

HB 520 - AS INTRODUCED

2021 SESSION

21-0854

10/11

HOUSE BILL **520**

AN ACT relative to e-delivery of insurance documents and commercial lines renewal notices.

SPONSORS: Rep. Bartlett, Merr. 19; Rep. Hunt, Ches. 11; Sen. Cavanaugh, Dist 16

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill provides for electronic delivery of insurance documents and commercial lines renewal notices.

This bill is a request of the insurance department.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears ~~[in brackets and struckthrough]~~
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty One

AN ACT relative to e-delivery of insurance documents and commercial lines renewal notices.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Automobile Insurance; Cancellation, Refusal to Renew, Notice. Amend the introductory
2 paragraph of RSA 417-A:5 to read as follows:

3 No cancellation or refusal to renew by an insurer of a policy of automobile insurance shall be
4 effective unless the insurer **or its agent either** physically [~~(not electronically)~~] delivers or mails[;] to
5 the named insured, at the address shown in the policy, a written notice of the cancellation or refusal
6 to renew **or electronically delivers to the named insured a written notice of cancellation or**
7 **refusal to renew**. Such notice shall:

8 2 Automobile Insurance; Cancellation, refusal to Renew; Notice. Amend the introductory
9 paragraph of RSA 417-A:5, II to read as follows:

10 II. State the date on which such cancellation or refusal to renew shall become effective. The
11 effective date shall not be less than 45 days after the date the notice is mailed or **physically or**
12 **electronically** delivered to the named insured provided however, the effective date may be 10 days
13 from the date of mailing or **physical or electronic** delivery when:

14 3 Certain Property and Liability Insurance; Cancellation, Refusal to Renew; Notice. Amend the
15 introductory paragraph of RSA 417-B:4 and the introductory paragraph of RSA 417-B:4, I to read as
16 follows:

17 No cancellation or refusal to renew by an insurer of a policy of insurance insuring against any of
18 the contingencies set forth in RSA 417-B:1 shall be effective unless the insurer **or its agent either**
19 physically [~~(not electronically)~~] delivers or mails[;] to the named insured, at the address shown in the
20 policy, a written notice of the cancellation or refusal to renew **or electronically delivers to the**
21 **named insured a written notice of cancellation or refusal to renew**. Such notice shall:

22 I. State the date on which such cancellation or refusal to renew shall become effective. The
23 effective date shall not be less than 45 days after the date the notice is mailed or **physically or**
24 **electronically** delivered to the named insured provided however, the effective date may be 10 days
25 from the date of mailing or **physical or electronic** delivery when:

26 4 Commercial Insurance; Notice of CancellationNotice of Nonrenewal and Renewals; Premiums.
27 Amend RSA 417-C:2 through RSA 417-C:4 to read as follows:

28 417-C:2 Notice of Cancellation.

29 I. No notice of cancellation shall be effective unless mailed [or], physically [~~(not~~
30 ~~electronically)~~] delivered **or electronically delivered** by the insurer **or its agent** to the named

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insureds at least 60 days prior to the effective date of cancellation; provided, however, that where cancellation is for nonpayment of premium or substantial increase in hazard, or the cancellation notice is mailed, **physically delivered, or electronically delivered** within the first 60 days of the effective date for new policies, at least 10 days' notice of cancellation shall be given. In all instances, the reason or reasons for cancellation shall accompany or be included in the notice of cancellation. An insurer shall not be held liable in any claim or suit for damages arising solely from the insurer's compliance with the requirement that the reason for cancellation be specified.

II. ~~[Notice of cancellation under this section shall be by certified mail, except that in the case of cancellation for nonpayment of premium, notice shall be by certified mail or certificate of mailing.~~

~~III.]~~ The commissioner shall have the authority to waive any provision of paragraph I upon the written request of an insurer specifying the reasons therefor.

~~[IV.]~~ **III.** This section shall not apply to nonrenewal.

