

*Reprinted 4/10/69*

February 7, 1969

SENATE FILE 203

Passed on File

*Commerce 2-11, Pass 3-12  
Hec " , Pass as amended 1-21*

By BRILES and THORSEN  
(Caffrey, Fisher of Greene,  
Mayberry, Tapscott and  
Camp)

Passed Senate, Date *4-10-69* Passed House, Date *1-29-70*

Vote: Ayes *55* Nays *2* Vote: Ayes *117* Nays *0*

*motion to* Approved *2-12-70*

*reconsidered and on table 4-10*

*Passed as amended*

*2-3  
56-1*

# A BILL FOR

- 1 An Act relating to cancellation and nonrenewal of automobile
- 2 liability insurance.
- 3 *Be It Enacted by the General Assembly of the State of Iowa:*
- 4 Section 1. This Act shall be known as the "Iowa automobile
- 5 liability insurance cancellation control act."
- 6 Sec. 2. As used in this Act, unless otherwise required by
- 7 the context:
- 8 1. "Policy" means an automobile liability insurance policy
- 9 providing bodily injury liability, property damage liability,
- 10 medical payments, or uninsured motorist coverage, or any com-
- 11 bination thereof, delivered or issued for delivery in this
- 12 state, insuring a single individual or one or more related
- 13 individuals resident in the same household, as named insured,
- 14 and insuring vehicles of the following types only:
- 15 a. Motor vehicles of the private passenger or station
- 16 wagon type which are not used as public conveyances nor rented
- 17 to others.
- 18 b. Any other four-wheel motor vehicles with a load capacity
- 19 of one thousand five hundred pounds or less which are not used
- 20 in the business or profession of the insured.

1 2. "Renewal" or "to renew" means the issuance and delivery  
2 by an insurer of a policy replacing at the end of the previous  
3 policy term a policy previously issued and delivered by the  
4 same insurer, or the issuance and delivery of a certificate or  
5 notice extending the coverage of the policy beyond its original  
6 term. Any renewal policy, other than a replacement policy for  
7 an unfinished term, with a term of less than six months shall  
8 be considered written for a term of six months.

9 Any policy written for a term longer than one year or with  
10 no fixed expiration date shall be considered written for suc-  
11 cessive policy terms of one year.

12 3. "Nonpayment of premium" means failure of the named in-  
13 sured to discharge when due any of his obligations in connec-  
14 tion with the payment of premiums on the policy, or any install-  
15 ment of a premium, whether the premium is payable directly to  
16 the insurer or its agent or indirectly under any premium finance  
17 plan or extension of credit.

18 Sec. 3. This Act shall not apply to any policy:

- 19 1. Issued under an automobile assigned risk plan.
- 20 2. Covering garage, automobile sales agency, repair shop,  
21 service station, or public parking place operation hazards.
- 22 3. Insuring more than four automobiles.
- 23 4. Issued principally to cover personal or premises  
24 liability of an insured even though such insurance may also  
25 provide some incidental coverage for liability arising out of  
26 the ownership, maintenance, or use of a motor vehicle on the  
27 premises of such insured or on the ways immediately adjoining  
28 the premises.

29 Sec. 4. No policy may be cancelled except by notice to the  
30 insured as provided in this Act. No notice of cancellation of  
31 a policy shall be effective unless it is based on one or more  
32 of the following reasons:

- 33 1. Nonpayment of premium.
- 34 2. Nonpayment of dues to an association or organization  
35 other than an insurance association or organization, where

1 payment of dues is a prerequisite to obtaining or continuing  
2 insurance in force and the dues payment requirement was in  
3 effect prior to January 1, 1969.

4 3. Fraud or material misrepresentation affecting the policy  
5 or the presentation of a claim.

6 4. Violation of terms or conditions of the policy.

7 5. The named insured or any operator who either resides in  
8 the same household or customarily operates an automobile in-  
9 sured under the policy has his driver's license suspended or  
10 revoked during the policy term or, if the policy is a renewal,  
11 during its term or the one hundred eighty days immediately  
12 preceding its effective date.

13 This section shall not apply to any policy or coverage which  
14 has been in effect less than sixty days at the time notice of  
15 cancellation is mailed or delivered by the insurer unless it is  
16 a renewal policy. This section shall not apply to the non-  
17 renewal of a policy.

18 Sec. 5. No notice of cancellation of a policy shall be  
19 effective unless mailed or delivered by the insurer to the  
20 named insured at least thirty days prior to the date of cancel-  
21 lation, or, where cancellation is for nonpayment of premium,  
22 at least ten days prior to the date of cancellation. A post  
23 office department certificate of mailing to the named insured  
24 at the address shown in the policy shall be proof of receipt  
25 of such mailing. Unless the reason accompanies the notice of  
26 cancellation, the notice shall state that, upon written request  
27 of the named insured, mailed or delivered to the insurer not  
28 less than fifteen days prior to the date of cancellation, the  
29 insurer will state the reason for cancellation.

