

CANCELLATION DEPARTMENT

Everything you ever wanted to know about cancellations

Insured's request to cancel

When the insured wants to cancel his policy:

It has been NIA's practice to safeguard all parties involved in an insurance Contract. This includes the insured, the retail agent, and the insurance Company and the lien holder. Therefore, we ask that when the insured Wants to cancel his insurance policy:

- A. Please obtain a signed cancellation request from the insured. (This can be a written statement or an accord "cancellation Request policy release" form). The original signed request is Required for processing. Faxed copies are not acceptable.
Note: The signature of the insured on the application should match the signature on the cancellation request or an explanation should be provided.
- B. If there is a lien holder involved on the policy; please have the lien holder sign the cancellation request along with the insured.
If the insured is unable to obtain the lien holder's signature, to assist, NAI can issue the appropriate cancellation notice to make sure all parties are notified.
- C. Most policy conditions state the insurance company will cancel if the insured provides "**advanced** written notice".

Non pay cancellations

Non pay broker: when the agent wants to cancel a policy for non-payment to his agency:

- Fax a request to cancel to NAI
- We will issue a direct notice of cancellation on behalf of the agent according to the policy guidelines. Generally, it is a 10-day notice, plus 3 days mailing (13-day notice)
- When the insured has made his account current with the Agency - please remember to fax a reinstatement request to NAI immediately. Payment must be received on or before the Cancellation date before reinstatement can be considered.

Non pay finance: when the finance company issues a cancellation notice and the finance company holds power of attorney

- Many admitted carriers will honor the finance company's date of cancellation
There are exceptions such as:
- Policy with state certificates or filings
- Policy with mortgagee or loss payee that requires notification
These exceptions and some non-admitted carriers will Require NAI to issue a direct notice of cancellation on behalf of the carrier.

Filings and state certificates

When the policy to be canceled has filings or state certificates. The Regulatory commissions involved require a certain number of days in Order to cancel.

- Filings:** regulatory commissions usually require at least 30-day notice. NAI's pattern of practice is issuing a 35-day notice in order to cancel the policy and the filings.
- State certificates:** the regulatory department requirements Vary from state to state on the number of days required to Cancel these certificates.
- Alabama and Mississippi:** requires at least a 10-day notice (NAI issues a 13 day notice)
- Tennessee and Louisiana:** requires at least a 30-day notice (NAI issues a 33 day notice)

Non compliance cancellation

When certain requirements are not met by the insured, the insurance Company/carrier may choose to issue a direct notice of cancellation for Non-compliance. The most frequent requirement problems are:

- A. Inspections
- B. Signed driver's exclusions
- C. Original signed applications
- D. Driver's information
- E. Failure to comply with carrier's recommendations
These cancellations require at least a 30-day notice. NIA issues a 33-day notice.

Reinstatement requests

Whether or not a policy reinstates is at the discretion of the carrier and Based on the company guidelines. A number of carriers will reinstate twice In a policy period for a non-payment cancellation. There are other Carriers who will only allow one non pay cancellation per policy period.

There are certain requirements that must be met before reinstatement can be considered.

The most important requirement to remember with a non payment Cancellation is payment must be received by the finance company (for non Pay to finance cancellation) or the agency (for a non pay to broker Cancellation) on or before the cancellation date.

With a non-compliance cancellation, the underwriting requirements must be complied with prior to the cancellation date.

Question :

If you have any questions or concerns regarding the cancellation of a Policy, please feel free to contact the NAI cancellation unit. Ask for Trisha Marshall, unit manager or Trish Tennyson, cancellation processor At 1-800-824-1740.

Fax# 256-764-3017
Watts # 1-800-824-1740