSHIRE- CHAPTER 417-A
REFUSAL TO ISSUE, CANCELLATION AND REFUSAL TO RENEW AUTOMOBILE INSURANCE

417-A:4 Cancellation grounds:
After a policy has been in effect for 60 days or if it is a renewal
- Nonpayment of premium
- Specific request of the insured
- Failure to sign the NH residency form
New Hampshire
Under Regulation 1402:03(c)

Cancellation reasons such as “for underwriting reasons” or “does not meet underwriting requirements” are lacking in specificity and shall not be sufficient reasons for compliance with RSA 417-A:5
Under New Hampshire Regulation Ins 1402.04 (d):

- The movement of a policy from one company to another within a group of affiliated companies or movement to a different tier within one company, resulting in a different rate for the insured, is permitted within the first 60 days of the initial policy period if the movement is consistent with the carrier’s underwriting guidelines.

- Otherwise such movement shall only occur on the renewal date of the policy & shall require a 45-day written notice of such action to the policyholder.
NEW HAMPSHIRE - CHAPTER 417-A
REFUSAL TO ISSUE, CANCELLATION AND REFUSAL TO RENEW AUTOMOBILE INSURANCE

Must give not less than 45 days notice of cancellation by mail or delivery prior to effective date of cancellation

10 days notice for nonpayment of premium
VERMONT – Title 8, Chapter 113, Section 4223
Cancellation of automobile insurance

• A notice of cancellation of a policy shall be effective only if it is based on one or more of the following reasons:

  Non payment of premium;

  or
VERMONT – Title 8, Chapter 113, Section 4223
Cancellation of automobile insurance
Continued:

Fraud or material misrepresentation affecting the policy or in the presentation of a claim thereunder, or violation of any of the terms or conditions of the policy;

or
The named insured or any operator either resident in the same household or who customarily operates an automobile insured under the policy has had his driver’s license suspended or revoked during the policy period.
VERMONT – Title 8, Chapter 113, Section 4223
Cancellation of automobile insurance
Continued:

Or, if the policy is a renewal, during its policy period or the 180 days immediately preceding its effective date.
VERMONT – Title 8, Chapter 113, Section 4223
Cancellation of automobile insurance
Continued:

This section doesn’t apply to any policy which has been in effect less than 60 days at the time of notice of cancellation unless it is a renewal policy.

This section doesn’t apply to nonrenewal.
No notice of cancellation shall be effective unless mailed or delivered to the named insured at least 45 days prior to the effective date of cancellation.

Cancellation for non-payment of premium requires at least 15 days’ notice.
VERMONT – Title 8, Chapter 113, Section 4224
Notice of cancellation

The reason or reasons for cancellation shall accompany or be included in the notice of cancellation

Insurer shall not be held liable for claim for damages arising solely from this requirement

Does not apply to nonrenewal
VERMONT– Title 8, Chapter 113, Section 4225
Notice of Nonrenewal

Insurer shall provide at least 45 days’ advance notice of its intention not to renew.

Section shall not apply if insurer has manifested its willingness to renew or in case of nonpayment of premium, or if insured fails to pay any advance premium required for renewal.
VERMONT – Title 8, Chapter 113, Section 4225
Notice of nonrenewal

The policy shall terminate on the effective date of any other insurance policy with respect to any automobile designated in both policies.

Renewal of the policy shall not constitute a waiver or estoppel with respects to grounds for cancellation that existed before effective Date of the renewal
No notice of cancellation of a policy will be effective unless based on one or more of the following reasons:

- Nonpayment of premium
- Fraud or material misrepresentation Affecting the policy or in presentation Of claim
Violation of terms or conditions of the policy

Named insured or any operator who either resides in same household or customarily operates an auto on the policy has a driver’s license suspended (see law text for exceptions) or revoked during policy term, if a renewal, during its term or the 180 days immediately preceding Effective date of the policy.
During the policy period, an auto policy may not be modified except by agreement between insured & insurer. Modifications agreed upon shall not be deemed a cancellation of the coverage or of the policy.
MAINE – Title 24A, Chapter 39, Subchapter 2, Automobile Insurance Cancellation Control Act, Section 2914
Notice of Cancellation – reasons – continued