30 When the reason does not accompany the notice of cancella-  
31 tion, the insurer shall, upon receipt of a timely request by  
32 the named insured, state in writing the reason for cancella-  
33 tion. A statement of reason shall be mailed or delivered to  
34 the named insured within five days after receipt of a request.

35 Sec. 6. No insurer shall refuse to renew a policy solely

1 because of age, residence, race, color, creed, or occupation  
2 of an insured.

3 Sec. 7. No insurer shall fail to renew a policy except  
4 by notice to the insured as provided in this Act. A notice  
5 of intention not to renew shall not be effective unless mailed  
6 or delivered by the insurer to the named insured at least  
7 thirty days prior to the expiration date of the policy. A  
8 post office department certificate of mailing to the named  
9 insured at the address shown in the policy shall be proof of  
10 receipt of such mailing. Unless the reason accompanies the  
11 notice of intent not to renew, the notice shall state that,  
12 upon written request of the named insured, mailed or delivered  
13 to the insurer not less than fifteen days prior to the expira-  
14 tion date of the policy, the insurer will state the reason for  
15 nonrenewal.

16 When the reason does not accompany the notice of intent not  
17 to renew, the insurer shall, upon receipt of a timely request  
18 by the named insured, state in writing the reason for nonre-  
19 newal. A statement of reason shall be mailed or delivered to  
20 the named insured within five days after receipt of a request.

21 This section shall not apply:

- 22 1. If the insurer has manifested its willingness to renew.
- 23 2. If the insured fails to pay any premium due or any ad-  
24 vance premium required by the insurer for renewal.

25 Sec. 8. If an insured obtains a second policy which pro-  
26 vides equal or more extensive coverage for any vehicle desig-  
27 nated in both policies, the first policy's coverage of such  
28 vehicle may be terminated by failure to renew as of the effec-  
29 tive time and date of the second policy, whether or not the  
30 first policy insurer complies with all provisions of section  
31 seven (7) of this Act.

32 Sec. 9. Renewal of a policy shall not constitute a waiver  
33 or estoppel with respect to grounds for cancellation which ex-  
34 isted before the effective date of renewal.

35 Sec. 10. Any named insured who has received a statement

1 of reason for cancellation, or of reason for an insurer's  
2 intent not to renew a policy, may, within fifteen days of the  
3 receipt or delivery of a statement of reason, request a hear-  
4 ing before the commissioner of insurance. The purpose of this  
5 hearing shall be limited to establishing the existence of the  
6 proof or evidence used by the insurer in its reason for can-  
7 cellation or intent not to renew. The burden of proof of the  
8 reason for cancellation or intent not to renew shall be upon  
9 the insurer. The commissioner of insurance shall adopt rules  
10 and regulations for carrying out the provisions of this section.

11 Sec. 11. When automobile bodily injury and property damage  
12 liability coverage is cancelled or not renewed, other than for  
13 nonpayment of premium, the insurer shall notify the named in-  
14 sured of his possible eligibility for automobile liability in-  
15 surance through the Iowa automobile insurance plan. Such  
16 notice shall accompany the notice of cancellation or intent  
17 not to renew.

18 Sec. 12. There shall be no liability on the part of, and  
19 no cause of action of any nature shall arise against the com-  
20 missioner of insurance or any employee of the insurance de-  
21 partment of Iowa or against any insurer, its authorized rep-  
22 resentatives, its agents, its employees, or against any firm,  
23 person, or corporation furnishing to the insurer information  
24 as to reasons for cancellation or intent not to renew, for any  
25 statement made by any of them in any written notice of cancel-  
26 lation or notice of intent not to renew or in any other com-  
27 munication, oral or written, specifying the reasons for cancel-  
28 lation or intent not to renew, or for any information provided  
29 or evidence submitted at any hearings conducted in connection  
30 with reasons for cancellation or intent not to renew.

31 Sec. 13. If any provision of this Act or the application  
32 of the Act to any person or circumstance is held invalid, such  
33 invalidity shall not affect provisions or applications  
34 of the Act which can be given effect without the invalid pro-  
35 vision and to this end the provisions of this Act are declared

- 1 to be severable.
- 2 Sec. 14. Section five hundred fifteen point eighty-one
- 3 (515.81), Code 1966, is hereby amended by striking from line
- 4 twenty-three (23) the word "five" and inserting in lieu thereof
- 5 the word "thirty".

