

Insurance Terminations, Denials, and Cancellations

This fact sheet briefly explains your rights concerning an [insurance](#) company's refusal to offer you insurance or to continue your [coverage](#).

Special rules apply to some types of insurance policies. For more information, we recommend reviewing these publications:

- Continuation and Conversion Rights in **Health Insurance** Policies oci.wi.gov/ContinuationRights
- Wisconsin Guide to Health Insurance for People with **Medicare** oci.wi.gov/MedicareGuide
- Guide to **Long-Term Care** oci.wi.gov/LTCGuide
- Guide to **Worker's Compensation Insurance** for Employers oci.wi.gov/EmployersWC
- Information Sheet on **Surplus Lines** Insurers and Agents oci.wi.gov/SurplusLines

New Policies

When a [policy](#) first becomes effective, the insurer may cancel most types of policies at any time within the first 59 days without providing you a reason for the cancellation. The cancellation is not effective until at least 10 days after the insurance company mails or delivers to you a written notice of cancellation. However, the Affordable Care Act (ACA) requires that ACA-qualified health plans must permit you to enroll regardless of your health. [[s. 631.36 \(2\) \(c\), Wis. Stat.](#)]

Renewals

Renewal on Altered Terms—Sometimes an insurer will renew a policy but will raise the rates or make the terms less favorable to the [insured](#).

An insurer may not alter terms of coverage until 60 days (45 days for personal lines property and casualty policies) after a notice is mailed to you. To be effective, the notice must be mailed or delivered before the renewal date.

If the notice is given less than 60 days before the renewal date, the new terms or [premium](#) increase will not become effective until 60 days (45 days for personal lines property and casualty policies) have elapsed from the date the notice is given. These conditions do not apply if the only change is a rate increase of less than 25%. [[s. 631.36 \(5\), Wis. Stat.](#)]

Nonrenewals

Nonrenewal of a policy refers to the termination of a policy at the expiration date. If an insurer decides it does not want to renew your policy, it must mail or deliver to you a nonrenewal notice at least 60 days before the policy's expiration date. The nonrenewal notice must provide the reason for the nonrenewal.

For a homeowner or auto policy, the insurer is required to provide information in the notice on how to apply for coverage through either the Wisconsin Insurance Plan (property) or Wisconsin Automobile Insurance Plan (auto).

For more information or to file a complaint, visit our website or contact:

Office of the Commissioner of Insurance, 125 South Webster Street, P.O. Box 7873, Madison, WI 53707-7873
p: 608-266-3585 | p: 1-800-236-8517 | f: 608-266-9935 | ociinformation@wisconsin.gov | oci.wi.gov

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Under certain conditions, these plans offer home and auto insurance to people who are unable to obtain coverage in the voluntary market. [[s. 631.36 \(4\), \(6\), and \(7\)](#), Wis. Stat.]

If an insurer fails to provide notice at least 60 days before the expiration date, it must continue your coverage under the terms and premium of your prior policy for the term of the policy or one year, whichever is less. [[s. 631.36 \(4\)\(a\)](#), Wis. Stat.]

If you are nonrenewed solely because of the termination of your agent's contract with your insurer, the insurer must continue your coverage if you request the insurer to do so in writing before the expiration date and you meet the insurer's eligibility requirements. [[s. 631.36 \(4\) and \(am\)](#), Wis. Stat.]

Midterm Cancellations

A midterm cancellation is a cancellation that occurs during the policy term and before the policy's expiration or renewal date. Insurers typically are not allowed to cancel a policy midterm except in special circumstances.

With few exceptions, an insurance company may cancel coverage during this period only if the premium is not paid. The insurer must either mail or deliver to you a written cancellation notice. No cancellation is effective until at least 10 days after mailing or delivery of the notice. [[s. 631.36 \(2\) \(b\)](#), Wis. Stat.]

If you experience what you consider to be a questionable midterm cancellation, you are encouraged to contact the Office of the Commissioner of Insurance (OCI).

Grace Period

Although an insurer may cancel your policy for nonpayment of premiums, you may be entitled to a [grace period](#) for the payment of any premium due. During a grace period, your coverage continues.

- **Life Insurance** - For individual life insurance policies, it is a period not less than 31 days after the premium due date.
- **Health Insurance** - For health insurance policies, it is not less than seven days for weekly premium policies, not less than 10 days for monthly premium policies, and not less than 31 days for all other policies. If you both purchased a policy through the Federally Facilitated Marketplace, and you receive an advance premium tax credit (APTC), you may be entitled to a 90-day grace period.
- **Auto & Home** - Typically, **no grace period is required** for auto or home insurance but check your policy to see if your insurer includes a grace period provision. [[ss. 632.44](#) and [632.78](#), Wis. Stat.]

Anniversary Cancellation

This refers to a policy written for an indefinite term or for more than one year. These policies may be canceled on any anniversary date if the policies contain cancellation provisions. If your insurer decides to cancel your policy on an anniversary date, it must mail or deliver a written notice at least 60 days prior to the anniversary date. [[s. 631.36 \(3\)](#), Wis. Stat.]

General Anti-Discrimination Laws

There are statutes and rules protecting consumers from unfair discrimination regarding insurance policies.

- Insurers may not refuse to insure you or refuse to renew your policy based on sex. [[s. Ins 6.55](#), Wis. Adm. Code]

- For auto or homeowners policies, insurers may not refuse coverage to a class of [risks](#) solely on the basis of past criminal record, physical disability, past mental disability, age, marital status, sexual preference, “moral” character, or the location or age of the risk. Insurers may not use these classifications to charge different rates without credible supporting information. No insurer may cancel or refuse to issue or renew an automobile insurance policy wholly or partially because of one or more of the following characteristics of any person: age, sex, residence, race, color, creed, religion, national origin, ancestry, marital status, or occupation.

Some of these classifications may be used by an insurer if its experience supports differences in losses from these classifications. [[s. 632.35, Wis. Stat.](#), and [s. Ins 6.54, Wis. Adm. Code](#)]