

What's the difference between cancellation and non-renewal?

There is a big difference between when an insurance company cancels a policy and when it chooses not to renew it. Insurance companies cannot cancel a policy that has been in force for more than 60 days except:

- If you fail to pay the premium.
- You have committed fraud or made serious misrepresentations on your application.
- Your driver's license has been revoked or suspended.

Non-renewal is a different matter. Either you or your insurance company can decide not to renew the policy when it expires. Depending on the state you live in, your insurance company must give you a certain number of days notice and explain the reason for non-renewal before it drops your policy. If you think the reason is unfair or want a further explanation, call the insurance company's consumer affairs division. If you don't get an explanation, call your [state insurance department](#).

The company may have decided to drop that particular line of insurance or to write fewer policies where you live, so you shouldn't necessarily think the non-renewal is because of something you did. On the other hand, if you did do something that raised the insurance company's risk considerably, like driving drunk, the premium may rise and you may not have your policy renewed.

If your insurance company did not renew your policy, you will not necessarily be charged a higher premium at another insurance company.

Source: *Insurance Information Institute, Inc. (www.iii.org)*