Section does not apply to any policy or coverage which has been in effect less than 60 days at time of notice of cancellation

Section shall not apply to nonrenewal of auto policies.
MAINE – Title 24A, Chapter 39 , Subchapter 2, Automobile Insurance Cancellation Control Act, Section 2915

Delivery of notice

Notice of cancellation not effective unless received by the named insured at least 20 days prior to the effective date of cancellation or if for non-payment, at least 10 days prior to the effective date of cancellation. For auto physical damage, notice must also be given to the loss payee.
MAINE – Title 24A, Chapter 39, Subchapter 2, Automobile Insurance Cancellation Control Act, Section 2915

Delivery of notice

A postal service certificate of mailing to the named insured at insured’s last known address is conclusive proof of receipt on the 5th calendar day after mailing.
MAINE – Title 24A, Chapter 39, Subchapter 2, Automobile Insurance Cancellation Control Act, Section 2915
Delivery of notice

Except for policy that has been in effect for less than 60 days at time notice is received by named insured, the reason for cancellation must accompany the notice, together with notice of right to apply for a hearing before the superintendent within 30 days.
MAINE – Title 24A, Chapter 39, Subchapter 2, Automobile Insurance Cancellation Control Act, Section 2916-A
Automobile insurance, cancellation, nonrenewal and certain changes because of age, prohibited

No insurance company authorized to transact business in Maine shall cancel, reduce liability limits, refuse to renew or increase the premium of any auto policy of any kind whatsoever for the sole reason that the insured has reached a certain age.
Cancellation Laws Webinar

Residential property

NH - Chapter 417-B
VT - Title 8, Sections 3879-3883
ME - Title 24A, Sections 3049-3051
NEW HAMPSHIRE CHAPTER 417-B
CANCELLATION, REFUSAL TO WRITE, REFUSAL TO RENEW CERTAIN PROPERTY AND LIABILITY INSURANCE

- Applicable to policies of insurance other than automobile insurance, workers’ compensation insurance, and excess insurance
- Risks located or residents in NH
NEW HAMPSHIRE CHAPTER 417-B
CANCELLATION, REFUSAL TO WRITE, REFUSAL TO RENEW CERTAIN PROPERTY AND LIABILITY INSURANCE

- Applies for loss to real property used solely for residential purposes, owner occupied of no more than 4 dwelling units
- Applies for loss to personal property owned by individual person – not commercial
  - Legal liability of natural person(s) – not commercial
NEW HAMPSHIRE CHAPTER 417-B
CANCELLATION, REFUSAL TO WRITE, REFUSAL TO RENEW CERTAIN PROPERTY AND LIABILITY INSURANCE

417-B:3 – Cancellation Grounds

- nonpayment of premium
- Conviction of named insured of crime having as a necessary element an act increasing hazard
- Discovery of fraud or material misrepresentation by named insured pursuing claim under policy
NEW HAMPSHIRE CHAPTER 417-B
CANCELLATION, REFUSAL TO WRITE, REFUSAL TO RENEW CERTAIN PROPERTY AND LIABILITY INSURANCE

417-B:3 – Cancellation Grounds – continued

• discovery of grossly negligent acts or omission by insured substantially increasing any hazards insured against

• physical changes in the insured property which result in the property becoming uninsurable

• specific request of the insured
417-B:3 – Cancellation Grounds – continued

Applies after a policy has been in effect for 90 days or it a policy is a renewal, effective immediately.
417-B:3-a Nonrenewal for filing a claim
Nonrenewal of a HO policy is prohibited if the nonrenewal is based SOLELY on the insured having filed a single valid claim within any one previous or current policy term.
NEW HAMPSHIRE CHAPTER 417-B
CANCELLATION, REFUSAL TO WRITE, REFUSAL TO RENEW CERTAIN PROPERTY AND LIABILITY INSURANCE

417-B:4 – Notice
• written notice must be physically delivered (not electronically) or mailed to the named insured not less than 45 days prior to the effective date of the cancellation
• 10 days for non-payment of premium or if policy being cancelled within 90 days of effective date (not a renewal)
Recent NH example...

