

§3051. Notice of intent

An insurer may not fail to renew a policy except by notice to the insured as provided in this subchapter. A notice of intention not to renew is not effective unless received by the named insured at least 30 days prior to the expiration date of the policy. Like notice must also be given to any party named as mortgagee on the policy. A post office certificate of mailing to the named insured at the insured's last known address is conclusive proof of receipt on the 3rd calendar day after mailing. The reason must accompany the notice of intent not to renew, together with notification of the right to apply for a hearing before the superintendent within 30 days as provided. [PL 2007, c. 188, Pt. C, §11 (AMD).]

The reason or reasons for the intended nonrenewal action must accompany the notice of intent not to renew and the reason or reasons must be explicit. Explanations such as "underwriting reasons," "underwriting experience," "loss record," "location of risk," "credit report" and similar insurance terms are not by themselves acceptable explanations of an insurer's intended nonrenewal of a policy insuring property of the kind defined in section 3048. The reason for nonrenewal must be a good faith reason and related to the insurability of the property or a ground for cancellation pursuant to section 3049. [PL 2003, c. 671, Pt. A, §8 (AMD).]

This section does not apply: [PL 2003, c. 671, Pt. A, §8 (AMD).]

1. If the insurer has manifested its willingness to renew;
[PL 2005, c. 114, §6 (AMD).]

2. If the insured fails to pay any premium due or any advance premium required by the insurer for renewal; or
[PL 2005, c. 114, §7 (AMD).]

3. If the insurer has transferred a policy to an affiliate.
[PL 2007, c. 188, Pt. C, §11 (AMD).]

Prior to the date of renewal of a policy that has been transferred by an insurer to an affiliate, the insured must receive notice of any changes to the terms of the policy that are less favorable to the insured. [PL 2007, c. 188, Pt. C, §11 (NEW).]

SECTION HISTORY

PL 1973, c. 239 (NEW). PL 1973, c. 585, §12 (AMD). PL 1977, c. 414, §§4,5 (AMD). PL 1979, c. 144 (AMD). PL 1979, c. 347, §12 (AMD). PL 2003, c. 671, §A8 (AMD). PL 2005, c. 114, §§6-8 (AMD). PL 2007, c. 188, Pt. C, §11 (AMD).

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