



Ohio Miscellaneous Regulatory Material
DEPARTMENT OF INSURANCE
BULLETINS

Bulletin 35 Policy cancellations

Effective Date
December 10, 1963

Complaints have been filed with this department stating that some insurance agents are following the practice of cancelling a policy and crediting the return premium to the premium due on a different policy with the same insured.

Each insurance policy is a separate contract between the insurance company and the policyholder to which the agent is not a party. The agent is paid a commission for his services which is deducted from the gross premium. The agent, therefore, has no interest or right in the net premium forwarded to the insurance company.

An agent cancelling policies and crediting return premiums in the manner described above does so contrary to the department policy, and his action will be subject to departmental investigation. The only exception to this position is in those instances where the insured has a running account with the agent and makes payments to his account without specific reference to policies, or in amounts that do not correspond to the premium balances due on policies.

William R. Morris
Director of Insurance

ODEN Property and Casualty
COMMERCIAL INSURANCE - CANCELLATION
PERSONAL AUTO - CANCELLATION
PERSONAL LINES (Not Auto) - CANCELLATION

SUBJECT CATEGORY 010 - All/unspecified lines
300 - The policy
400 - Insurance representatives
700 - Trade practices

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