

It's you, not me: Understanding your relationship with your insurance company

by [Yvonne R. Hunter](#) | Jul 11, 2017



Thank you for your interest in learning more about consumer insurance matters. I hope that you find the information helpful in guiding your discussions with insurance agents or brokers when determining what insurance products provide you the protection you seek.

I started this process because, like everyone, we are inundated with commercials and ads touting the benefits of having insurance. Insurance is one of those adulthood purchases that can overwhelm us when deciding what to include in a policy and how insurance works. And while it looks easy enough to purchase insurance, and may even be easy to file claims, customers find themselves hurt and confused when the relationship sours.

For the next three offerings, I will address your options when you receive a notice of cancellation or non-renewal of your insurance policy. When you receive a notice of cancellation or non-renewal for an insurance policy, it could trigger criminal penalties for not having an auto policy, or a default on a mortgage because your lender requires homeowner's insurance. By learning about what to do when faced with a notice of cancellation or non-renewal, you will know you have rights as an insurance consumer. The following points may help you as you determine your next steps.

- There is a difference in terminology for a “cancellation” compared to “non-renewal”:
 - A cancellation of an insurance policy usually happens in the middle of the policy term. It may be tied to an event such as not paying an insurance premium.
 - The non-renewal of an insurance policy occurs when the insurance company will not renew the policy at the end of its term. A non-renewal of may be tied to too many points on your driver license.
- Arizona law allows an insurance company to cancel a new auto or homeowner insurance policy for no reason within the first 60 days of the [policy](#). However, even with this broad authority, most states limit the information that an insurance company can use to make this decision. If you have questions about the reason for a cancellation within the first 60 days of your policy, you should contact your state insurance department or commissioner to determine that the cancellation was based on lawful reasons.
- Not all insurance policies are the same. If you have changed any aspect of your insurance policy, you will need to thoroughly review the most recent version to identify any changes. If the insurance company offers a new “plan” or “program”, use a healthy dose of curiosity when you review the proposed policy changes since the new plan may impose new restrictions, a higher insurance deductible, or other changes that may not be a bargain for you.
- All of my comments on cancellation and non-renewal pertain to consumer insurance policies because most consumer policies will not cover commercial activities. Commercial insurance policies are governed in most states by different statutes and regulations. If you believe you need insurance for your business operations, you should consult with your legal counsel to identify what kind of insurance policy is best suited for you. For example, if you use your automobile to deliver pizza, or operate a bed and breakfast from your home, you may find that your consumer policy will not cover these activities.

Finally, to those readers located in other states, this information on cancellation and non-renewal of insurance policies pertains to policies regulated by the Arizona Department of Insurance. Insurance is a business regulated state by state. While Arizona laws may not help you, I hope that the information provided encourages you to contact your own state's insurance department, commissioner, or your legal counsel.

Now to address the question of why your relationship with your insurance company seems destined for failure: "It's you, not me..."