



# **Dora**

Department of Regulatory Agencies  
**Division of Insurance**

## **Bulletin No. B-5.29**

### **Adverse Underwriting Notice – Clear and Specific**

#### **I. Background and Purpose**

The purpose of this bulletin is to provide guidance to insurers issuing cancellation, non-renewal, increase in premium, or reduction in coverage notices in accordance with § 10-4-629(2)(c), C.R.S.

Bulletins are the Division's interpretations of existing insurance law or general statements of Division policy. Bulletins themselves establish neither binding norms nor finally determine issues or rights.

#### **II. Applicability and Scope**

This bulletin is intended for all regulated insurance entities marketing private passenger automobile insurance policies.

#### **III. Division Position**

Existing law, § 10-4-629(2)(c), C.R.S. and Regulation 5-2-12(5)(B)(2)(a), requires the notice of proposed action include a statement of reasons that is sufficiently clear and specific so that a person of average intelligence can identify the basis for the insurer's decision without making further inquiry. The insurer must clearly describe or quote its underwriting rule, policy or guideline which is the basis for the proposed action.

In reviewing a notice of cancellation, non-renewal, increase in premium, or reduction in coverage the Hearing Officer relies on the information in the notice when determining if the notice and insurer action comply with Colorado insurance law. The Hearing Officer would expect the elements required by § 10-4-629 (2), C.R.S. as well as the following information be clearly identified in the notice:

- First and last name of the driver involved;
- Date of Loss (if applicable);
- Description of the loss which resulted in claim payment;
- Total amount paid for the loss;
- Motor vehicle violation or conviction date (if applicable); and
- Description of motor vehicle violation (as indicated in the consumer report from which the information was obtained). If the description includes the term "moving violation" the insurer should have a definition of "moving violation" on file with the Division of Insurance Rates and Forms Section.

#### **IV. Additional Division Resources**

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