



ARIZONA STATE SENATE
Fifty-First Legislature, Second Regular Session

FACT SHEET FOR H.B. 2329

insurance; notification; cancellation; nonrenewal

Purpose

Specifies acceptable proof of mailing that an insurer must obtain when notifying the insured of nonrenewal, cancellation or reduction of coverage.

Background

Statute requires an insurer to mail notice of nonrenewal, cancellation or reduction in coverage to a policyholder using certified mail, or to obtain a United States post office certificate of mailing. Notice must be mailed at least ten days before such changes become effective, except nonrenewal based on three or more consecutive at fault accidents which must be noticed forty-five days prior to becoming effective. Notices must include a statement of facts constituting the reason for action, notice of possible eligibility for insurance through the automobile assigned risk plan and a refund of unearned premium if applicable.

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Requires an insurer to obtain proof of mailing in the form of certified mail receipt or tracking method when sending notice to policyholders of nonrenewal, cancellation or reduction of coverage.
2. Permits an insurer to electronically deliver notice of policy cancellation or nonrenewal to the insured party's agent.
3. Makes technical changes.
4. Becomes effective on the general effective date.

House Action

IR	1/28/14	DPA	7-0-0-1
3 rd Read	2/10/14		59-1-0-0

Prepared by Senate Research
 February 20, 2014
 BR/DF/lis