

567—136.18(455B) Cancellation or nonrenewal by a provider of financial assurance.

136.18(1) Except as otherwise provided, a provider of financial assurance may cancel or fail to renew an assurance mechanism by sending a notice of termination by certified mail to the owner or operator. For claims-made policies, the notice of termination must clearly advise the insured and any named additional insureds of the effective termination date and the applicable extended reporting period under which a claim must be made to preserve coverage as provided in 136.8(2)“a”(2)“6” and 136.8(2)“b”(2)“6.” In the alternative, insertion of the following unnumbered paragraph into a notice of termination satisfies this requirement. The provider of the financial assurance must also provide a copy of the notice of termination to the underground storage tank section of the department of natural resources. Failure to notify or timely provide a copy to the department will not invalidate a provider’s action to terminate coverage or deny renewal of coverage.

**[IOWA DEPARTMENT OF NATURAL RESOURCES NOTICE
EXTENDED COVERAGE**

Iowa department of natural resources rules require that all insured persons be afforded 180 days from the date of policy cancellation or nonrenewal to give notice of a release and make a claim for coverage under the terms and conditions of this policy. This means that, if you fail to give notice of a release and submit a claim as provided in this policy within 180 days of cancellation, you may be barred from making a claim for coverage under the terms of your policy, even if a release is later discovered and demonstrated to have occurred during the coverage period.]

a. Termination of a local government guarantee, a guarantee, a surety bond, or a letter of credit may not occur until 120 days after the date on which the owner or operator receives the notice of termination, as evidenced by the return receipt.

b. Termination of insurance or risk retention group coverage, except for nonpayment or misrepresentation by the insured, or state-funded assurance may not occur until 60 days after the date on which the owner or operator receives the notice of termination, as evidenced by the return receipt. Termination for nonpayment of premium or misrepresentation by the insured may not occur until a minimum of 10 days after the date on which the owner or operator receives the notice of termination, as evidenced by the return receipt.

136.18(2) If a provider of financial responsibility cancels or fails to renew for reasons other than incapacity of the provider as specified in rule 136.23(455B), the owner or operator must obtain alternate coverage as specified in this chapter within 60 days after receipt of the notice of termination. If the owner or operator fails to obtain alternate coverage within 60 days after receipt of the notice of termination, the owner or operator must notify the director of the Iowa department of natural resources of such failure and submit the name and address of the provider of financial assurance; the effective date of termination; and the evidence of the financial assurance mechanism subject to the termination maintained in accordance with subrule 136.20(2).