## EXPLANATION OF SENATE FILE 203

This bill is designed to limit the reasons for which a casualty insurance company may cancel or refuse to renew an insured's automobile liability policy. It requires adequate notice of cancellation or intent not to renew, and further requires a company, upon timely request by an insured, to supply him with the reasons for such cancellation or nonrenewal. An insured may also request a hearing before the insurance commissioner to establish the validity of the evidence used by the company as a reason for cancellation or nonrenewal.

- 1 Amend Senate File 203 as follows:
- 2 1. By striking from line eight (8) of page 2 the words
- 3 "written for a term of six months" and substituting in lieu
- 4 thereof the words "written, for the purpose of this Act for the
- 5 term of six months".
- 6 2. By striking from page 3, lines eighteen (18), nineteen
- 7 (19), twenty (20), twenty-one (21) and twenty-two (22) through
- 8 and including the word "cancellation" and substituting in lieu
- 9 thereof the following: "notwithstanding the provisions of section
- 10 515.81 no notice of cancellation of a policy shall be effective
- 11 unless mailed or delivered by the insurer to the named insured at
- 12 least twenty (20) days prior to the effective date of
- 13 cancellation, or, where the cancellation is for non-payment of
- 14 premium notwithstanding the provisions of Chapter 515.80, at least
- 15 ten (10) days prior to the date of cancellation".
- 16 3. By striking from page 5 all of section 13.
- 17 4. By striking from page 6 all of section 14.

Filed  
March 25, 1969 *withdrawn 4/9*

By GRIFFIN

- 1 Amend Senate File 203, page 6, by adding the following
- 2 new section:
- 3 Penalty Clause: Any violation of the
- 4 provisions of this Act shall subject the offending insurance
- 5 company to a fine not in excess of five hundred dollars.

Filed and adopted  
April 10, 1969

By GLENN and O'MALLEY

April 10, 1969

SENATE FILE 203

*See Commerce 4-14, Pass 1-21*

By BRILES and THORSEN  
(Caffrey, Fisher of Greene,  
Mayberry, Tapscott, and  
Camp)

(AS PASSED BY THE SENATE)

Passed Senate, Date *4-10-69* Passed House, Date *1-29-70*

Vote: Ayes *55* Nays *2* Vote: Ayes *7* Nays *0*

Approved *2-12-70*

*Passed as amended by House  
2-3-70  
aye 56, nays 1*

## A BILL FOR

1 An Act relating to cancellation and nonrenewal of automobile  
2 insurance policies.

3 *Be It Enacted by the General Assembly of the State of Iowa:*

4 Section 1. This Act shall be known as the "Iowa automobile  
5 insurance cancellation control act."

6 Sec. 2. As used in this Act, unless otherwise required by  
7 the context:

8 1. "Policy" means an automobile insurance policy  
9 providing bodily injury liability, property damage liability,  
10 medical payments, *uninsured motorist coverage, physical damage*  
11 *coverage, or any com-*  
12 *ination thereof, delivered or issued for delivery in this*  
13 *state, insuring a single individual or one or more related*  
14 *individuals resident in the same household, as named insured,*  
15 *and insuring vehicles of the following types only:*

16 a. Motor vehicles of the private passenger or station  
17 wagon type which are not used as public conveyances nor rented  
18 to others.

19 b. Any other four-wheel motor vehicles with a load capacity  
20 of one thousand five hundred pounds or less which are not used  
in the business or profession of the insured.

1 2. "Renewal" or "to renew" means the issuance and delivery  
2 by an insurer of a policy replacing at the end of the previous  
3 policy term a policy previously issued and delivered by the  
4 same insurer, or the issuance and delivery of a certificate or  
5 notice extending the coverage of the policy beyond its original  
6 term. Any renewal policy, other than a replacement policy for  
7 an unfinished term, *with a term of six months or less shall be*  
8 *considered written, for the purposes of this Act, for a term of six*  
9 *months.*

9 Any policy written for a term longer than one year or with  
10 no fixed expiration date shall be considered written for suc-  
11 cessive policy terms of one year.

12 3. "Nonpayment of premium" means failure of the named in-  
13 sured to discharge when due any of his obligations in connec-  
14 tion with the payment of premiums on the policy, or any install-  
15 ment of a premium, whether the premium is payable directly to  
16 the insurer or its agent or indirectly under any premium finance  
17 plan or extension of credit.

18 Sec. 3. This Act shall not apply to any policy:

19 1. Issued under an automobile assigned risk plan.

20 2. Covering garage, automobile sales agency, repair shop,  
21 service station, or public parking place operation hazards.

22 3. Insuring more than four automobiles.

23 4. Issued principally to cover personal or premises  
24 liability of an insured even though such insurance may also  
25 provide some incidental coverage for liability arising out of  
26 the ownership, maintenance, or use of a motor vehicle on the  
27 premises of such insured or on the ways immediately adjoining  
28 the premises.

