

2770.7800 REASONS FOR NONRENEWAL.

Subpart 1. **Entire policy.** The grounds for nonrenewal of an entire policy are limited to one or more of the following reasons:

- A. The reasons stated in Minnesota Statutes, section 65B.15, subdivision 1.
- B. An insured equals or exceeds the relevant number of points specified in part 2770.8000.
- C. Termination of the agency contract, provided that if a named insured is 65 years of age or older, the insurer shall notify the named insured of his or her right to continue the policy in force if the named insured makes the request in writing prior to the termination date. This item does not apply if the insurer assigns the terminated agent's book of business to another agent.
- D. An insurer ceases to write auto insurance in Minnesota. An insurer writing both commercial vehicle insurance and private passenger auto insurance can cease to write either line and continue to offer coverage in the other line.
- E. A commercial auto policy governed by these parts may be nonrenewed if the insurer ceases writing a selected classification and all insureds in the classification are nonrenewed. It may do so by nonrenewing all risks in the classification, and by not rewriting any business in that class for a period of one year after the last risk is nonrenewed.
- F. Failure of the insured to provide necessary underwriting information upon written request from the insurer. Before a nonrenewal notice can be issued under this part, two written requests asking for the information must be sent to the insured stating the reasons why the information is necessary. The second notice must inform the insured of the intent to nonrenew the policy if the information is not received. Medical reports and examinations required by the insurer must be paid for by the insurer.
- G. An insured has two or more total theft of vehicle claims during the experience period and the vehicles are not recovered.
- H. If an insurer encounters a situation in which the insurer believes that the nonrenewal would not be arbitrary and capricious but the situation is not addressed by these parts, the following procedure may be taken:
 - (1) Notify the commissioner in writing, at least 90 days prior to the policy renewal date, by referring to this part and by stating the reasons for the proposed nonrenewal action.
 - (2) If the commissioner determines that the situation is not covered by these parts, but could possibly warrant a nonrenewal, the penalties in part 2770.8500 must be waived. The commissioner may decline to render an opinion.

(3) The waiver of penalty decision must be retained by the insurer. A copy of the waiver of penalty decision must be returned to the commissioner by the insurer with its response to a written complaint made by the insured.

(4) The commissioner's decision regarding waiver of penalties will have no bearing on the final decision as to the approval or disapproval of the nonrenewal action.

(5) There is no precedential value in the commissioner's action under this part and each request must be judged on individual considerations.

Subp. 2. **Physical damage portion of policy.** The grounds for nonrenewal of the physical damage portion of a policy are limited to the following:

A. If three or more comprehensive claim payments have been made during the experience period, or two or more comprehensive payments have been made during the most recent 12-month period, a policy that does not have a comprehensive deductible may be changed to a deductible not greater than \$100, or a policy that has a comprehensive deductible may be increased to the next highest deductible level offered by the insurer or up to \$100, whichever is greater. Only one increase of deductibles is allowed during the experience period unless additional payments are made after the increase of a deductible. A change in a deductible requires a nonrenewal notice.

B. The physical damage portion of a policy may be nonrenewed if there has been a total of three payments for a single vehicle insured or four payments for a multiple vehicle insured during the experience period for any combination of the following:

- (1) comprehensive payments, except towing and those caused by natural causes;
- (2) chargeable accident collision payments; or
- (3) collision payments due to hit and run vehicles.

Statutory Authority: *MS s 65B.17*

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