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**Addendum: for use with Indiana Property & Casualty and Personal Lines online ExamFX courses and study guides version 24601en (P&C), and 24602en (PL) per exam content outline updates effective 2/28/2020.**

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*The following are **content additions** to supplement your existing text unless otherwise indicated:*

## **Personal Lines Regulations**

### **Termination of Residential Policies**

**Notice of cancellation** of residential property insurance coverage by an insurer must meet the following requirements:

- Be in writing;
- Be delivered or mailed to the named insured at the last known address;
- State the effective date of cancellation; and
- Upon the request of the named insured, be accompanied by a written explanation of the specific reasons for cancellation.

An insurer must provide written notice of cancellation to the named insured at least:

- **10 days** before canceling a policy for nonpayment of a premium;
- **10 days** before canceling a policy if the cancellation occurs in the first 60 days after issuing the policy; and
- **20 days** before canceling a policy if the cancellation occurs more than 60 days after the date of issuance of the policy.

If a property insurance policy has been in effect for more than **60 days**, an insurer may only cancel the policy in response to one or more of the following:

- Nonpayment of premium;
- Fraud or material misrepresentation;
- Policies in violation of insurance laws, as determined by the Commissioner;
- Unpaid property taxes for more than 2 years;
- Substantial increases in risk due to:
  - Willful or reckless acts or omissions; or
  - Violations of local fire, health, safety, building, or construction regulations or ordinance.

Insurers are prohibited from cancelling a property insurance policy based solely on:

- Age, race, religion, nationality, ethnic group, sex, marital status;
- Lawful occupation or profession;
- Age or location of a residence;
- A previous insurer declining or cancelling coverage; or
- Previous insurance obtained through a residual market insurance mechanism.

**Notice of nonrenewal** by an insurer must meet these following requirements:

- Be in writing;
- Be delivered or mailed to the named insured at the last known address;
- State the insurer's intention not to renew the policy upon expiration of the current policy period;
- Upon the request of the named insured, be accompanied by a written explanation of the specific reasons for nonrenewal; and
- Be provided to the named insured at least **20 days** before the expiration of the current policy period.

Independent insurance producers must deliver notice of cancellation or nonrenewal at least **10 days** before the effective date.

Notice of nonrenewal is not required if the named insured is transferred from an insurer to an affiliate insurer, the transfer results in the same or broader coverage, or the insured does not respond to a notice indicating the insurer's willingness to renew the policy.

Notice of nonrenewal must include a written explanation, identifying the basis for the insurer's decision. In the event an explanation is not provided to the insured, coverage must be renewed through the following policy period, as long as premium payments are met.