

NINTH GUAM LEGISLATURE  
1968 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT OF THE GOVERNOR

This certifies that Bill No. 648, "An Act to add a new Chapter 5 to Title XXXIX, Government Code of Guam, relative to the writing, cancellation of, or refusal to renew policies of automobile insurance", was on the 9th day of July, 1968, duly and regularly passed.

W. D. L. Flores  
W. D. L. FLORES  
Vice-Speaker

ATTESTED:

F. T. Ramirez  
F. T. RAMIREZ  
Legislative Secretary

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This Act was received by the Governor this 29<sup>th</sup> day  
of July, 1968 at 2:43 o'clock P. M.

/s/ Denver Dickerson  
Secretary of Guam

APPROVED:

/s/ Denver Dickerson  
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Governor of Guam  
*acting*  
DATED: Aug. 20, 1968  
3:10 P.M.



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NINTH GUAM LEGISLATURE  
1968 (SECOND) Regular Session

Bill No. 648

Introduced by

Committee on Rules, by  
request of the Governor in  
accordance with Section 6(b)  
of the Organic Act of Guam.

AN ACT TO ADD A NEW CHAPTER 5 TO TITLE  
XXXIX, GOVERNMENT CODE OF GUAM, REIA-  
TIVE TO THE WRITING, CANCELLATION OF,  
OR REFUSAL TO RENEW POLICIES OF AUTO-  
MOBILE INSURANCE.

1 BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:

2 Section 1. A new Chapter 5 is hereby added to Title XXXIX,  
3 Government Code of Guam, to read as follows:

4 "CHAPTER 1

5 MOTOR VEHICLE INSURANCE

6 Section 43525. Definitions. As used in this chapter  
7 the following definitions shall apply:

8 (a) 'Policy of automobile insurance' or 'policy'  
9 means a policy of motor vehicle insurance as defined  
10 by Section 43306 of this title.

11 (b) 'Renewal' or 'to renew' means the issuance  
12 and delivery by an insurer of a policy superseding at  
13 the end of the policy period a policy previously issued  
14 and delivered by the same insurer, such renewal policy  
15 to provide types and limits of coverage at least equal  
16 to those contained in the policy being superseded, or  
17 the issuance and delivery of a certificate or notice  
18 extending the term of a policy beyond its policy period  
19 or term with types and limits of coverage at least equal  
20 to those contained in the policy being extended: Provided,  
21 however, that any policy with a policy period or term of  
22 less than twelve months or any period with no fixed



1 expiration date shall for the purpose of this chapter  
2 be considered as if written for successive policy periods  
3 or terms of twelve months.

4 (c) 'Insurer' means any insurance company, associa-  
5 tion or exchange authorized to transact the business of  
6 automobile insurance in Guam.

7 (d) 'Nonpayment of premium' means failure of the  
8 named insured to discharge when due any of his obligations  
9 in connection with the payment of premiums on a policy, or  
10 any installment of such premium, whether the premium is  
11 payable directly to the insurer or its agent or indirectly  
12 under any premium finance plan or extension of credit.

13 Section 43526. Coverage. This chapter shall apply  
14 only to that portion of a policy of automobile insurance  
15 providing bodily injury and property damage liability,  
16 comprehensive, and collision coverages and to the pro-  
17 visions therein, if any, relating to medical payments  
18 and uninsured motorists coverage.

19 Section 43527. Discrimination. No insurer shall  
20 cancel or refuse or refuse to write or renew a policy  
21 of automobile insurance solely because of the age,  
22 residence, race, color, creed, national origin, an-  
23 cestry or lawful occupation (including the military  
24 service) of anyone who is or seeks to become insured or  
25 solely because another insurer has refused to write a  
26 policy, or has cancelled or has refused to renew an  
27 existing policy in which that person was the named in-  
28 sured.

29 Section 43528. Cancellation of policies. No  
30 insurer shall cancel a policy except for one or the  
31 other of the following specified reasons:



1 (a) Nonpayment of premium; or  
2 (b) The driver's license or motor vehicle regis-  
3 tration of the named insured has been under suspension  
4 or revocation during the policy period; the applicability  
5 of this reason to one who either is a resident in the  
6 same household or who customarily operates an automobile  
7 insured under the policy shall be proper reason for the  
8 insurer thereafter excluding such individual from coverage  
9 under the policy, but not for cancelling the policy.

