



**STATE OF NEW YORK  
INSURANCE DEPARTMENT**  
25 BEAVER STREET  
NEW YORK, NEW YORK 10004

George E. Pataki  
Governor

Gregory V. Serio  
Superintendent

**November 24, 2003  
Circular Letter No. 19 (2003)**

**TO: All Authorized Property/Casualty Insurers, Rate Service Organizations and Insurance Producer Organizations**

**RE: Cancellation and Other Notices – Additional Statutory Requirements**

**STATUTORY REFERENCES: Sections 3425 and 3426 of the Insurance Law**

As a result of the enactment of Chapter 675 of the Laws of 2003, which was signed into law on October 15, 2003, there are several new notice requirements of which insurers should be aware. Chapter 675 will take effect on February 12, 2004.

Chapter 675 amends Section 3425 of the Insurance Law with respect to non-business automobile insurance policies and personal lines insurance policies, as follows:

- A valid notice of cancellation for nonpayment of premium requires the inclusion of a statement that clearly informs the insured of the amount due. [See Section 3425(c)(1)(A) and Section 3425(c)(2)(A)]
- A notice of cancellation, reduction of limits, substitution of policy form, elimination of coverages, conditional renewal or of intention not to renew, or notice of the reasons for any such notice, that fails to include all provisions required by Section 3425 shall not be an effective notice for the purposes of Section 3425. [See Section 3425(h)(2)].
- A copy or a summary of every one of the aforementioned types of notices must be mailed, delivered or transmitted (which may be by electronic transmission) to the insured's authorized agent or broker within seven days of the time such notice is mailed to the named insured. [See Section 3425(h)(3) for further details]

Chapter 675 also amends Section 3426 of the Insurance Law with respect to commercial lines insurance, as follows:

- A valid notice of cancellation for nonpayment of premium requires the inclusion of a statement that clearly informs the insured of the amount due. [See Section 3426(c)(1)(A)]

It is noted that Section 3426 already provides that a notice of cancellation, conditional renewal or nonrenewal notice that fails to include a provision required by Section 3426 shall not be an effective notice for purposes of such section [See Section 3426(i)]; and that notices of cancellation, nonrenewal, alternative renewal and conditional renewal must also be provided to the agent or broker [See Section 3426(b), (c), and (e)].

It is expected that all insurers and rate service organizations will review their procedures, policy forms, and notices and make modifications and filings pursuant to Article 23 with the Department, as necessary, to be in compliance with these new requirements by no later than the effective date of February 12, 2004.

Very truly yours,

Mark Presser  
Assistant Deputy Superintendent and  
Chief Examiner

