

# HOUSE BILL REPORT

## SB 5732

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### 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:** Senators Benton, Heavey and Oke.

### Brief History:

#### Committee Activity:

Financial Institutions & Insurance: 3/24/97 [DP].

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## 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 Member; Benson; DeBolt; 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 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 five days prior to cancellation). For mortgagees, pledgees, or other persons shown by the policy to have an interest in any loss, similar notice of cancellation must also be mailed or actually delivered to the mortgagee, pledgee, or other persons.

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

**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 (supports).