10 Section 43529. Notice to insured. No cancellation  
11 or refusal to renew by an insurer of a policy of automobile  
12 insurance shall be effective unless the insurer shall deliver  
13 or mail, to the named insured at the address shown in the  
14 policy a written notice of the cancellation or refusal to  
15 renew. Such notice shall:

16 (a) Be approved as to form by the Insurance Commissioner  
17 prior to use;

18 (b) State the date, not less than thirty days after the  
19 date of such mailing or delivering on which such cancellation  
20 or refusal to renew shall become effective, except that such  
21 effective date may be fifteen days from the date of mailing  
22 or delivery when it is being cancelled or not renewed for  
23 the reason set forth in Section 43528(a);

24 (c) State the specific reason or reasons of the insurer  
25 for cancellation or refusal to renew or be accompanied by a  
26 statement that upon written request of the named insured, mailed  
27 or delivered to the insurer not less than twenty days prior to  
28 the effective date of cancellation or refusal to renew, the  
29 insurer will specify the reason or reasons for such cancellation, or  
30 refusal to renew, the insurer to supply such information within  
31 five days of receipt by it of such request;



1 (d) Advise the insured of his right to request in  
2 writing, within ten days of the receipt of the notice of  
3 cancellation or intention not to renew, or of the receipt  
4 of the reason or reasons for the cancellation or refusal  
5 to renew if they were not stated in the notice of cancella-  
6 tion or of intention not to renew, that the Insurance Com-  
7 missioner review the action of the insurer.

8 Section 43530. Application. Nothing in this chapter  
9 shall apply:

10 (a) If the insurer has manifested its willingness to  
11 renew by issuing or offering to issue a renewal policy,  
12 certificate or other evidence of renewal, or has manifested  
13 such intention by any other means;

14 (b) If the named insured has demonstrated by some  
15 overt action to the insurer or its agent that he wishes  
16 the policy to be cancelled or that he does not wish the  
17 policy to be renewed;

18 (c) To any policy of automobile insurance which has  
19 been in effect less than sixty days, unless it is a renewal  
20 policy, except that no insurer shall decline to continue  
21 in force such a policy of automobile insurance solely on  
22 the basis of the grounds set forth in Section 43527.

23 (d) To any policy issued under an automobile assigned  
24 risk plan, nor to any policy insuring more than four auto-  
25 mobiles, nor to any policy covering garage, automobile  
26 sales agency repair shop, service station or public parking  
27 plan operation hazards.

28 Section 43531. Information. There shall be no liability  
29 on the part of and no cause of action of any nature shall arise  
30 against the Insurance Commissioner, any insurer, the authorized  
31 representatives, agents and employees of either or any firm,



1 person or corporation furnishing to the insurer informa-  
2 tion as to reasons for cancellation or refusal to write  
3 or renew for any statement made by any of them in complying  
4 with this chapter or for the providing of information per-  
5 taining thereto.

6 Section 43532. Request for review.

7 (a) Any insured may within ten days of the receipt  
8 by the insured of notice of cancellation or notice of  
9 intention not to renew, or of the receipt of the reason or  
10 reasons for the cancellation or refusal to renew if they  
11 were not stated in the notice, request in writing to the  
12 Insurance Commissioner that he review the action of the  
13 insurer in cancelling or refusing to renew the policy of  
14 such insured.

15 (b) Any applicant for a policy who is refused such  
16 policy by an insurer may in writing within ten days of  
17 notice of such refusal request the insurer to supply the  
18 reasons for such refusal. The insurer shall supply such  
19 reasons within five days of receipt by it of such request.  
20 Within ten days of the receipt of such reasons, the applicant  
21 may request in writing to the Insurance Commissioner that he  
22 review the action of the insurer in refusing to write a policy  
23 for the applicant.

24 Section 43533. Review. On receipt of a request for  
25 review, the Insurance Commissioner or his designated re-  
26 presentative shall notify the insurer thereof and shall review  
27 the matter to determine whether the cancellation or refusal to  
28 renew or to write was in violation of this chapter, and shall  
29 within forty days of the receipt of such request either order  
30 the policy written or reinstated or uphold the cancellation  
31 or refusal to renew. In the case of a cancellation of or



1 refusal to renew a policy, such policy shall remain in  
2 effect until the conclusion of such review.

3 Section 43534. Rules and Regulations. The In-  
4 surance Commissioner shall promulgate rules and regulations  
5 necessary for the administration of this chapter. The  
6 commissioner may provide in such rules and regulations for  
7 the establishment of a filing fee not exceeding fifteen  
8 dollars (\$15), to accompany the request for review. Should  
9 the Insurance Commissioner decide the appeal in favor of  
10 the insured, the filing fee shall be returned immediately  
11 and the fee shall be paid by the insurer.

12 Section 43535. Records. Each insurer shall maintain  
13 records of the numbers of cancellations and refusals to  
14 write or renew policies and the reasons therefor and shall  
15 supply to the Insurance Commissioner such information as he  
16 may request."

17 Section 2. This Act is an urgency measure.