



KAY IVEY  
GOVERNOR


JIM L. RIDLING  
COMMISSIONER

STATE OF ALABAMA  
DEPARTMENT OF INSURANCE  
201 MONROE STREET, SUITE 502  
POST OFFICE BOX 303351  
MONTGOMERY, ALABAMA 36130-3351  
TELEPHONE: (334) 269-3550  
FACSIMILE: (334) 241-4192  
INTERNET: www.aldoi.gov

DEPUTY COMMISSIONER  
CHARLES M. ANGELL  
CHIEF OF STAFF  
MARK FOWLER  
CHIEF EXAMINER  
RICHARD L. FORD  
STATE FIRE MARSHAL  
SCOTT F. PILGREEN  
GENERAL COUNSEL  
REYN NORMAN

**BULLETIN NO. 2017-04**

TO: All insurers authorized to write property and casualty insurance in Alabama

FROM: Jim L Ridling  
Commissioner of Insurance 

DATE: June 22, 2017

RE: Cancellation or non-renewal of policies; premium increase notification  
[Revision of Bulletin No. 2016-04]

EFFECTIVE: Immediate

REPLACES: Bulletin No. 2016-04 dated June 8, 2016

---

Upon issuance, Bulletin No. 2016-04, dated June 8, 2016, is withdrawn and replaced by the following. The August 30, 1985, Bulletin titled "Unfair Trade Practices," is withdrawn. The following provisions apply to both personal and commercial lines. They are in addition to, but do not supersede, Regulation 136 [482-1-136].

In keeping with the intent of the June, 1985, NAIC resolution establishing criteria to be used by insurers regarding cancellation and non-renewals, the following guidelines must be implemented by companies with regard to cancellation and rating of property and casualty insurance policies.

1. Mid-term cancellations are appropriate only on an individual risk basis.
2. When a risk or policy produces an unacceptably high loss ratio, insurers should attempt to reach a satisfactory solution rather than a summary dismissal of the risk. For example, they should consider alternatives that reduce their exposure such as increasing deductibles in lieu of cancellation.
3. In the absence of conditions justifying mid-term action as indicated above, companies should allow policies to continue to previously established expiration dates.
4. Unjustified mid-term action by companies will be reviewed by the Department as an unfair trade practice.

In order to provide insureds with an adequate opportunity to shop for alternative coverage, the Department has deemed that a minimum of 30 days' advance notice should be given to the insured for the following actions:

1) Any company initiated premium increase on personal lines policies, and a premium increase greater than 15% for commercial lines policies.

2) Non-renewal of coverage on any personal or commercial lines policies.

Failure by companies to provide such notice will be considered by the Department to be an unfair trade practice.

Questions about this Bulletin should be directed to Craig Devitt, Rates & Forms manager, at (334) 240-7555 or [Craig.Devitt@insurance.alabama.gov](mailto:Craig.Devitt@insurance.alabama.gov).

JLR/JFM/bc