



## Cancellation/Nonrenewal – Surplus Lines Exemptions

\* Indicates updates in laws or regulations for the state  
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This chart complements PCI’s existing five cancellation/nonrenewal charts as well as the quick reference “Cancellation/Nonrenewal Provisions in Surplus Lines Law” chart. This chart indicates whether surplus lines insurers writing commercial or personal lines policies in a particular jurisdiction are exempt from the cancellation/nonrenewal requirements in the Insurance Code. A jurisdiction may fall into one of four categories. In the first category, the jurisdiction (Florida and Maine) may specifically exempt surplus lines insurers from the cancellation/nonrenewal requirements of the Insurance Code and require these insurers to comply with separate cancellation requirements in the Surplus Lines Code. In the second category, the jurisdiction (Connecticut, Pennsylvania, and South Carolina, among others) may subject surplus lines insurers to the same cancellation/nonrenewal laws as authorized insurers by departmental interpretation or some other reason. In the third category, the jurisdiction (Hawaii and Idaho, among others) may specifically exempt surplus lines insurers from the cancellation/nonrenewal requirements of the Insurance Code but fail to indicate what the cancellation/nonrenewal requirements are for surplus lines insurers. And in the fourth category, the jurisdiction may have no provision. In the third and fourth cases, please contact the state insurance department for direction.

Please carefully review the endnote section of this chart and contact the state insurance department or your local counsel if you require clarification as to compliance with particular provisions.

State	Citations	Commercial Lines <sup>1</sup>		Personal Lines <sup>2</sup>	
		Are surplus lines insurers exempt from cancellation requirements?	Are surplus lines insurers exempt from nonrenewal requirements?	Are surplus lines insurers exempt from cancellation requirements?	Are surplus lines insurers exempt from nonrenewal requirements?
*ALABAMA	Oden, Department Position, 10/9/2013	Yes	Yes	Yes	Yes
ALASKA	AK ST s 21.33.011, AK ST s 21.34.010, AK ST s 21.36.240 <sup>3</sup> , Oden, Department Position, 4/19/2012	No <sup>4</sup>	Yes <sup>5</sup>	No, for personal automobile <sup>6</sup>  Yes, for other personal lines	Yes <sup>7</sup>
ARIZONA	AZ ST s 20-1671	Yes	Yes	No Provision	No Provision
ARKANSAS	AR ST s 23-79-301, Oden, Department Position, 3/17/2004	No Provision	Yes	No Provision	No Provision
CALIFORNIA	CA INS s	Yes	Yes	Yes	Yes

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		Are surplus lines insurers exempt from cancellation requirements?	Are surplus lines insurers exempt from nonrenewal requirements?	Are surplus lines insurers exempt from cancellation requirements?	Are surplus lines insurers exempt from nonrenewal requirements?
	675.5, Oden, Department Position, 8/23/2005				
<b>COLORADO</b>	CO ST s 10-4-109.7(3), CO ST s 10-4-110(6), Oden, Department Position, 2/5/2004	Yes	Yes	Yes	Yes
<b>CONNECTICUT</b>	CT S 38a-323, CT s 38a-324, <sup>8</sup> Oden, Department Position, 6/25/2004	No	No	No Provision	No
<b>DELAWARE</b>	DE ADC 18 2102-2.0, DE ADC 18 2102-4.0, DE ADC 2102(2)	Yes	Yes	No Provision	No Provision
<b>DISTRICT OF COLUMBIA</b>	Oden, Department Position, 9/23/2008	Yes	Yes	Yes	Yes
<b>FLORIDA</b>	FL ST s 626.913 <sup>9</sup> , FL ST s 626.9201	Yes	Yes	Yes	Yes
<b>GEORGIA</b>	GA ST s 33-24-2, GA ST s 33-24-46, GA ST s 33-24-47, Oden, Department Positions, 3/16/2005 and 9/24/2008	Yes, but should comply with GA ST s 33-24-47	Yes, but should comply with GA ST s 33-24-47	Yes, but should comply with GA ST s 33-24-46	Yes, but should comply with GA ST s 33-24-46
<b>HAWAII</b>	HI ST s 431:10-201	Yes	Yes	Yes	Yes
<b>IDAHO</b>	ID ST s 41-1842	Yes	Yes	No Provision	No Provision
<b>ILLINOIS<sup>10</sup></b>	IL ST CH 215 s 5/143.11, IL ST CH 215 s 5/143.13(h), IL ST CH 215 s 5/445	Yes	Yes	Yes	Yes
<b>INDIANA</b>	IN ST s 27-1-31-1, Oden, Department	No	No	No, for personal auto	No, for personal auto

