

**PROGRAM DIVISION
BULLETIN**

2005-40

August 29, 2005

State of New York – Failure to Pay Audit Premium

An insurer may **not** cancel a commercial liability policy for nonpayment of audit premium on the prior year's policy. Failure to pay an additional premium amount due as the result of an audit on a prior policy period is not nonpayment of premium as respects the current policy - - the failure to pay the audit premium does not affect the insured's rights under the current policy.

However, an insurer may use the nonpayment of premium from a prior policy as the basis for nonrenewal.

If you have any questions please contact your Program Manager.

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