

# SENATE BILL REPORT

## SB 5732

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As Passed Senate, March 11, 1997

**Title:** An act relating to delivery of the cancellation notice for an insurance policy.

**Brief Description:** Delivering the cancellation notice for an insurance policy.

**Sponsors:** Senators Benton, Heavey and Oke.

**Brief History:**

**Committee Activity:** Financial Institutions, Insurance & Housing: 2/18/97 [DP].  
Passed Senate, 3/11/97, 48-0.

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, INSURANCE & HOUSING

**Majority Report:** Do pass.

Signed by Senators Winsley, Chair; Benton, Vice Chair; Finkbeiner, Hale, Heavey, Kline and Prentice.

**Staff:** Catherine Mele (786-7470)

**Background:** Cancellation of an insurance policy at the option of the insurance company is effective when written notice of the cancellation and the reason for cancellation are delivered or mailed to the insured at least 45 days before the effective cancellation date. For cancellations due to nonpayment of premium, the notice must be at least 10 days prior to the date of cancellation. The insurance company must also mail or deliver similar notice to mortgagees, pledgees, or other persons shown by the policy to have an interest in any loss that may occur under the policy.

**Summary of Bill:** For mortgagees, pledgees, or other persons shown by the policy to have an interest in any loss, notice of cancellation can be delivered by electronic transmittal, facsimile, or personal delivery.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This bill will bring insurance companies into modern times. Some of the companies we work with asked for us to provide this information by electronic transmittal. These companies simply do not want a hard copy of this notice.

**Testimony Against:** None

**Testified:** Mike Kapphahn, Farmers Insurance Group (pro).