29 Sec. 4. No policy may be cancelled except by notice to the  
30 insured as provided in this Act. No notice of cancellation of  
31 a policy shall be effective unless it is based on one or more  
32 of the following reasons:

33 1. Nonpayment of premium.

34 2. Nonpayment of dues to an association or organization  
35 other than an insurance association or organization, where

1 payment of dues is a prerequisite to obtaining or continuing  
2 insurance in force and the dues payment requirement was in  
3 effect prior to January 1, 1969.

4 3. Fraud or material misrepresentation affecting the policy  
5 or the presentation of a claim.

6 4. Violation of terms or conditions of the policy.

7 5. The named insured or any operator who either resides in  
8 the same household or customarily operates an automobile in-  
9 sured under the policy has his driver's license suspended or  
10 revoked during the policy term or, if the policy is a renewal,  
11 during its term or the one hundred eighty days immediately  
12 preceding its effective date.

13 This section shall not apply to any policy or coverage which  
14 has been in effect less than sixty days at the time notice of  
15 cancellation is mailed or delivered by the insurer unless it is  
16 a renewal policy. This section shall not apply to the non-  
17 renewal of a policy.

18 *During the policy period no modification of automobile*  
19 *physical damage coverage, except coverage for loss caused*  
20 *by collision, whereby provisions is made for the application*  
21 *of a deductible amount not exceeding one hundred dollars*  
22 *shall be deemed a cancellation of the coverage or of the*  
23 *policy.*

24 *Sec. 5. Notwithstanding the provisions of section five*  
25 *hundred fifteen point eighty-one (515.81), Code 1966, no*  
26 *notice of cancellation of a policy shall be effective unless*  
27 *mailed or delivered by the insurer to the named insured at*  
28 *least twenty days prior to the effective date of cancellation,*  
29 *or, where the cancellation is for nonpayment of premium*  
30 *notwithstanding the provisions of section five hundred*  
31 *fifteen point eighty (515.80), Code 1966, at least ten*  
32 *days prior to the date of cancellation. A post*  
33 *office department certificate of mailing to the named insured*  
34 *at the address shown in the policy shall be proof of receipt*  
35 *of such mailing. Unless the reason accompanies the notice of*

1 cancellation, the notice shall state that, upon written request  
2 of the named insured, mailed or delivered to the insurer not  
3 less than fifteen days prior to the date of cancellation, the  
4 insurer will state the reason for cancellation.

5 When the reason does not accompany the notice of cancella-  
6 tion, the insurer shall, upon receipt of a timely request by  
7 the named insured, state in writing the reason for cancella-  
8 tion. A statement of reason shall be mailed or delivered to  
9 the named insured within five days after receipt of a request.

10 Sec. 6. No insurer shall refuse to renew a policy solely  
11 because of age, residence, race, color, creed, or occupation  
12 of an insured.

13 Sec. 7. No insurer shall fail to renew a policy except  
14 by notice to the insured as provided in this Act. A notice  
15 of intention not to renew shall not be effective unless mailed  
16 or delivered by the insurer to the named insured at least  
17 thirty days prior to the expiration date of the policy. A  
18 post office department certificate of mailing to the named  
19 insured at the address shown in the policy shall be proof of  
20 receipt of such mailing. Unless the reason accompanies the  
21 notice of intent not to renew, the notice shall state that,  
22 upon written request of the named insured, mailed or delivered  
23 to the insurer not less than *twenty* days prior to the expira-  
24 tion date of the policy, the insurer will state the reason for  
25 nonrenewal.

26 When the reason does not accompany the notice of intent not  
27 to renew, the insurer shall, upon receipt of a timely request  
28 by the named insured, state in writing the reason for nonre-  
29 newal. A statement of reason shall be mailed or delivered to  
30 the named insured within *ten* days after receipt of a request.

31 This section shall not apply:

- 32 1. If the insurer has manifested its willingness to renew.
- 33 2. If the insured fails to pay any premium due or any ad-  
34 vance premium required by the insurer for renewal.

35 Sec. 8. If an insured obtains a second policy which pro-

1 vides equal or more extensive coverage for any vehicle desig-  
2 nated in both policies, the first policy's coverage of such  
3 vehicle may be terminated by failure to renew as of the effec-  
4 tive time and date of the second policy, whether or not the  
5 first policy insurer complies with all provisions of section  
6 seven (7) of this Act.

7 Sec. 9. Renewal of a policy shall not constitute a waiver  
8 or estoppel with respect to grounds for cancellation which ex-  
9 isted before the effective date of renewal.

