

IC 27-1-31

Chapter 31. Cancellation and Nonrenewal of Commercial Property and Casualty Insurance

IC 27-1-31-1

Application of chapter

Sec. 1. (a) Except as provided in subsection (b), this chapter applies to all lines of commercial property and casualty insurance.

(b) This chapter:

(1) does not apply to the cancellation or nonrenewal of automobile insurance policies, as restricted under IC 27-7-6; and

(2) does not affect requirements applying to:

(A) the cancellation of medical malpractice insurance policies under IC 34-18-13-4 (or IC 27-12-13-4 before its repeal); or

(B) the cancellation of property or liability insurance by a creditor under IC 24-4.5-4-304.

As added by P.L.271-1987, SEC.4. Amended by P.L.2-1993, SEC.149; P.L.224-1993, SEC.1; P.L.1-1998, SEC.148.

IC 27-1-31-2

Grounds for cancellation; notice of cancellation

Sec. 2. (a) An insurer may not cancel a policy of insurance that the insurer has written that has been in effect more than ninety (90) days unless:

(1) the insured under the policy has failed to pay the premium;

(2) there is a substantial change in the scale of risk covered by the policy;

(3) the insured has perpetrated a fraud or material misrepresentation upon the insurer;

(4) the insured has failed to comply with reasonable safety recommendations; or

(5) reinsurance of the risk associated with the policy has been cancelled.

(b) An insurer shall provide a written notice of cancellation to a person insured under a policy issued by the insurer at least:

(1) forty-five (45) days before cancelling the policy for any reason set forth in subsection (a)(2), (a)(4), or (a)(5);

(2) twenty (20) days before cancelling the policy for the reason set forth in subsection (a)(3); or

(3) ten (10) days before cancelling the policy for the reason set forth in subsection (a)(1).

As added by P.L.271-1987, SEC.4. Amended by P.L.162-1988, SEC.3.

IC 27-1-31-2.5

Notice of cancellation

Sec. 2.5. An insurer may cancel a policy of insurance that the insurer has written that has been in effect ninety (90) days or less by

providing a written notice of cancellation to a person insured under the policy at least:

- (1) ten (10) days before cancelling if an insured has failed to pay a premium;
- (2) twenty (20) days before cancelling if the insured has perpetrated a fraud or material misrepresentation upon the insurer; or
- (3) thirty (30) days before cancelling for any other reason.

As added by P.L.162-1988, SEC.4.

IC 27-1-31-3

Notice of nonrenewal

Sec. 3. (a) If an insurer refuses to renew a policy of insurance written by the insurer, the insurer shall provide written notice of nonrenewal to the insured:

- (1) at least forty-five (45) days before the expiration date of the policy, if the coverage provided is for one (1) year, or less; or
- (2) at least forty-five (45) days before the anniversary date of the policy, if the coverage provided is for more than one (1) year.

(b) A notice of nonrenewal is not required if:

- (1) the insured is transferred from an insurer to an affiliate of the insurer for future coverage as a result of a merger, an acquisition, or a company restructuring;
- (2) the transfer results in the same or broader coverage; and
- (3) the insured approves the transfer.

As added by P.L.271-1987, SEC.4. Amended by P.L.160-2003, SEC.23.