

CHAPTER 350
FORMERLY
HOUSE BILL NO. 345

AN ACT TO AMEND TITLE 18 OF THE DELAWARE CODE RELATING TO CASUALTY INSURANCE CONTRACTS, INCLUDING CANCELLATION OR NONRENEWAL OF AUTOMOBILE POLICIES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend Chapter 39, Title 18, of the Delaware Code by making deletions as shown by strike through as follows:

§ 3906. Cancellation or nonrenewal of automobile policy -- Hearing before the Commissioner; ~~filing fee;~~ order.

(a) A named insured who wishes to contest the reason or reasons for a cancellation or nonrenewal to which § 3904 of this title is applicable shall not less than 15 days prior to the effective date of cancellation or nonrenewal mail or deliver to the Commissioner a request for a hearing, which shall state clearly the basis for the appeal ~~and be accompanied by a filing fee of \$10.~~ This subsection shall not apply to cancellation for nonpayment of premium. A cancellation or nonrenewal which is subject to the provisions of § 3904 of this title shall be deemed effective, unless the Commissioner determines otherwise in accordance with the provisions of such section.

(b) Within 3 working days after receipt of a timely request for a hearing, the Commissioner shall set a hearing date to be held not less than 10 days prior to the effective date of the cancellation or nonrenewal. The Commissioner may, where he or she finds that an unfairness will result to the insured because of delays or other circumstances beyond his/her control, extend the effective date of cancellation or nonrenewal for a period not to exceed 4 days from the date the notice of cancellation or nonrenewal was received by the insured. Each insurer authorized to transact automobile insurance in this State shall maintain a file with the Commissioner of the name and address of the person authorized to receive notices pursuant to this section on behalf of the insurer.

(c) The Commissioner, at the conclusion of any hearing provided for under subsection (b) above or not later than 2 days thereafter, shall issue his/her written findings to the parties and, if he or she finds for the named insured, ~~he or she shall assess the insurer \$10 to defray the cost of the hearing and shall refund the \$10 filing fee to the named insured, and~~ the Commissioner shall either order the insurer to rescind its notice of cancellation or nonrenewal or, if the date cancellation or nonrenewal is to be effective has lapsed, order the policy reinstated. Such order shall operate retroactively only to cover a period not to exceed 15 days from the date cancellation or nonrenewal otherwise would have been effective and prospectively from the date on which the order was issued, except that no policy shall be reinstated while the named insured is in arrears in payment of premium on the policy. If the Commissioner finds for the insurer, the Commissioner's written order shall so state ~~and he or she shall assess the named insured \$10 and apply the named insured's \$10 filing fee against the assessment to defray the cost of hearing.~~ Reinstatement of a policy under this subsection shall not operate in any way to extend the expiration, termination or anniversary date provided in the policy.

~~(d) The Commissioner shall promptly deposit all filing fees provided for in this section with the State Treasurer to the credit of the General Fund of this State.~~

Approved July 20, 2012