10 Sec. 10. Any named insured who has received a statement  
11 of reason for cancellation, or of reason for an insurer's  
12 intent not to renew a policy, may, within fifteen days of the  
13 receipt or delivery of a statement of reason, request a hear-  
14 ing before the commissioner of insurance. The purpose of this  
15 hearing shall be limited to establishing the existence of the  
16 proof or evidence used by the insurer in its reason for can-  
17 cellation or intent not to renew. The burden of proof of the  
18 reason for cancellation or intent not to renew shall be upon  
19 the insurer. The commissioner of insurance shall adopt rules  
20 and regulations for carrying out the provisions of this section.

21 Sec. 11. When automobile bodily injury and property damage  
22 liability coverage is cancelled or not renewed, other than for  
23 nonpayment of premium, the insurer shall notify the named in-  
24 sured of his possible eligibility for automobile liability in-  
25 surance through the Iowa automobile insurance plan. Such  
26 notice shall accompany the notice of cancellation or intent  
27 not to renew.

28 Sec. 12. There shall be no liability on the part of, and  
29 no cause of action of any nature shall arise against the com-  
30 missioner of insurance or any employee of the insurance de-  
31 partment of Iowa or against any insurer, its authorized rep-  
32 resentatives, its agents, its employees, or against any firm,  
33 person, or corporation furnishing to the insurer information  
34 as to reasons for cancellation or intent not to renew, for any  
35 statement made by any of them in any written notice of cancel-

1 lation or notice of intent not to renew or in any other com-  
2 munication, oral or written, specifying the reasons for cancel-  
3 lation or intent not to renew, or for any information provided  
4 or evidence submitted at any hearings conducted in connection  
5 with reasons for cancellation or intent not to renew.

6 Sec. 13. If any provision of this Act or the application  
7 of the Act to any person or circumstance is held invalid, such  
8 invalidity shall not affect other provisions or applications  
9 of the Act which can be given effect without the invalid pro-  
10 vision and to this end the provisions of this Act are declared  
11 to be severable.

12 *Sec. 14. Penalty Clause: Any violation of the provisions*  
13 *of this Act shall subject the offending insurance company to*  
14 *a fine in not excess of five hundred dollars.*

#### EXPLANATION OF SENATE FILE 203

This bill is designed to limit the reasons for which a casualty insurance company may cancel or refuse to renew an insured's automobile liability policy. It requires adequate notice of cancellation or intent not to renew, and further requires a company, upon timely request by an insured, to supply him with the reasons for such cancellation or nonrenewal. An insured may also request a hearing before the insurance commissioner to establish the validity of the evidence used by the company as a reason for cancellation or nonrenewal.

SENATE FILE 203

1 Amend Senate File 203 by striking all after the enacting  
2 clause and inserting in lieu thereof the following:

3 Section 1. As used in this Act:

4 1. "Policy" means any automobile policy which includes auto-  
5 mobile liability coverage, uninsured motorist coverage, automobile  
6 medical payments coverage, or automobile physical damage coverage,  
7 delivered or issued for delivery in this state, insuring as the  
8 named insured, one individual or husband and wife resident of the  
9 same household, and under which the insured vehicles therein  
10 designated are of the following types only:

11 a. A motor vehicle of the private passenger or station  
12 wagon type that is not used as a public or livery  
13 conveyance, nor rented to others; or

14 b. Any other four-wheel motor vehicle with a load capacity  
15 of one thousand five hundred (1500) pounds or less which  
16 is not used in the occupation, profession or business of  
17 the insured, nor used as a public or livery conveyance  
18 nor rented to others;

19 provided, however, that this Act shall not apply (a) to any policy  
20 which has been in effect less than sixty (60) days at the time  
21 notice of cancellation is mailed or delivered by the insurer  
22 unless it is a renewal policy, or (b) to any policy issued under  
23 an automobile assigned risk plan or automobile insurance plan, or  
24 (c) to any policy insuring more than four motor vehicles, or (d) to  
25 any policy covering the operation of a garage, automobile sales  
26 agency, repair shop, service station or public parking place, or  
27 (e) to any policy providing insurance only on an excess basis, or  
28 (f) to any other contract providing insurance to such named  
29 insured even though such contract may incidentally provide  
30 insurance with respect to such motor vehicles.

31 2. "Renewal" or "to renew" means (a) the issuance and delivery  
32 by an insurer of a policy replacing at the end of the policy  
33 period a policy previously issued and delivered by the same  
34 insurer, (b) the issuance and delivery of a certificate or notice  
35 extending the term of a policy beyond its policy period or term,  
36 or (c) the extension of the term of a policy beyond its policy  
37 period or term pursuant to a provision for extending the policy  
38 by payment of a continuation premium; provided, however, that any  
39 policy with a policy period or term of less than six months shall  
40 for the purpose of this Act be considered as if written for a  
41 policy period or term of six months except in case of termination  
42 under any of the circumstances specified in subsection 3 of  
43 section 5. Provided, further, that for purposes of this Act any  
44 policy written for a term longer than one year or any policy with  
45 no fixed expiration date shall be considered as if written for  
46 successive policy periods or terms of one year and any termination  
47 by an insurer effective on an anniversary date of such policy shall  
48 be deemed a failure to renew.

