

HOUSE BILL ANALYSIS

ON

HB 1796

Brief Description: *Delivering the cancellation notice for an insurance policy.*

BACKGROUND: Cancellation of an insurance policy at the option of the insurance company is effective as follows:

- (1) For the insured person, when written notice of the cancellation and the reason for the cancellation are actually delivered or mailed to the insured person, which must occur at least 45 days before the effective cancellation date. For cancellations due to non-payment of premium, the notice must be at least 10 days prior to the date of cancellation (except that for some fire insurance policies, the notice must be given at least 5 days prior to cancellation); and
- (2) For mortgagees, pledgees, or other persons shown by the policy to have an interest in any loss, when similar notice of cancellation is provided to the mortgagee, pledgee, or other person.

SUMMARY: For mortgagee, pledgees, or other persons shown by the policy to have an interest in any loss, notice of cancellation can be delivered by electronic transmittal, facsimile, or personal delivery (in addition to delivery by mail).

Fiscal Note: *Not Requested.*

Effective Date: *Ninety days after the session in which the bill passes.*

Rulemaking: *Not addressed.*