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		Are surplus lines insurers exempt from cancellation requirements?	Are surplus lines insurers exempt from nonrenewal requirements?	Are surplus lines insurers exempt from cancellation requirements?	Are surplus lines insurers exempt from nonrenewal requirements?
	Position, 1/31/2012			No Provision, for other personal lines	No Provision, for other personal lines
<b>*IOWA</b>	Oden, Department Positions, 11/2012, 8/2004 and 9/2004	Yes, but should comply with cancellation requirements for admitted companies	Yes, but should comply with nonrenewal requirements for admitted companies	Yes	Yes
<b>KANSAS</b>	KS ST s 40-246b	Yes	Yes	Yes	Yes
<b>KENTUCKY</b>	Oden, CNR for Surplus Lines Letter, S.S. Burton, General Counsel	Yes	Yes	Yes	Yes
<b>LOUISIANA</b>	LA R.S. 887 <sup>11</sup> LA R.S. 22:1267 <sup>12</sup>	Yes	Yes	No	No
<b>MAINE</b>	ME ST T. 24-A s 2009-A, <sup>13</sup> ME ST T. 24-A s 2908(9), ME ST T. 24-A s 3007(9), Oden, Department Position, 12/13/2004	Yes	Yes	Yes	Yes
<b>MARYLAND</b>	MD INS s 3-308	Yes	Yes	Yes	Yes
<b>MASSACHUSETTS</b>	Oden, Department Position, 10/09/2007	No, for compulsory motor vehicle liability policies	No, for compulsory motor vehicle liability policies	No Provision	No Provision
<b>MICHIGAN</b>	MI ST s 500.2103(5), Oden, Department Position, 1/2008	Yes	Yes	Yes	Yes
<b>MINNESOTA</b>	MN ST s 60A.35, MN ST s 60A.201, Oden, Department Position, 8/23/2004	Yes	Yes	Yes	Yes
<b>MISSISSIPPI</b>	MS ST s 83-5-28, Oden,	No	No	No	No

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		Are surplus lines insurers exempt from cancellation requirements?	Are surplus lines insurers exempt from nonrenewal requirements?	Are surplus lines insurers exempt from cancellation requirements?	Are surplus lines insurers exempt from nonrenewal requirements?
	Department Position, 01/27/2012				
<b>MISSOURI</b>	MO ST s 384.036	Yes	Yes	Yes	Yes
<b>MONTANA</b>	MT ST s 33-2-301 et seq. MT ST s 33-15-101 et seq. Insurance Department Position, 09/21/2004	No	No	No	No
<b>NEBRASKA</b>	Oden, Department Position, 1/2008	Yes, but should comply with cancellation law	Yes, but should comply with nonrenewal law	Yes, but should comply with cancellation law	Yes, but should comply with nonrenewal law
<b>NEVADA</b>	NV ST s 685A.090	Yes	Yes	Yes	Yes
<b>NEW HAMPSHIRE<sup>14</sup></b>	NH ST s 405:24(I) <sup>15</sup>	Yes	Yes	Yes	Yes
<b>NEW JERSEY</b>	NJ ADC 11:1-20.1, NJ ADC 11:3-8.1	Yes	Yes	Yes	Yes
<b>NEW MEXICO</b>	NM ST s 59A-18-1, <sup>16</sup> 59A-7-5(B), NM ADC 13.8.4.7	Yes, unless they are specifically included by rule	Yes, unless they are specifically included by rule	Yes, unless they are specifically included by rule	Yes, unless they are specifically included by rule
<b>NEW YORK</b>	NY INS s 3426(1), (2), NY INS s 3425, Oden, Department Position, 12/15/2011	Yes	Yes	Yes	Yes
<b>NORTH CAROLINA</b>	NC ST s 58-41-10, Oden, Department Position, 9/21/2004	Yes	Yes	Yes	Yes, for personal auto  No Provision, for other personal lines
<b>NORTH DAKOTA</b>	Oden, Department Position, 10/19/2011	Yes	Yes	Yes	Yes
<b>OHIO</b>	OH ST s 3937.25, Oden, Department	Yes	Yes	Yes	Yes