49 3. "Nonpayment of premium" means failure of the named insured  
50 to discharge when due any of his obligations in connection with

51 the payment of a premium on a policy, or any installment of such  
52 premium, whether the premium is payable directly to the insurer  
53 or its agent or indirectly under any premium finance plan or  
54 extension of credit.

55 Sec. 2.

56 1. No insurer shall exercise its right to cancel a policy  
57 except for the following reasons:

58 a. Nonpayment of premium; or

59 b. The driver's license or motor vehicle registration of  
60 either the named insured or of any other operator who resides  
61 in the same household as the named insured or who customarily  
62 operates a motor vehicle insured under the policy has been under  
63 suspension or revocation during the policy period or, if the  
64 policy is a renewal, during its policy period or the one hundred  
65 eighty (180) days immediately preceding its effective date.

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

71 2. During the policy period no modification of automobile  
72 physical damage coverage (except coverage for loss caused by  
73 collision) whereby provision is made for the application of a  
74 deductible amount not exceeding one hundred (100) dollars shall  
75 be deemed a cancellation of the coverage or of the policy.

76 3. Renewal of a policy shall not constitute a waiver or  
77 estoppel with respect to grounds for cancellation which existed  
78 before the effective date of such renewal.

79 4. This section shall not apply to the failure to renew a  
80 policy.

81 Sec. 3. Notwithstanding the provisions of section five hundred  
82 fifteen point eighty (515.80) and section five hundred fifteen  
83 point eighty-one (515.81), no insurer shall exercise its right to  
84 cancel a policy unless a written notice of cancellation is mailed  
85 or delivered to the named insured, at the address shown in the  
86 policy, at least twenty (20) days prior to the effective date of  
87 cancellation, except that when cancellation is for nonpayment  
88 of premium such notice shall be mailed or delivered to the named  
89 insured at the address shown in the policy at least ten (10)  
90 days prior to the effective date of cancellation and shall include  
91 or be accompanied by a statement of the reason therefor. This  
92 section shall not apply to the failure to renew a policy

93 Sec. 4. The notice of cancellation shall state or be accom-  
94 panied by either a statement of the reason or reasons therefor or  
95 a statement that upon written request of the named insured, mailed  
96 or delivered to the insurer at least ten (10) days prior to the  
97 effective date of cancellation, the insurer will specify in writing  
98 the reason or reasons for such cancellation. If the reason or  
99 reasons for cancellation do not accompany or are not included in  
100 the notice of cancellation, the insurer shall upon such written  
101 request of the named insured specify in writing the reason or  
102 reasons for cancellation. The insurer shall mail or deliver such

103 reason or reasons to the named insured within ten (10) days after  
104 receipt of such written request. Failure to specify such reason  
105 or reasons following such request shall constitute a violation of  
106 this Act, but shall not invalidate the cancellation. This section  
107 shall not apply to cancellation for nonpayment of premium nor to  
108 the failure to renew a policy.

109 Sec. 5.

110 1. No insurer shall fail to renew a policy unless a written  
111 notice of nonrenewal is mailed or delivered to the named insured,  
112 at the address shown in the policy, at least twenty (20) days  
113 prior to the expiration date of the policy or anniversary date of  
114 a policy written for a term longer than one year or with no fixed  
115 expiration date.

116 2. The notice of nonrenewal shall state or be accompanied  
117 by either a statement of the reason or reasons therefor or a  
118 statement that upon written request of the named insured, mailed  
119 or delivered to the insurer at least ten (10) days prior to the  
120 expiration date of the policy, the insurer will specify in writing  
121 the reason or reasons for such nonrenewal. If the reason or  
122 reasons for nonrenewal do not accompany or are not included in  
123 the notice of nonrenewal, the insurer shall upon such written  
124 request of the named insured specify in writing the reason or  
125 reasons for nonrenewal. The insurer shall mail or deliver such  
126 reason or reasons to the named insured within ten (10) days after  
127 receipt of such written request. Failure to specify such reason  
128 or reasons following such request shall constitute a violation of  
129 this Act, but shall not affect the expiration of the policy.  
130 This section shall not apply to nonrenewal for nonpayment of pre-  
premium.