Insured has a claim but doesn’t report it for a while. In the meantime, their renewal was sent to them. Once the underwriter realizes that they had a claim, he/she want to reissue a new renewal quote with a higher price. Can the underwriter do that and if not what regulations are involved?
This situation was brought to the attention of the NH Insurance Dept. Here is their reply:

Since the renewal premium was already released for the renewal, they (the carrier) is stuck with it until it renews again unless they had given the proper notice. In order to put the insured in a new tier, they would need to issue a non-renewal next year.
VERMONT – Title 8, Chapter 105, Section 3879
Cancellation of fire and casualty insurance

Cancellation can be effective only if based on one or more of the following reasons:

Nonpayment of premium

or
VERMONT – Title 8, Chapter 105, Section 3879
Cancellation of fire and casualty insurance
Continued

Fraud or misrepresentation affecting the policy or in the presentation of claim or violation of any terms or conditions of the policy

Substantial increase in hazard provided that cancellation reason shall be effective only after prior approval of commissioner
VERMONT – Title 8, Chapter 105, Section 3879
Cancellation of fire and casualty insurance
Continued

Does not apply to any policy or coverage in effect less than 60 days at time of notice of cancellation unless it is a renewal

This section does not apply to nonrenewal.
VERMONT – Title 8, Chapter 105, Section 3880
Notice of cancellation

No notice of cancellation shall be effective unless mailed or delivered to named insured at least 45 days prior to effective date of cancellation; at least 15 days notice for non-payment of premium.

Reason or reasons for cancellation shall accompany or be included with the notice.
The commissioner shall have authority to waive any provision of the previous section 3880 slides upon written request of an insurer specifying the reasons.

This section does not apply to nonrenewals.
VERMONT – Title 8, Chapter 105, Section 3881
Notice of nonrenewal

Insurer shall provide at least 45 days’ advance notice of its intention not to renew.

Section shall not apply if insurer has manifested its willingness to renew or in case of nonpayment of premium, or if insured fails to pay any advance premium required for renewal.
VERMONT – Title 8, Chapter 105, Section 3881
Notice of nonrenewal

The policy shall terminate on the effective date of any other insurance policy with respect to any automobile designated in both policies.

Renewal of the policy shall not constitute a waiver or estoppel with respects to grounds for cancellation that existed before effective Date of the renewal.
VERMONT – Title 8, Chapter 105, Section 3882 Renewal Policies

If insurer has necessary information to issue a renewal, it will confirm in writing at least 45 days prior to expiration the intention to renew and the premium to be charged at renewal.

If insurer does not comply with the above, the renewal will be issued at the premium in effect prior to renewal on a pro rata basis for 45 days after insurer confirms renewal & premium. Doesn’t apply if insured Accepted the renewal premium.
An insurer may transfer to an affiliate without nonrenewal notice as long as:

A.M. Best rating of affiliate is equal or better

No diminution in terms or conditions of coverage
VERMONT – Title 8, Chapter 105, Section 3882 Renewal Policies

Continued

Notice of transfer is provided to insured at least 45 days prior to the transfer and in connection such notice:

• Complies with any requirements of federal law relating to notice of adverse credit determination.