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	Position, 3/2008				
<b>*OKLAHOMA<sup>17</sup></b>	Oden, Department Positions, 07/29/2011, 05/02/2013	Yes	Yes	Yes	Yes
<b>OREGON</b>	OR ST s 742.001, OR ADC 836-085-0001, Oden, Department Position, 9/23/1993	Yes	Yes	Yes	Yes, for personal auto  No Provision, for other personal lines
<b>PENNSYLVANIA</b>	PA ST 40 P.S. s 3407, 31 PA ADC 113.81, <sup>18</sup> Oden, Department Position, 12/30/2011	No	No	No	No
<b>*RHODE ISLAND</b>	RI ADC 11-5-38:2, RI ST s 27-5-3, RI ST s 27-5-3.4, Oden, Department Position, 01/13/2012	Yes, but no for standard fire policies written by surplus lines carriers	Yes, but no for standard fire policies written by surplus lines carriers	No, for personal auto  No Provision, for other personal lines	No, for personal auto  No Provision, for other personal lines
<b>SOUTH CAROLINA</b>	SC ST s 38-75-710, <sup>19</sup> SC ST s 38-75-770, <sup>20</sup> Oden, Department Position, 11/30/2011, <sup>21</sup> SC Bulletin 8-88 (June 30, 1988) <sup>22</sup>	No	No	No	No
<b>SOUTH DAKOTA</b>	Oden, Department Position, 1/2008	Yes	Yes	Yes	Yes
<b>TENNESSEE</b>	TN ST s 56-7-1802(1)(B), Oden, Department Position, 2/27/2008	Yes	Yes	Yes, for personal auto  No Provision, for other personal lines	No Provision, for personal auto  Yes, for personal lines (not auto)

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<b>TEXAS</b>	TX INS s 551.001, TX INS s 551.051(1), TX INS s 551.101 <sup>23</sup>	Yes	Yes	Yes	Yes
<b>UTAH</b>	UT ST s 31A-15-103, UT ST s 31A-21-101	Yes	Yes	Yes	Yes
<b>*VERMONT</b>	VT Insurance Bulletin No. 176 <sup>24</sup>	No	No	No	No
<b>VIRGINIA</b>	Oden, Department Position, 09/30/2010	Yes	Yes	Yes	Yes
<b>WASHINGTON</b>	WA ST s 48.15.085(1), WA ST s 48.18.296, <sup>25</sup> WA ADC 284-30-590(5), Oden, Department Position, 11/18/2004	Yes	Yes	Yes	Yes
<b>WEST VIRGINIA</b>	Oden, Department Position, 3/2008	Yes	Yes	Yes	Yes
<b>WISCONSIN</b>	Oden, Department Position, 01/04/2012, WI ST s 631.36 (notice provision which is not applicable)	Yes	Yes	Yes	Yes
<b>WYOMING</b>	WY ST s 26-11-109	Yes	Yes	Yes	Yes

<sup>1</sup> For commercial lines, please review the full text of the law to find any specific policy exemptions. It is possible that certain forms of commercial liability are exempt, including workers' compensation.

<sup>2</sup> For personal lines, please review the full text of the law to find any specific policy exemptions. It is possible that certain forms of personal lines are exempt.

<sup>3</sup> AK ST s 21.36.240 addresses nonrenewal of commercial and personal lines policies. Subsection (4) of AK ST s 21.36.240 specifically exempts business or commercial policies placed under AK ST s 21.34, pertaining to surplus lines insurers, from the nonrenewal requirements.

<sup>4</sup> Surplus lines insurers are regulated by Alaska's Insurance Code, according to Oden's research notes which referenced AK ST s 21.33.011 and AK ST s 21.34.010.

<sup>5</sup> The Alaska Department of Insurance advises that surplus lines are regulated by the Insurance Code. According to Oden, insurers should refer to the insurance policy for any contractual requirements.

<sup>6</sup> According to Oden's research notes which cite AK ST s 21.33.011 and AK ST s 21.34.010, surplus lines insurers are regulated by the insurance code.

<sup>7</sup> The Alaska Department of Insurance advises that surplus lines insurers are regulated by the Insurance Code. According to Oden, insurers should refer to the insurance policy for any contractual requirements.

<sup>8</sup> Both CT ST s 38a-323 and CT ST s 38a-324 of the Insurance Code which address cancellation/nonrenewal requirements apply to surplus lines insurers.

