

§3049. Notice of cancellation; reasons

No policy may be cancelled except by notice to the insured as provided in this subchapter. No notice of cancellation of a policy shall be effective unless it is based on one or more of the following reasons: [PL 1973, c. 239 (NEW).]

1. Nonpayment of premium, including nonpayment of any additional premiums, calculated in accordance with the current rating manual of the insurer, justified by a physical change in the insured property or a change in its occupancy or use. A notice of cancellation for nonpayment of premium is not effective unless deemed received under section 3050 after the premium due date; [PL 2007, c. 188, Pt. C, §9 (AMD).]

2. Conviction of the named insured of a crime having as one of its necessary elements an act increasing any hazard insured against; [PL 1973, c. 239 (NEW).]

3. Discovery of fraud or material misrepresentation by any one of the following:

A. The insured or the insured's representative in obtaining the insurance; or [PL 2003, c. 671, Pt. A, §3 (AMD).]

B. The named insured in pursuing a claim under the policy; [PL 1973, c. 239 (NEW).]
[PL 2003, c. 671, Pt. A, §3 (AMD).]

4. Discovery of either:

A. Negligent acts or omissions by the insured substantially increasing any of the hazards insured against; or [PL 2003, c. 671, Pt. A, §4 (NEW).]

B. A failure to disclose a material fact in relation to the application for insurance that would, if coverage is effectuated without knowledge by the insurer, substantially alter the terms of the policy; [PL 2003, c. 671, Pt. A, §4 (NEW).]
[PL 2003, c. 671, Pt. A, §4 (RPR).]

4-A. Violation of terms or conditions of the policy;
[PL 2015, c. 69, §1 (NEW).]

5. Physical changes in the insured property that result in the property becoming uninsurable;
[PL 2003, c. 671, Pt. A, §5 (AMD).]

6. The insured property is vacant and custodial care is not maintained on the property;
[PL 2003, c. 671, Pt. A, §6 (NEW).]

7. The presence of a trampoline on the premises if the insured is notified that the policy will be cancelled if the trampoline is not removed and the trampoline, after notice, remains on the property 30 or more days after the date of notice;
[PL 2003, c. 671, Pt. A, §6 (NEW).]

8. The presence of a swimming pool upon the insured property that is not fenced in, in accordance with the standards established in Title 22, section 1631, if the pool remains in noncompliance with those standards for 30 days after notice by the insurer of the defective condition and intent to cancel the policy;
[PL 2003, c. 671, Pt. A, §6 (NEW).]

9. A loss occasioned by a dog bite, unless, after notice of cancellation or nonrenewal is received, the insured removes the dog; or
[PL 2003, c. 671, Pt. A, §6 (NEW).]

10. Failure to comply with reasonable loss control recommendations within 90 days after notice from the insurer.

[PL 2003, c. 671, Pt. A, §6 (NEW).]

This section does not apply to any policy or coverage that has been in effect less than 90 days at the time notice of cancellation is received by the named insured, or 120 days in the case of residential property that is expected to be continuously unoccupied for 3 months in any 12-month period and that is other than the insured's primary residence, unless it is a renewal policy. An insured does not have the right to a hearing before the Superintendent of Insurance for the purpose of contesting cancellation of a new policy that has been in force less than 90 days or 120 days in the case of residential property other than the insured's primary residence that is expected to be continuously unoccupied for 3 months in any 12-month period. [PL 2003, c. 671, Pt. A, §7 (AMD).]

This section shall not apply to the nonrenewal of a policy. [PL 1977, c. 414, §1 (NEW).]

"Nonpayment of premium" means failure of the named insured to discharge when due any of the named insured's obligations in connection with the payment of premium on the policy, or any installment of a premium, whether the premium is payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit. [RR 2021, c. 1, Pt. B, §266 (COR).]

SECTION HISTORY

PL 1973, c. 239 (NEW). PL 1977, c. 414, §1 (AMD). PL 1979, c. 35 (AMD). PL 1979, c. 347, §§8,9 (AMD). PL 1979, c. 411, §2 (AMD). PL 1979, c. 663, §§150,151 (AMD). PL 2003, c. 671, §§A3-7 (AMD). PL 2007, c. 188, Pt. C, §9 (AMD). PL 2015, c. 69, §1 (AMD). RR 2021, c. 1, Pt. B, §266 (COR).

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