

SENATOR DECAMP: Yes.

CLERK: Mr. President, 1184 is by Senator Haberman. (Read title.) Introduced on January 22, referred to Banking. There are committee amendments pending, Mr. President.

SENATOR CARSTEN: Senator DeCamp, on the committee amendments.

SENATOR DECAMP: Yes, let me quickly explain the bill because then the committee amendments will make sense. The bill provides that insurance companies if they are going to cancel insurance have to give you 60 days notice and that is it. Except in the case of a nonpayment of a premium, then it is 10 days notice. And you say, why is it even necessary? Isn't that already the law? Well, apparently it is not absolutely clear that it is the law and there have been some pretty major instances now where they just cancel them almost overnight. So this clears it up to give 60 days notice except in the event of nonpayment of a premium in which case it would be 10 days notice. Now, what do the committee amendments do? Committee amendment number one is brought by Mike Duggan and it would say that automobile policies are excluded from the notification and cancellation provisions of the bill. Why? Because there are already other provisions on that. Ten days for nonpayment, 20 days for nonrenewal, 30 days for all other reasons. And then another amendment that is included here at the same time is a Marge Higgins amendment. It requires that the notice say the reason in the notice why you are getting your insurance cancelled. Was it because you had too many claims, you were ugly, or whatever? So it would simply require that they give you a reason for the cancellation. The third amendment that is included in the committee amendments is one brought by Mike Duggan, the Director of Insurance, and it requires newly filed policy forms to conform on the effective date of the act but allows insurance companies until January 1, 1987 to bring existing forms into compliance. I think that is pretty obvious. If you are going to make this change and this requirement, give some lead time to the industry to get in compliance, so set a date of January 1, 1987. Their new forms would all be designed so they accomplish this. That is the amendments and that is the bill. I would ask you to adopt the amendments and advance the bill.

SENATOR CARSTEN: Mr. Clerk, do you have something?