• Includes phone numbers of agent & insurer so insured can call for more info on transfer
VERMONT – Title 8, Chapter 105, Section 3883 Notice requirements

When notice required by section 3880 or 3881 is provided by mail, such notice shall be certified mail, except in case of cancellation for nonpayment of premium, notice shall be by certified mail or certificate of mailing.
MAINE – Title 24A, Chapter 41, Subchapter 5: Maine Property Insurance Cancellation Control Act, Section 3049
Notice of cancellation; reasons

No policy may be cancelled except for the following reasons:

• Nonpayment of premium
• Conviction of the named insured of a crime having as one of its necessary elements an act increasing any hazard insured against
MAINE – Title 24A, Chapter 41, Subchapter 5: Maine Property Insurance Cancellation Control Act, Section 3049
Notice of cancellation; reasons
Continued;

• Discovery of fraud or material misrepresentation by insured in obtaining insurance or pursuing a claim under the policy.

• Discovery of either negligent acts or omissions by insured substantially increasing hazards or failure to disclose a material fact on the application that would have substantially altered the terms of the policy.
MAINE – Title 24A, Chapter 41, Subchapter 5: Maine Property Insurance Cancellation Control Act, Section 3049
Notice of cancellation; reasons
Continued:

- Physical changes in the insured property that result in the property becoming uninsurable.
- The insured property is vacant & custodial care is not maintained on the property
Maine — Title 24A, Chapter 41, Subchapter 5: Maine Property Insurance Cancellation Control Act, Section 3049
Notice of cancellation; reasons
Continued:

• The presence of a trampoline on the premises if insured is notified that the policy will be cancelled if trampoline is not removed and the trampoline, after notice, remains on the property 30 or more days after the notice.
MAINE – Title 24A, Chapter 41, Subchapter 5: Maine Property Insurance Cancellation Control Act, Section 3049
Notice of cancellation; reasons
Continued:

• The presence of a swimming pool upon the insured property that is not fenced in, if the pool remains in noncompliance for 30 days after notice by the insurer of the defective condition and intent to cancel the policy.
MAINE – Title 24A, Chapter 41, Subchapter 5: Maine Property Insurance Cancellation Control Act, Section 3049
Notice of cancellation; reasons
Continued:

• A loss occasioned by a dog bite, unless, after notice of cancellation or nonrenewal is received, the insured removes the dog

• Failure to comply with reasonable loss control recommendations within 90 days after notice from the insurer.
MAINE – Title 24A, Chapter 41, Subchapter 5: Maine Property Insurance Cancellation Control Act, Section 3049
Notice of cancellation; reasons
Continued:

This section does not apply to any policy or coverage that has been in effect less than 90 days at time notice received by insured or 120 days in case of residential property that is expected to be continuously unoccupied for 3 months in any 12-month period and is other than the insured’s primary residence, unless a renewal policy.
MAINE – Title 24A, Chapter 41, Subchapter 5: Maine Property Insurance Cancellation Control Act, Section 3049
Notice of cancellation; reasons
Continued:

Insured has a right to a hearing before the Superintendent of Insurance for contesting cancellation of a new policy that has been in force for less than 90 days or 120 days in case of residential property expected to be unoccupied for 3 months in 12-month period & is not Insured’s primary residence.
MAINE – Title 24A, Chapter 41, Subchapter 5: Maine Property Insurance Cancellation Control Act, Section 3049
Notice of cancellation; reasons
Continued:

This section does not apply to the nonrenewal of a policy.
MAINE – Title 24A, Chapter 41, Subchapter 5: Maine Property Insurance Cancellation Control Act, Section 3050 Delivery of notice

A notice of cancellation of a policy is not effective unless received by the named insured at least 20 days prior to its effective date. If cancellation is for nonpayment of premium, at least 10 days prior notice to effective date of cancellation. Notice must also be given to the mortgagee.
MAINE – Title 24A, Chapter 41, Subchapter 5: Maine Property Insurance Cancellation Control Act, Section 3050

Delivery of notice continued:

A postal service certificate of mailing to the named insured at insured’s last known address is conclusive proof of receipt on the 5th calendar day after mailing.
MAINE – Title 24A, Chapter 41, Subchapter 5: Maine Property Insurance Cancellation Control Act, Section 3050
Delivery of notice
Continued:

Except for a policy that has been in effect for less than 90 days at time notice of cancellation is received by named insured, the reason for cancellation must accompany the notice, together with a notice of right to apply for a hearing before the superintendent within 30 days.
MAINE – Title 24A, Chapter 41, Subchapter 5: Maine Property Insurance Cancellation Control Act, Section 3051 Notice of intent

An insurer may not fail to renew a policy except by notice as provided in this subchapter. A notice of intention not to renew is not effective unless received by the named insured at least 30 days prior to the expiration date of the policy. Notice must also be given to the mortgagee.
A post office certificate of mailing to named insured at insured’s last known address is conclusive proof of receipt on the 3rd calendar day after mailing. The reason must accompany the notice together with right to apply for a hearing within 30 days.
MAINE – Title 24A, Chapter 41, Subchapter 5: Maine Property Insurance Cancellation Control Act, Section 3051
Notice of Intent
Continued:

Reason or reason for intended nonrenewal action must accompany notice of intent and the reason must be explicit.

Explanations such as “underwriting reasons,” “underwriting experience,” “loss record,” “location of risk,” “credit report,” and similar insurance terms by themselves are not acceptable.
MAINE – Title 24A, Chapter 41, Subchapter 5: Maine Property Insurance Cancellation Control Act, Section 3051
Notice of Intent
Continued:

The reason for nonrenewal must be a good faith reason and related to the insurability of the property or a ground for cancellation listed under Section 3049 already discussed.
This section does not apply:

- If insurer has manifested its willingness to renew
- If the insured fails to pay any premium due or any advance premium required by insurer for renewal or
MAINE – Title 24A, Chapter 41, Subchapter 5: Maine Property Insurance Cancellation Control Act, Section 3051
Notice of Intent
Continued:

• If the insurer has transferred a policy to an affiliate

Prior to the date of renewal of a policy that has been transferred to an affiliate, the insured must receive notice of any changes to the Terms of the policy that are less Favorable to the insured.
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Commercial Lines excluding WC

NH - Chapter 417-C

VT - Title 8, Sections 4711-4715

ME - Property: Title 24A, Sections 3007 - 3020

Casualty: Title 39, Sections 2907-2909
NEW HAMPSHIRE CHAPTER 417-C
CANCELLATION OR REFUSAL TO RENEW COMMERCIAL INSURANCE

417-C:1 – Grounds for cancellation

- nonpayment of premium including nonpayment of additional premium of audits
- fraud or material misrepresentation affecting the policy or in the presentation of a claim or violation of any of the terms or conditions of the policy
CHAPTER 417-C
CANCELLATION OR REFUSAL TO RENEW COMMERCIAL INSURANCE

- Substantial increase in hazard – effective only after prior approval of the commissioner
- Applies to any policy in effect more than 60 days.
  - 60 days advance notice is required for all but nonpayment or substantial increase in hazard for which 10 days notice is required
CHAPTER 417-C
CANCELLATION OR REFUSAL TO RENEW COMMERCIAL INSURANCE

• Non-renewal – no insurer can increase renewal premiums more than 25% for a 12-month renewal or refuse to renew a policy unless they deliver by mail or in person advance notice of proposed renewal premium or its intention not to renew.

• Notice required is 60 days
NEW HAMPSHIRE CHAPTER 417-C
CANCELLATION OR REFUSAL TO RENEW COMMERCIAL INSURANCE

• Any renewal premium increase of 25% or less shall not be implemented until the insured has had a minimum of 30 days’ notice of the renewal premium.
• If 30 days is not given in advance of the expiration date, renewal coverage shall be provided, on a pro-rata basis, at the rates or premiums in effect under the expiring policy until the 30 days’ notice has been fulfilled.
NEW HAMPSHIRE CHAPTER 417-C
CANCELLATION OR REFUSAL TO RENEW COMMERCIAL INSURANCE

- The previous slide shall not apply if the insured accepts the renewal policy.

