



BULLETIN

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DATE: January 11, 2018
TO: All Surplus Lines Licensees
FROM: Marie E. Rudert – Executive Director
SUBJECT: Cancellation, Non-renewals and Premium Increases

We have received a number of inquiries regarding notices of cancellations, non-renewals and premium increases for policies covering commercial property or casualty risks in the Commonwealth. The non-admitted surplus lines carriers appearing on our Eligible List are subject to the same requirements found in Act 86 (40 P.S. § 3401 et seq.) as admitted or licensed carriers in Pennsylvania.

Generally, Act 86 limits an insurer's right to mid-term cancellations and requires notices of mid-term cancellations and nonrenewals to satisfy certain requirements, including but not limited to advising the insured of their right to request loss information. The insurer must also provide at least 60 days advance notice for non-renewals and cancellations, unless the reason for such action is a material misrepresentation or failure to pay premium when due, in which case at least 15 days advance notice is required. Act 86 also requires the insurer to give 30 days advance notice for a premium increase, and to return unearned premium following cancellation within statutorily-prescribed time frames.

Please see the following links to [Act 86](#) and the [Regulations](#) for further information.

MER/ds