AMERICAN INTERNATIONAL COMPANIES

PROGRAM DIVISION BULLETIN

2005-19 June 27, 2005

Louisiana Cancellation & Non-Renewal Notices

Attached is a copy of a June 24, 2002 Advisory Letter from the Louisiana Commissioner of Insurance advising that Surplus Lines insurers must make every effort to give reasonable notice to policyholders prior to canceling or non-renewing insurance policies in the State of Louisiana.

Please note that the FC&S Cancellation and Non-Renewal Handbook rely on Louisiana statute 22:636, which expressly exempts Surplus Lines from the cancellation and non-renewal laws of Louisiana. Despite this express exemption, the Commissioner advises that 30 days notice is reasonable for cancellation and non-renewal and 10 days notice for non-payment of premium.

The letter states "surplus lines insurers are hereby advised that they should make every effort to give reasonable notice to their policyholders prior to canceling or non-renewing an insurance policy or risk removal from our white list."

Based on this we should endeavor to follow the spirit of the attached advisory letter by providing notice in all allowable situations.

Should you have any questions please contact your Program Manager.



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LEXINGTON INSURANCE COMPANY PROGRAM DIVISION