- Development of renewal premium for the purpose of determining the percentage of change from expiring premium shall be based on the same coverages, conditions, and ratable exposures as those contained in the expiring policy.
NEW HAMPSHIRE CHAPTER 417-C
CANCELLATION OR REFUSAL TO RENEW COMMERCIAL INSURANCE

- This chapter (417-C) only applies to policies of insurance providing fire, inland marine, multi-peril, casualty and liability policies and shall not apply to workers’ compensation policies or policies controlled by 417-A or 417-B.
VERMONT Title 8, Chapter 128, Section 4711
Cancellation of commercial risk insurance

Notice of cancellation of a commercial policy excluding farm risks is effective only if based on:

- Nonpayment of premium
- Fraud or material misrepresentation affecting the policy or in presentation of a claim or violation of any terms or conditions of the policy
VERMONT Title 8, Chapter 128, Section 4711
Cancellation of commercial risk insurance
Continued:

• Substantial increase in hazard (effective only after prior approval of the commissioner)

Doesn’t apply to policy in effect less than 60 days unless it is a renewal

This section does not apply to Nonrenewal.
VERMONT Title 8, Chapter 128, Section 4712
Notice of Cancellation

No notice of cancellation shall be effective unless mailed or delivered to the named insured at least 45 days prior to the effective date of cancellation.

Cancellation for non-payment of premium requires at least 15 days’ notice.
VERMONT Title 8, Chapter 128, Section 4712
Notice of Cancellation
Continued:

The reason or reasons for cancellation shall accompany or be included in the notice of cancellation

Insurer shall not be held liable for claim for damages arising solely from this requirement

Does not apply to nonrenewal
VERMONT Title 8, Chapter 128, Section 4713
Notice of Nonrenewal

Insurer shall provide at least 45 days’ advance notice of its intention not to renew.

Section shall not apply if insurer has manifested its willingness to renew or in case of nonpayment of premium, or if insured fails to pay any advance premium required for renewal.
The policy shall terminate on the effective date of any other insurance policy with respect to any automobile designated in both policies.

Renewal of the policy shall not constitute a waiver or estoppel with respects to grounds for cancellation that existed before effective Date of the renewal.
VERMONT Title 8, Chapter 128, Section 4714
Notice Requirements

When notice required by section 4712 or 4713 is provided by mail, such notice shall be certified mail, except in case of cancellation for nonpayment of premium, notice shall be by certified mail or certificate of mailing.
VERMONT – Title 8, Chapter 128, Section 4715
Renewal Policies

If insurer has necessary information to issue a renewal, it will confirm in writing at least 45 days prior to expiration the intention to renew and the premium to be charged at renewal.

If insurer does not comply with the above, the renewal will be issued at the premium in effect prior to renewal on a pro rata basis for 45 days after insurer confirms renewal & premium. Doesn’t apply if insured Accepted the renewal premium.
An insurer may transfer to an affiliate without nonrenewal notice as long as:

A.M. Best rating of affiliate is equal or better

No diminution in terms or conditions of coverage
VERMONT – Title 8, Chapter 128 Section 4715
Renewal Policies
Continued

Notice of transfer is provided to insured at least 45 days prior to the transfer and in connection such notice:

• Complies with any requirements of federal law relating to notice of adverse credit determination.
• Includes phone numbers of agent & insurer so insured can call for more info on transfer
MAINE Title 24A, Chapter 41, Subchapter 1, Section 3007
Cancellation and nonrenewal – Property Insurance

No contract of property insurance may be cancelled by the insurer prior to expiration except for one or more of the following grounds:

- Nonpayment of premium
- Fraud or material misrepresentation made by or with knowledge of named insured in obtaining policy, continuing policy or presenting a claim
MAINE Title 24A, Chapter 41, Subchapter 1, Section 3007
Cancellation and nonrenewal – Property Insurance
Continued:

• Substantial change in risk which increases risk of loss after insurance coverage has been issued or renewed including but not limited to, an increase in exposure due to regulation, legislation or court decision

