

Nebraska Department of Insurance
Guidance Document
IGD - - C2

Title: Underwriting Refusals Based Solely on Previous Non-Renewal Rejection or Cancellation of Property and Casualty Insurance

Issue Date: October 20, 2022

Previously: Issued as CB-40, May 18, 1994

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Some property and casualty insurers have taken underwriting action, usually either declining or placing risk in a higher-rated company, based solely upon an applicant's response to questions concerning previous nonrenewal, rejection, or cancellation of the applicant's property and casualty insurance.

The Nebraska Department of Insurance's "NDOI" position is that insurers may not decline or place risk in a higher-rated company if it is based solely upon the responses to the questions. Insurers can solicit additional information when seeking the reasons for past nonrenewal, rejections, or cancellations. The underlying reasons are essential for competent underwriting decisions.

The NDOI recommends that all companies review their applications either eliminating this question or expanding it to include the reasons. Questions regarding this guidance can be directed to the NDOI's Property and Casualty Administrator at 402-471-2201.