

1 Department of Commerce

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3 Adopted Rules Relating to Cancellation of Commercial Policies

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5 Rules as Adopted

6 2700.2400 SCOPE.

7 Except as specifically limited in part 2700.2430, parts
8 2700.2400 to 2700.2440 apply to all commercial liability and/or
9 property insurance policies issued by companies licensed to do
10 business in this state except ocean marine insurance, accident
11 and health insurance, excess insurance, surplus line insurance,
12 and reinsurance.

13 2700.2410 MIDTERM CANCELLATION.

14 Subpart 1. Reason for cancellation. No insurer may cancel
15 a policy of commercial liability and/or property insurance
16 during the term of the policy, except for one or more of the
17 following reasons:

18 A. to H. [Unchanged.]

19 Subp. 2. to 4. [Unchanged.]

20 2700.2420 NONRENEWAL.

21 Subpart 1. Notice required. At least 30 days prior to the
22 date of expiration provided in the policy, a notice of intention
23 not to renew the policy beyond the agreed expiration date must
24 be made to the policyholder by the insurer. If the notice is
25 not given at least 30 days prior to the date of expiration
26 provided in the policy, the policy shall continue in force until
27 30 days after a notice of intent not to renew is received by the
28 policyholder.

29 Subp. 2. [Unchanged.]

30 2700.2430 RENEWAL WITH ALTERED RATES.

31 Subpart 1. General. If an insurance company licensed to
32 do business in this state offers or purports to offer to renew
33 any commercial liability and/or property insurance policy at
34 less favorable terms as to the dollar amount of coverage or

1 deductibles, higher rates, and/or higher rating plan, the new
2 terms, the new rates and/or rating plan may take effect on the
3 renewal date of the policy if the insurer has sent to the
4 policyholder notice of the new terms, new rates and/or rating
5 plan at least 30 days prior to the expiration date. If the
6 insurer has not so notified the policyholder, the policyholder
7 may elect to cancel the renewal policy within the 30-day period
8 after receipt of the notice. Earned premium for the period of
9 coverage, if any, shall be calculated pro rata upon the prior
10 rate. This subdivision does not apply to ocean marine
11 insurance, accident and health insurance, and reinsurance.

12 Subp. 2. [Unchanged.]