• Failure to comply with reasonable loss control recommendations.
MAINE Title 24A, Chapter 41, Subchapter 1, Section 3007
Cancellation and nonrenewal – Property Insurance
Continued:

• Substantial breach of contractual duties, conditions or warranties

• Determination by the superintendent that continuation of a class or block of business to which policy belongs will jeopardize company’s solvency or place insurer in violation of insurance laws.
MAINE Title 24A, Chapter 41, Subchapter 1, Section 3007
Cancellation and nonrenewal – Property Insurance
Continued:

If a policy has been issued for a term longer than one year and for additional premium consideration, a premium has been guaranteed, the insurer may not refuse to renew or increase the policy premium for the term of that policy.
If insurer offers renewal but on less favorable terms to the insured or at higher rates and a higher rating plan, the new terms/rates may take effect on renewal date if insurer has provided insured 10 days notice. If insured accepts changes at renewal, it will be effective at renewal date.
MAINE Title 24A, Chapter 41, Subchapter 1, Section 3006
Cancellation and nonrenewal – Property Insurance
Continued:

This section does not apply if the change is a rate, form or plan filed with the superintendent and applicable to the entire class of business to which the policy belongs or to a premium increase based on the altered nature or extent of the risk insured against.
MAINE Title 24A, Chapter 41, Subchapter 1, Section 3006
Cancellation and nonrenewal – Property Insurance
Continued:

Cancellation not effective until 10 days notice received by insured.

Nonrenewal not effective prior to 30 days after receipt of written notice by insured

Post-office certificate of mailing conclusive proof of receipt on the 3rd calendar day after mailing
MAINE Title 24A, Chapter 41, Subchapter 1, Section 3006
Cancellation and nonrenewal – Property Insurance
Continued:

Any insured who has received a notice of cancellation may, within 45 days of receipt of notice, request a hearing before the superintendent.

This section does not apply if the policy has been in effect less than 60 days.
MAINE Title 24A, Chapter 41, Subchapter 1, Section 3006
Cancellation and nonrenewal – Property Insurance
Continued:

This section applies to all contract of property insurance, except surplus lines contracts.
MAINE Title 24-A, Chapter 39, Subchapter 1 – Casualty Insurance Contracts – Section 2908
Cancellation and nonrenewal

Provisions match the property insurance contract provisions except for three differences:

• Provisions with regards to renewing with less favorable terms.... Notice of 30 days versus 10 days must be given
Includes provisions concerning auto physical damage - notice must be given to loss payee.

The section applies to all contract of casualty including WC except surplus lines. Some provisions for WC are different – see next section
Workers Compensation

NH - Chapter 281-A:9

VT - Title 21, Chapter 9, Sections 696-697

ME - Title 24A, Section 2908
NEW HAMPSHIRE Chapter 281-A:9 – Workers’ Compensation
Termination Notices

- Written termination of a WC policy must be sent to the Labor commissioner & the employer
- Termination for nonpayment of premium requires 30 days notice
- Termination for other reasons including non-renewal requires 45 days notice
VERMONT Title 21, Section 696-7

• Policy can be cancelled for any reason with 45 days’ notice

• 45 days’ notice is required for non-renewal as well.
MAINE Title 24-A, Chapter 39, Subchapter 1 – Casualty Insurance Contracts – Section 2908
Cancellation and nonrenewal

The provisions of the Casualty insurance contract provisions are the same except:

• Notice of cancellation must be in writing and given to the insured & to the Maine Worker’s Compensation Board at least 30 days in advance.
In Conclusion...

Lots of information

Major differences between states

Need to be aware of differences to avoid E & O potential claim
Questions?

Let’s take another poll....
Housekeeping items before we end

- Complete & send roster for CE
- Fax # 603-224-0550
- Email: judy@nhaia.com
Thank you for joining us and for your continued support of NHAIA.

Please call or email me with any questions.