131 3. Subsection 1 shall not apply:

132 a. If the insurer has manifested in any way its willingness  
133 to renew;

134 b. In case of nonpayment of premium for the expiring policy;  
135 nor

136 c. If the insured fails to pay the premium as required by the  
137 insurer for renewal.

138 Sec. 6. No insurer shall refuse to renew a policy solely  
139 because of age, residence, race, color, creed, or occupation of  
140 an insured.

141 Sec. 7. When a policy of automobile liability insurance is  
142 cancelled, other than for nonpayment of premium, or in the event  
143 of failure to renew a policy of automobile liability insurance to  
144 which subsection 1 of section 5 applies, the insurer shall notify  
145 the named insured of his possible eligibility for automobile  
146 insurance through the automobile assigned risk plan, or automobile  
147 insurance plan. Such notification shall accompany or be included  
148 in the notice of cancellation or nonrenewal required by this Act.

149 Sec. 8. Proof of mailing of notice of cancellation, or of  
150 nonrenewal or of reasons for cancellation or of nonrenewal, to  
151 the named insured at the address shown in the policy, shall be  
152 sufficient proof of notice.

153 Sec. 9. Notwithstanding the failure of an insurer to comply

Senate 6

154 with this Act, termination of any coverage under the policy  
155 either by cancellation or nonrenewal shall be effective on the  
156 effective date of any other policy providing similar coverage on  
157 the same motor vehicle or any replacement thereof.

158 Sec. 10. There shall be no liability on the part of and no  
159 cause of action of any nature shall arise against the Commissioner  
160 of Insurance or against any insurer, its authorized represent-  
161 atives, its agents, its employees, or any firm, person or corpor-  
162 ation furnishing to the insurer information as to reasons for  
163 cancellation or nonrenewal, for any statement made by any of them  
164 in any written notice of cancellation or nonrenewal, or in any  
165 other communication, oral or written specifying the reasons for  
166 cancellation or nonrenewal, or the providing of information per-  
167 taining thereto, or for statements made or evidence submitted at  
168 any hearing conducted in connection therewith.

169 Sec. 11. This act shall apply only to policies written or  
170 renewed after the effective date of this Act.

171 Sec. 12. If any provision of this Act or the application of  
172 the Act to any person or circumstance is held invalid, such  
173 invalidity shall not affect provisions or applications of the Act  
174 which can be given effect without the invalid provision and to  
175 this end the provisions of this Act are declared to be severable.

Filed

March 27, 1969 *withdrawn 4/9*

By GRIFFIN

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1 Amend the Griffin amendment to Senate File 203, filed March  
2 27, 1969, as follows:

3 1. By striking from lines 42 and 43 the words and figures  
4 "3 of section 5" and inserting in lieu thereof the following words  
5 and figures "three (3) of section five (5) of this Act".

6 2. By inserting in line 83 after the figures "(515.81)" the  
7 words "of the Code".

8 3. By striking from line 131 the figure "1" and inserting in  
9 lieu thereof the words and figures "one (1) of this section".

10 4. By striking from line 144 the words and figures "1 of  
11 section 5" and inserting in lieu thereof the words and figures  
12 "one (1) of section five (5) of this Act".

Filed

March 28, 1969 *withdrawn 4/9*

By GRIFFIN

SENATE CLIP SHEET

Thursday, April 10, 1969

SENATE FILE 203

- 1 Amend Senate File 203 as follows:
- 2 1. By striking from line 5 of page 1 the word
- 3 "liability".
- 4 2. By striking from line 8 of page 1 the word
- 5 "liability".
- 6 3. By striking from line 10 of page 1 the words "or
- 7 uninsured motorist coverage" and inserting in lieu thereof
- 8 the following: "uninsured motorist coverage, physical
- 9 damage coverage".
- 10 4. By striking from line 7 on page 2 the words "with
- 11 a term of less than six months shall" and all of line 8 and
- 12 inserting in lieu thereof the following: "with a term of
- 13 six months or less shall be considered written, for the
- 14 purposes of this Act, for a term of six months."
- 15 5. By striking lines 4, 5, and 6 on page 3 and renumber-
- 16 ing the remaining subsection.
- 17 6. By adding the following new paragraph to section 4:
- 18 "During the policy period no modification of automobile
- 19 physical damage coverage (except coverage for loss caused by
- 20 collision) whereby provision is made for the application of a
- 21 deductible amount not exceeding one hundred dollars (\$100)
- 22 shall be deemed a cancellation of the coverage or of the
- 23 policy".
- 24 7. By striking from page 3, lines 18, 19, 20, 21, and
- 25 22 through and including the word "cancellation" and inserting in
- 26 lieu thereof the following: "Notwithstanding the provisions
- 27 of section five hundred fifteen point eighty-one (515.81),
- 28 Code 1966, no notice of cancellation of a policy shall be
- 29 effective unless mailed or delivered by the insurer to the
- 30 named insured at least twenty (20) days prior to the effective
- 31 date of cancellation, or, where the cancellation is for non-
- 32 payment of premium notwithstanding the provisions of section
- 33 five hundred fifteen point eighty (515.80), Code of 1966,
- 34 at least ten (10) days prior to the date of cancellation".
- 35 8. By adding after the period in line 34 on page 3
- 36 the following new sentence: "Failure to specify such reason
- 37 or reasons following such request shall constitute a violation
- 38 of this Act, but shall not invalidate the cancellation."
- 39 9. By striking from line 13 on page 4 the word "fifteen"
- 40 and inserting in lieu thereof the word "twenty".
- 41 10. By striking from line 20 on page 4 the word "five"
- 42 and inserting in lieu thereof the word "ten".
- 43 11. By adding after the period in line 20 on page 4
- 44 the following new sentence: "Failure to specify such reason
- 45 or reasons following such request shall constitute a violation
- 46 of this Act, but shall not effect the expiration of the

