

**HB 4125 A STAFF MEASURE SUMMARY**

**Carrier:** Rep. Sprenger

**House Committee On Business and Labor**

---

**Action Date:** 02/12/20

**Action:** Do pass with amendments. (Printed A-Eng.)

**Vote:** 11-0-0-0

**Yeas:** 11 - Barker, Barreto, Bonham, Boshart Davis, Breese-Iverson, Bynum, Clem, Doherty, Evans, Fahey, Holvey

**Fiscal:** No fiscal impact

**Revenue:** No revenue impact

**Prepared By:** Jan Nordlund, LPRO Analyst

**Meeting Dates:** 2/5, 2/12

---

**WHAT THE MEASURE DOES:**

Requires insurer to provide notice at least 10 days prior to canceling a vehicle liability insurance policy that has been in effect for fewer than 60 days. Applies to policies issued on or after the effective date.

**ISSUES DISCUSSED:**

- Impact on consumer when insurance policy cancelled with little or no notice

**EFFECT OF AMENDMENT:**

Requires insurer to provide 10-day notice of cancellation of automobile insurance policy that has been in effect for fewer than 60 days. Does not require insurer to provide reason for canceling policy that has been in effect for fewer than 60 days.

**BACKGROUND:**

Under current law, an automobile liability insurance policy may be cancelled for nonpayment of premiums, fraud, or when driving privileges are suspended or revoked in certain situations. The policyholder must be given a 30-day notice of cancellation. However, a policy that has been in effect for fewer than 60 days may be cancelled for any reason and is not subject to a 30-day cancellation notice. Any policy, regardless of how long it has been in effect, that is being cancelled for nonpayment of premiums is subject to a 10-day notice of cancellation.

House Bill 4125-A requires 10-day notice of cancellation for automobile insurance policies that have been in effect for fewer than 60 days.