

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1567

(Reference to Senate engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 20-1674, Arizona Revised Statutes, is amended to
3 read:

4 20-1674. Notice of cancellation

5 A. No cancellation under section 20-1673 is effective unless the
6 insurer mails a copy of the notice of cancellation to the insured's agent and
7 written notice of the cancellation is mailed by certified mail to the named
8 insured at the address shown in the policy or to the last known address of
9 the insured at least ~~sixty~~ FORTY-FIVE days before the effective date of the
10 cancellation, except that, if cancellation is for nonpayment of premium, at
11 least ten days' notice of cancellation must be given. The notice must state
12 the specific facts which constitute the grounds set forth in section 20-1673
13 which are relied on.

14 B. The notice of cancellation shall be accompanied by a refund of
15 unearned premium, except a premium that has been financed.

16 Sec. 2. Section 20-1676, Arizona Revised Statutes, is amended to read:

17 20-1676. Notice of nonrenewal

18 A. This article does not apply to the nonrenewal of insurance policies
19 except as provided in subsection B.

20 B. No nonrenewal of any policy of insurance to which this article
21 applies is effective unless the insurer mails a copy of the notice of
22 nonrenewal to the insured's agent and mails by certified mail written notice
23 to the named insured, at the address shown in the policy or to the last known
24 address of the insured, at least ~~sixty~~ FORTY-FIVE days before the end of the
25 policy period, of its intention not to renew the policy. The transfer of a
26 policyholder between companies within the same insurance group or changes in
27 deductibles, premium, amount of insurance or coverage are not refusals to
28 renew.

29 C. Notice of nonrenewal is not required if either of the following
30 occurs:

31 1. The insurer or a company within the same insurance group has
32 offered to issue a renewal policy.

33 2. The named insured has obtained replacement coverage or has agreed
34 in writing to obtain replacement coverage.

1 D. If an insurer provides the notice described in subsection B and the
2 insurer subsequently extends the policy for ninety days at the request of the
3 policyholder, an additional notice of nonrenewal is not required with respect
4 to the extension.

5 E. If the notice of nonrenewal is mailed less than ~~sixty~~ FORTY-FIVE
6 days before expiration, the coverage shall remain in effect until ~~sixty~~
7 FORTY-FIVE days after the notice is mailed. Earned premium for any period of
8 coverage that extends beyond the expiration date shall be considered pro rata
9 based upon the previous year's rate.

10 Sec. 3. Section 20-1677, Arizona Revised Statutes, is amended to read:
11 20-1677. Notice of premium or coverage changes

12 A. An insurer shall mail or deliver to the named insured at the
13 mailing address shown on the policy written notice of premium increase,
14 change in deductible or reduction in limits or substantial reduction in
15 coverage at least ~~sixty~~ THIRTY days before the expiration date of the
16 policy. If the insurer fails to provide the ~~sixty~~ THIRTY days' notice, the
17 coverage provided to the named insured remains in effect until notice is
18 given or until the effective date of replacement coverage obtained by the
19 named insured, whichever occurs first.

20 B. Notice is considered given ~~sixty~~ THIRTY days following the date of
21 mailing or delivery of the notice. If the insured elects not to renew, any
22 earned premium for the period of extension of the terminated policy shall be
23 calculated pro rata at the lower of the current or previous year's rate. If
24 the insured accepts the renewal, the premium increase, if any, and other
25 changes are effective the day following the prior policy's expiration or
26 anniversary date.

27 C. FOR THE PURPOSES OF THIS SECTION, NOTICE SHALL BE CONSIDERED GIVEN
28 IF AN INSURER DELIVERS NEW POLICY TERMS AND CONDITIONS THIRTY DAYS BEFORE THE
29 EXPIRATION DATE OF THE POLICY."

30 Amend title to conform

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3/15/11
11:35 AM
H:jmb