

**515D.4 Notice of cancellation — reasons.**

1. A policy shall not be canceled except by notice to the insured as provided in [this chapter](#). Notice of cancellation of a policy is not effective unless it is based on one or more of the following reasons:

a. Nonpayment of premium.

b. Nonpayment of dues to an association or organization other than an insurance association or organization, where payment of dues is a prerequisite to obtaining or continuing insurance in force and the dues payment requirement was in effect prior to January 1, 1969.

c. Fraud or material misrepresentation affecting the policy or the presentation of a claim.

d. Violation of terms or conditions of the policy.

e. Any reason permitted in [subsection 2](#) for exclusion of a person from the policy.

2. A person shall not be excluded from the policy unless the exclusion is based on one or more of the following reasons, or is agreed upon by both the named insured and the insurer:

a. The named insured or any operator who either resides in the same household or customarily operates an automobile insured under the policy has that person's driver's license suspended or revoked during any of the following:

(1) The term of the policy.

(2) The term of a renewal policy.

(3) Within one hundred eighty calendar days immediately preceding the effective date of a renewal of the policy.

b. The named insured or any operator who either resides in the same household or customarily operates an automobile insured under the policy has during the term of the policy engaged in a competitive speed contest while operating an automobile insured under the policy.

c. The named insured or any operator who either resides in the same household or customarily operates an automobile insured under the policy, during the thirty-six months immediately preceding the notice of cancellation or nonrenewal, has been convicted of or forfeited bail for any of the following:

(1) Criminal negligence resulting in death, homicide, or assault and arising out of the operation of a motor vehicle.

(2) Operating a motor vehicle while intoxicated or while under the influence of a drug.

(3) A violation of [section 321.261](#).

3. [This section](#) shall not apply to any policy or coverage which has been in effect less than sixty calendar days at the time notice of cancellation is mailed or delivered by the insurer unless it is a renewal policy. [This section](#) shall not apply to the nonrenewal of a policy.

4. During the policy period, a modification of automobile physical damage coverage, other than coverage for loss caused by collision, where provision is made for the application of a deductible amount not exceeding one hundred dollars, shall not be deemed a cancellation of the coverage or of the policy.

[C71, 73, 75, 77, 79, 81, §515D.4]

[96 Acts, ch 1045, §6](#); [97 Acts, ch 186, §20](#); [2002 Acts, ch 1111, §22](#); [2021 Acts, ch 181, §18, 19](#)

Referred to in [§515D.5](#)