<sup>9</sup> Insurance written by a surplus lines insurer is not regulated by Chapter 627 of the Insurance Code. Surplus lines insurers are subject to the cancellation/nonrenewal requirements for surplus lines insurers under FL ST s 626.9201.

<sup>10</sup> IL ST CH 215 s 5/143.11 specifically exempts surplus lines insurers from the cancellation/nonrenewal requirements of the Insurance Code, or more specifically Sections 143.12 through 143.24.

<sup>11</sup> LA R.S. s 22:887 governing the cancellation/nonrenewal of personal lines insurance policies applies to surplus lines insurers. The Louisiana Insurance Department issued Directive 201 (November 15, 2007) which requires a surplus lines insurer that plans to nonrenew a homeowner's insurance policy that has been in effect and renewed for more than three years to advise the state insurance department as to why the proposed nonrenewal would not violate LA R.S. s 22:635.3.C (now cited as 22:1333) and/or LA R.S. s 22:636.2.D (now cited as 22:1265).

<sup>12</sup> LA R.S. s 22:1267 governing commercial insurance cancellation/nonrenewal does not apply to surplus lines insurers as set forth in subsection (A) of the statute.

<sup>13</sup> ME ST T. 24-A s 2009-A governs cancellation/nonrenewal by surplus lines insurers.

<sup>14</sup> Surplus lines policies are exempt from the cancellation/nonrenewal notice requirements, pursuant to NH ST s 405:24(I).

<sup>15</sup> Surplus lines insurers are not subject to statutory/regulatory provisions unless the statute/regulation specifically references them. In addition, surplus lines insurers are generally subject to NH ST s 417:1 through 417:22 of the Unfair Insurance Trade Practices Law.

<sup>16</sup> New Mexico Senate Bill 198, effective July 1, 2011, amended NM ST s 59A-18-1(D) by adding conditional language, "unless such contracts are specifically included by rule," after "surplus lines insurance contracts."

<sup>17</sup> The Oklahoma Department of Insurance does not regulate surplus lines. However, it does recommend that surplus lines insurers follow OK ST T. 36 s 3639.

<sup>18</sup> Under 31 PA ADC 113.81, surplus lines insurers are included within the definition of "insurer" for purposes of the cancellation/nonrenewal requirements.

<sup>19</sup> This scope section indicates that the cancellation/nonrenewal provisions for property and casualty insurance in Article 9 also apply to surplus lines insurers. SC ST s 38-75-710 also provides that the cancellation/nonrenewal provisions of Article 9 do not apply to "automobile insurance and any other type of property or casualty insurance as to which there are specific statutory provisions of law governing cancellation, nonrenewal, or renewal of policies."

<sup>20</sup> SC ST s 38-75-770 sets forth the cancellation/nonrenewal notice requirements for surplus lines insurers to licensed brokers and the policyholder.

<sup>21</sup> In a November 30, 2011 position statement, the South Carolina Department of Insurance indicated that surplus lines carriers could not write private passenger automobile policies.

<sup>22</sup> The South Carolina Department of Insurance issued Bulletin 8-88 (June 30, 1988) expressly authorizing automobile physical damage coverage to be written by surplus lines insurers "because of the likelihood that the surplus lines market could play a positive role in providing physical damage coverage for those risks unable to obtain it in the admitted market."

<sup>23</sup> Surplus lines insurers are exempted from Subchapter C of the Texas Insurance Code addressing cancellation/nonrenewal due to the use of the term "authorized insurer" in the definition of "insurer."

<sup>24</sup> VT Bulletin No. 176 (June 6, 2013) was issued to remind surplus lines insurers and surplus lines brokers that Vermont law governing the cancellation, nonrenewal and renewal of insurance policies does apply to any surplus lines contract where the State of Vermont is the home state of the insured. The relevant laws are 8 VT ST ss 3879-3883, governing the termination of fire and casualty insurance and 8 VT ss 4711-4715, governing the termination of commercial risk insurance.

<sup>25</sup> WA ST s 48.18.296(3) states that the cancellation/nonrenewal provisions in WA ST s 48.18.291 through 48.18.297 do not apply to surplus lines insurers under Chapter 48.15. Surplus lines insurers are subject to the cancellation/nonrenewal requirements set forth in the Administrative Code, WA ADC 284-30-590.