

SB0011S01 compared with SB0011

~~{deleted text}~~ shows text that was in SB0011 but was deleted in SB0011S01.

inserted text shows text that was not in SB0011 but was inserted into SB0011S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative Eric K. Hutchings proposes the following substitute bill:

CANCELLATION OF AUTO INSURANCE COVERAGE

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: ~~{_____}~~ Eric K. Hutchings

LONG TITLE

~~{Committee Note:~~

~~—The Transportation Interim Committee recommended this bill.~~

~~}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
- ▶ provides a penalty for insurers who violate this section.

Money Appropriated in this Bill:

None

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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.

before the later of:

(a) 15 days after the request for cancellation; or

(b) 15 days after the effective date of the cancellation.

(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.

(3) After cancellation by an insured of auto insurance coverage, the insurer shall refund
any funds collected by the insurer to which the insurer is not entitled, calculated according to
the terms of the insurance policy, before the later of:

(a) 30 days after the request for cancellation; or

(b) 30 days after the effective date of the cancellation.

~~(3)~~(4) The commissioner may order an insurer who violates this section to forfeit to
the state not more than \$2,500 for each violation.

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Legislative Review Note

Office of Legislative Research and General Counsel