

106TH CONGRESS
1ST SESSION

H. R. 644

To establish requirements for the cancellation of automobile insurance policies.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 9, 1999

Mrs. MINK of Hawaii introduced the following bill; which was referred to the
Committee on Commerce

A BILL

To establish requirements for the cancellation of automobile
insurance policies.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SALES OF AUTOMOBILE INSURANCE POLICIES.**

4 No State shall authorize the sale of automobile insur-
5 ance policies unless such policies are subject to cancella-
6 tion in accordance with section 2.

7 **SEC. 2. CANCELLATION OF AUTOMOBILE INSURANCE POLI-**
8 **CIES.**

9 A paid-up policy of automobile insurance may be can-
10 celed only if—

1 (1) a written notice of cancellation is mailed or
2 delivered to the last known mailing address of the
3 named insured as shown in the records of the in-
4 surer at least 180 days before the effective date of
5 the cancellation;

6 (2) the insurer shows that the named insured
7 had the insured's driver's license suspended or re-
8 voked; or

9 (3) the insurer shows that the name insured
10 has been convicted of, or forfeited bail for, any ac-
11 tion arising out of or in connection with the oper-
12 ation of a motor vehicle that is grounds for suspen-
13 sion or revocation of a driver's license.

14 **SEC. 3. RENEWAL OF AUTOMOBILE INSURANCE POLICIES.**

15 An insurer shall mail or deliver to an insured a writ-
16 ten notice of non-renewal of an automobile insurance pol-
17 icy at the last known mailing address of the named in-
18 sured as shown in the records of the insurer at least 180
19 days before the expiration of the policy.

20 **SEC. 4. ENFORCEMENT.**

21 (a) INSURER.—An insurer which violates section 1,
22 2, or 3 shall with respect to the insured involved in such
23 violation—

24 (1) accept an application or written request for
25 automobile insurance coverage at a rate and on the

1 same terms and conditions as are available to its in-
2 sureds under the insurer's automobile insurance cov-
3 erage;

4 (2) reinstate the automobile insurance coverage
5 for such insured to the end of the applicable policy
6 period.

7 (b) OTHERS.—Any person who violates section 1, 2,
8 or 3 shall be subject to—

9 (1) a cease and desist order issued in accord-
10 ance with section 5 of the Federal Trade Commis-
11 sion Act (15 U.S.C. 45); or

12 (2) a civil penalty not to exceed \$1,000.

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