

(i) the authorized premium has been tendered or paid[; and

(ii) a written request for the actual reason has been made within 30 days after receipt of the statement of intention to cancel or not renew, whether or not the applicant subsequently is accepted under a plan described in subsection (b)(1) of this section].

(2) Paragraph (1) of this subsection applies to the cancellation of or refusal to renew a binder that has been in effect for at least 15 days or an actual policy that has been issued.

(d) A statement of actual reason [or statement refusing an application] is privileged and does not constitute grounds for an action against the insurer, its representatives, or another person that in good faith provides to the insurer information on which the statement is based.

~~(e) A copy of the statement of actual reason [or statement refusing an application] must be provided to the Commissioner.~~

~~(f) [If requested, the statement of actual reason or statement refusing an application must be made by the insurer or its qualified agent within 10 days after receipt of the request by the insurer.~~

~~(g) If not requested, the] THE statement of actual reason [or statement refusing an application] must contain notice to the applicant that[;~~

~~(1) the applicant may request the actual reason for the refusal to issue, cancellation, or refusal to renew if the applicant makes the request within 30 days after receipt of the statement of refusal to issue or intention to cancel or not renew; and~~

~~(2) any statement of actual reason will be retained as a public record in the Administration.~~

[(h)](E) (1) The reason given in the statement of actual reason [or statement refusing an application] must be sufficiently clear and specific so that an applicant of reasonable intelligence can identify the basis for the insurer's decision without making further inquiry.

(2) The use of generalized terms such as "personal habits", "physical handicap or disability", "living conditions", "poor morals", or "violation or accident record" does not meet the requirement of this subsection.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1998.

Approved April 28, 1998.