417-C:3 Notice of Nonrenewal. No insurer shall ~~[increase renewal premiums more than 25 percent for a 12-month renewal term or]~~ refuse to renew a policy at its expiration or anniversary if written for a term of more than one year unless such insurer or its agent shall mail ~~[or]~~, physically ~~[(not electronically)]~~ deliver **or electronically deliver** to the named insureds ~~[at the address shown in the policy,]~~ advance notice of ~~[the proposed renewal premium or]~~ its intention not to renew. The notice shall be at least 60 days in advance of the policy's scheduled expiration or anniversary date. ***If all or any part of the 60-day notice is not in advance of the expiration or anniversary date, renewal coverage shall be provided on the same terms and conditions as the expiring policy until the 60-day notice requirement has been fulfilled.*** This section shall not apply ~~[if the insurer has manifested its willingness to renew with a premium increase of no more than 25 percent, or]~~ in case of nonpayment of premium, or if the insured fails to pay any advance premium required by the insurer for renewal. However, notwithstanding the failure of an insurer to comply with this section, any coverage shall terminate on the effective date of any other coverage acquired by the insured to the extent the acquired coverage substantially duplicates coverages of the renewal. Renewal of a policy shall not constitute a waiver or estoppel with respect to grounds for cancellation which existed before the effective date of such renewal.

417-C:4 Renewals; Premiums.

I. Any renewal premium increase in excess of 25 percent is controlled by the provisions of RSA 417-C:3. ***The notice may indicate that renewal is conditioned upon the premium increase without reference to nonrenewal.***

II. Any renewal premium increase of 25 percent or less shall not be implemented until the insured has had a minimum of 30 days' notice of the renewal premium. ~~[If all or any part of the 30 day notice is not in advance of the expiration or anniversary date, renewal coverage shall be provided, on a pro rata basis, at the rates or premiums in effect under the expiring policy until the~~

~~30 days' notice requirement has been fulfilled. This paragraph shall not apply if the insured accepts the renewal policy.]~~

III. *If the applicable 60-day notice period required by RSA 417-C:3 or 30-day notice period required by paragraph II is not satisfied in advance of the policy's scheduled expiration or anniversary date, renewal coverage shall be provided, on a pro rata basis, at the rates or premiums in effect under the expiring policy until the applicable 60-day or 30-day notice requirement has been fulfilled. This paragraph shall not apply if the insured accepts the renewal policy.*

IV. Development of renewal premium for the purpose of determining the percentage of change from expiring premium shall be based on the same coverages, conditions, and ratable exposures as those contained in the expiring policy.

5 New Chapter; Electronic Delivery of Insurance Documents and Notices. Amend RSA by inserting after chapter 420-P the following new chapter:

CHAPTER 420-Q

ELECTRONIC DELIVERY OF INSURANCE DOCUMENTS AND NOTICES

420-Q:1 Purpose and Scope. The purpose of this chapter is to set forth standards and procedures for electronic delivery of insurance documents and notices in a manner that will promote efficient delivery while maintaining consumer protection.

420-Q:2 Delivery Standards and Procedures.

I. Subject to the requirements of this section, any notice to a party or any other document required by law in an insurance transaction or that is to serve as evidence of insurance coverage may be delivered, stored, and presented by electronic means if the electronic means meet the requirements of the RSA 294-E.

II. Delivery of a notice or document in accordance with this section shall be considered equivalent to and have the same effect as any delivery method required by law, including delivery by first class mail, first class mail with postage prepaid, certified mail, certificate of mail, or certificate of mailing.

III. A notice or document may be delivered by electronic means by an insurer to a party pursuant to this section if the following applies:

(a) The party has affirmatively consented electronically, or confirmed consent electronically, in a manner that reasonably demonstrates that the party can access information in the electronic form that will be used for notices or documents delivered by electronic means to which the party has given consent, and the party has not withdrawn the consent.

(b) The party, before giving consent, is provided with a clear and conspicuous statement informing the party of all of the following:

(1) The hardware and software requirements for access to and retention of a notice or document delivered by electronic means.

1 (2) The types of notices and documents to which the party's consent would apply.

2 (3) The right of the party to withdraw consent to have a notice or document delivered
3 by electronic means, at any time, and any conditions or consequences imposed in the event consent is
4 withdrawn.

5 (4) The procedures a party must follow to withdraw consent to have a notice or
6 document delivered by electronic means and to update the party's electronic mail address.

7 (5) The right of a party to have a notice or document delivered, upon request, in
8 paper form.

9 IV. An insurer shall take all measures reasonably calculated to ensure that delivery by
10 electronic means results in receipt of the notice or document by the party.

11 6 Effective Date. This act shall take effect 60 days after its passage.