

CANCELLATION OF AUTO INSURANCE COVERAGE

2016 GENERAL SESSION

STATE OF UTAH

LONG TITLE

General Description:

This bill prohibits automatic charges for, or reinstatement of, cancelled auto insurance policies.

Highlighted Provisions:

This bill:

- ▶ prohibits continued automatic charges after an insured person cancels a policy;
- ▶ prohibits reinstatement of a cancelled policy without the consent of the insured; and
- ▶ by reference from an existing provision of law, provides a penalty for insurers who violate this section.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

31A-22-322, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **31A-22-322** is enacted to read:

31A-22-322. Improper administration of cancelled auto insurance coverage.

(1) Upon cancellation by an insured of auto insurance coverage, the insurer shall immediately discontinue any automatic payments and withdrawals related to the cancelled policy.

(2) After cancellation by an insured of auto insurance coverage, the insurer may not reinstate the cancelled policy without the express consent of the insured.

Legislative Review Note
Office of Legislative Research and General Counsel