*Adopted*  
*4-10*

*2<sup>nd</sup> Post*  
*4-10*

*Last*  
*4-11*

Senate 2

- Lead*  
*H-10*  
*Adopt*  
*H-10*
- 47 policy."
  - 48 12. By striking from pages 4 and 5 all of section 10
  - 49 and renumbering the following sections.
  - 50 13. By striking from page 5 all of section 13.
  - 51 14. By striking from page 6 all of section 14.
  - 52 Further amend Senate File 203 by amending the title by
  - 53 striking therefrom the words "liability insurance" and in-
  - 54 serting in lieu thereof the words "insurance policies".

Filed  
April 9, 1969

By GRIFFIN

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SENATE FILE 203

- 1 Amend the Griffin amendment to Senate File 203, filed April
- 2 9, 1969, as follows:
- 3 1. By striking from lines 19 and 20 the parentheses and
- 4 inserting commas in lieu thereof.
- 5 2. By adding in line 26 before the word "Notwithstanding"
- 6 the words and figures "Sec. 5."

Filed and adopted  
April 10, 1969

By GRIFFIN

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HOUSE AMENDMENT TO SENATE FILE 203

- 1 Amend Senate File 203, as passed by the Senate and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 4, line 8, by striking the period and inserting
- 4 in lieu thereof the following: ", together with notification
- 5 of the right to a hearing before the commissioner within
- 6 fifteen (15) days as provided herein."
- 7 2. Page 4, line 29, by striking the period and inserting
- 8 in lieu thereof the following: ", together with notification
- 9 of the right to a hearing before the commissioner within
- 10 fifteen (15) days as provided herein."
- 11 3. By striking Section 14.

*Senate*  
*House*  
*concurrent*  
*2-3*

1 Amend Senate File 203 by deleting sections ten (10) - *Div. I - Lost*  
2 and fourteen (14), and renumbering the following sections. - *Div. II - Adopt*

Filed  
January 21, 1970

COMMITTEE ON COMMERCE *1-29*  
Harold Fischer, Chairman

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1 Amend Senate File 203, as passed by the Senate,  
2 page 5, line twelve (12), by striking the words "fifteen  
3 days" and inserting in lieu thereof the words "thirty  
4 days".

Offered from the floor and lost  
January 29, 1970

TAPSCOTT of Polk

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1 Amend Senate File 203, as passed by the Senate, as  
2 follows:  
3 1. Page 4, line 8, by striking the period and inserting  
4 in lieu thereof the following: ", together with notification  
5 of the right to a hearing before the commissioner within  
6 fifteen (15) days as provided herein."  
7 2. Page 4, line 29, by striking the period and inserting  
8 in lieu thereof the following: ", together with notification  
9 of the right to a hearing before the commissioner within  
10 fifteen (15) days as provided herein."

Offered from the floor and adopted  
January 29, 1970  
In: Commerce

JESSE of Polk

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1 Amend Senate File 203, as passed by the Senate as  
2 follows:  
3 1. By inserting in line twenty-nine (29), page 2,  
4 the following:  
5 "nor shall any insurance company fail to renew a  
6 policy".  
7 2. By striking in line thirty (30), page 2, after the  
8 word "cancellation" the word "of" and inserting in lieu  
9 thereof the following: "or failure to renew".

Offered from the floor and withdrawn  
January 29, 1970

JOHNSTON of Johnson

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1 Amend Senate File 203, as amended and passed by the Senate, by  
2 striking section 13 and renumbering the remaining section.

Filed - *Withdrawn 1-29*  
May 19, 1969

SCHWARTZ of Wapello  
ELLSWORTH of Dubuque

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