

26 (1) (a) Except as otherwise provided in this section, other statutes, or by rule under
27 Subsection (1)(c), this section applies to all policies of insurance:

28 (i) except for:

29 (A) life insurance;

30 (B) accident and health insurance; and

31 (C) annuities; and

32 (ii) if the policies of insurance are issued on forms that are subject to filing under
33 Subsection 31A-21-201(1).

34 (b) A policy may provide terms more favorable to insureds than this section requires.

35 (c) The commissioner may by rule totally or partially exempt from this section classes
36 of insurance policies in which the insureds do not need protection against arbitrary or
37 unannounced termination.

38 (d) The rights provided by this section are in addition to and do not prejudice any other
39 rights the insureds may have at common law or under other statutes.

40 (2) (a) As used in this Subsection (2), "grounds" means:

41 (i) material misrepresentation;

42 (ii) substantial change in the risk assumed, unless the insurer should reasonably have
43 foreseen the change or contemplated the risk when entering into the contract;

44 (iii) substantial breaches of contractual duties, conditions, or warranties;

45 (iv) attainment of the age specified as the terminal age for coverage, in which case the
46 insurer may cancel by notice under Subsection (2)(c), accompanied by a tender of proportional
47 return of premium; or

48 (v) in the case of motor vehicle insurance, revocation or suspension of the driver's
49 license of:

50 (A) the named insured; or

51 (B) any other person who customarily drives the motor vehicle.

52 (b) (i) Except as provided in Subsection (2)(e) or unless the conditions of Subsection

53 (2)(b)(ii) ~~H~~→ [or (iii)] ←~~H~~ are met, an insurance policy may not be canceled by the insurer before
53a the
54 earlier of:

55 (A) the expiration of the agreed term; or

56 (B) one year from the effective date of the policy or renewal.

57 (ii) Notwithstanding Subsection (2)(b)(i), an insurance policy may be canceled by the
58 insurer for:

59 (A) nonpayment of a premium when due; or

60 (B) on grounds defined in Subsection (2)(a).

61 (c) (i) The cancellation provided by Subsection (2)(b), except cancellation for
62 nonpayment of premium, is effective no sooner than 30 days after the delivery or first-class
63 mailing of a written notice to the policyholder.

64 (ii) Cancellation for nonpayment of premium of a personal lines policy is effective no
65 sooner than 10 days after delivery or ~~[first-class]~~ first-class mailing of a written notice to the
66 policyholder.

67 (iii) Cancellation for nonpayment of premium of a commercial lines policy is effective
68 no sooner than 10 days after delivery or first-class mailing of a written notice to:

69 (A) the policyholder;

70 (B) ~~H→~~ [each agent of record of the policyholder in accordance with Subsection (2)(c)(iv);

71 ~~(C)] ←H~~ each assignee of the policyholder, if the assignee is named in the policy; and

72 H→ [(D)] (C) ←H each loss payee or mortgagee or lienholder under property insurance of
72a the
73 policyholder, if the loss payee, mortgagee, or lienholder is named in the policy.

74 (iv) An insurer shall H→ [provide] deliver or send by first-class mail a copy of ←H the
74a notice of cancellation for nonpayment of premium H→ described in Subsection (2)(c)(iii) ←H to
75 an agent of record H→ [as required under Subsection (2)(c)(iii)] of the policyholder ←H on or
75a before the day on which the
76 insurer provides the notice to the policyholder.

77 (d) (i) Notice of cancellation for nonpayment of premium shall include a statement of
78 the reason for cancellation.

79 (ii) Subsection (7) applies to the notice required for grounds of cancellation other than
80 nonpayment of premium.

81 (e) (i) Subsections (2)(a) through (d) do not apply to any insurance contract that has not
82 been previously renewed if the contract has been in effect less than 60 days ~~[when]~~ on the day
83 on which the written notice of cancellation is mailed or delivered.

84 (ii) A cancellation under this Subsection (2)(e) may not be effective until at least 10
85 days after the ~~[delivery to the insured of]~~ day on which a written notice of cancellation is
86 delivered to the insured.

87 (iii) If the notice required by this Subsection (2)(e) is sent by first-class mail, postage

119 ~~class~~ first-class mailing of a written notice to the policyholder that the policyholder has failed
 120 to pay the premium when due;

121 (iii) the policyholder has:

122 (A) accepted replacement coverage; or

123 (B) requested or agreed to nonrenewal; or

124 (iv) the policy is expressly designated as nonrenewable.

125 (c) Unless the conditions of Subsection (4)(b)(iii) or (iv) apply, an insurer may not fail
 126 to renew an insurance policy as a result of a telephone call or other inquiry that:

127 (i) references a policy coverage; and

128 (ii) does not result in the insured requesting payment of a claim.

129 (d) Failure to renew under this Subsection (4) is subject to Subsection (5).

130 (e) (i) ~~During~~ (A) If the policy is a personal lines policy, during the period that
 131 begins when an insurer delivers or sends by first-class mail the notice described in Subsection
 132 (4)(b)(ii)(D) [is delivered or mailed] and ends when the premium is paid, coverage exists and
 133 premiums are due.

134 (B) If the policy is a commercial lines policy, during the period that begins when an
 135 insurer delivers or sends by first-class mail the notice described in Subsection (2)(c)(iii) and
 136 ends when the premium is paid, coverage exists and premiums are due.

137 (ii) (A) If after receiving the notice required by Subsection (4)(b)(ii)(D) a personal
 138 lines policyholder fails to pay the renewal premium, the coverage is extinguished as of the date
 139 the renewal premium is originally due.

140 (B) If after receiving the notice required under Subsection (2)(c)(iii), a commercial
 141 lines policyholder fails to pay the renewal premium within the 10 days before the day on which
 142 cancellation for nonpayment is effective, the coverage is extinguished as of the day on which
 143 the renewal premium is originally due.

144 (iii) Delivery of the notice required by Subsection (2)(c)(iii) ~~is~~ **→**, (2)(c)(iv), ~~is~~ **←** or
 144a (4)(b)(ii)(D) includes
 145 electronic delivery in accordance with Section 31A-21-316.

146 (iv) An insurer is not subject to Subsection (4)(b)(ii)(D) if [it]:

147 (A) the insurer provides notice of the extinguishment of the right to renew for failure to
 148 pay premium at least 15 days, but no longer than 45 days, before the day on which the renewal
 149 payment is due[-]; and

243 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act; or

244 (iii) electronic means; and

245 (b) the payment is considered to be made:

246 (i) for a payment that is mailed using the method described in Subsection (12)(a)(i), on

247 the date on which the payment is postmarked;

248 (ii) for a payment that is delivered using the method described in Subsection (12)(a)(ii),

249 on the date on which the delivery service records or marks the payment as having been received

250 by the delivery service; or

251 (iii) for a payment that is made using the method described in Subsection (12)(a)(iii),

252 on the date on which the payment is made electronically.

253 Section 2. **Effective date.**

254 This bill takes effect on July 1, ~~H~~→ [2020] 2021 ←~~H~~ .