

HOUSE BILL REPORT

HB 1796

As Reported By House Committee On:
Financial Institutions & Insurance

Title: An act relating to delivery of the cancellation notice for an insurance policy.

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

Sponsors: Representatives Smith, Zellinsky, Wolfe, Grant, Benson, DeBolt, Wensman, Constantine, L. Thomas, Keiser and Sullivan.

Brief History:

Committee Activity:

Financial Institutions & Insurance: 2/17/97, 2/20/97 [DP].

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass. Signed by 9 members: Representatives L. Thomas, Chairman; Smith, Vice Chairman; Zellinsky, Vice Chairman; Wolfe, Ranking Minority Member; Benson; Constantine; Keiser; Sullivan and Wensman.

Staff: Charlie Gavigan (786-7340).

Background: Cancellation of an insurance policy at the option of the insurance company is effective when written notice of the cancellation and the reason for the cancellation is actually delivered or mailed to the insured person, which must occur at least 45 days before the effective cancellation date. For cancellations due to nonpayment of premium on most policies, the notice must be at least 10 days prior to the date of cancellation. For mortgagees, pledgees, or other persons shown by the policy to have an interest in any loss, similar notice of cancellation must be mailed or actually delivered to the mortgagee, pledgee, or other persons.

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

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This updates the statute to consider current technology. It allows notices to be delivered more efficiently.

Testimony Against: None.

Testified: Mike Kappahn, Farmers Insurance Group (supports).