

Bulletin 50

MID-TERM POLICY CANCELLATIONS

August 21, 1985

This Bulletin is directed to all companies writing property and casualty insurance in the State of Indiana. Recently our Department has received an influx of consumer complaints involving mid-term policy cancellations.

From the date of this Bulletin forward, I am directing our Consumer Services Division to carefully review all future complaints involving mid-term cancellations for possible unfair trade practice violations. I consider mid-term cancellations to be properly justified only on an individual risk basis and when an insurer discovers unfavorable underwriting factors pertinent to the individual risk which were not known by the insurer at the inception of the coverage. In that exceptional case where there is a desire to withdraw from an entire line of business, I strongly encourage all insurers to do everything possible, including the use of reinsurance, to retain the risks through the expiration date of the policies.

Harry E. Eakin
INSURANCE COMMISSIONER