

STATE OF NEBRASKA

DEPARTMENT OF INSURANCE

Robert G. Lange
Acting Director



May 18, 1994
CB-40 (Amended)

E. Benjamin Nelson
Governor

BULLETIN

SUBJECT: UNDERWRITING REFUSALS BASED SOLELY ON PREVIOUS NON-RENEWAL REJECTION OR CANCELLATION OF PROPERTY AND CASUALTY INSURANCE

It has come to the attention of this Department that it is the practice of some property and casualty insurers to take underwriting action, usually either declining or placing a 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.

It is this Department's position that no such action should be taken in underwriting a risk based solely upon the response to such questions. Additional information seeking the reasons for past nonrenewals, rejections or cancellations, should be solicited. The underlying reasons are essential for intelligent underwriting decisions.

It is recommended that all companies review their applications either eliminating this question or expanding upon it to include the reasons.

ROBERT G. LANGE
Acting Director of Insurance