

**16 GCA VEHICLES**  
**CH. 21 MOTOR VEHICLE INSURANCE**

**CHAPTER 21**  
**MOTOR VEHICLE INSURANCE**

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**§ 21101. Definitions.**

As used in this Chapter the following definitions shall apply:

(a) *Policy of automobile insurance* or *policy* means a policy of motor vehicle insurance as defined by GC § 43306.

(b) *Renewal* or *to renew* means the issuance and delivery by an insurer of a policy superseding at the end of the policy period a policy previously issued and delivered by the same insurer, such renewal policy to provide types and limits of coverage at least equal to those contained in the policy being superseded, or the issuance and delivery of a certificate or notice extending the term of a policy beyond its policy period or term with types and limits of coverage at least equal to those contained in the policy being extended: Provided, however, that any policy with a policy period or term of less than twelve (12) months or any period with no fixed expiration date shall for the purpose of this Chapter be considered as if written for successive policy periods or terms of twelve (12) months.

(c) *Insurer* means any insurance company, association or exchange authorized to transact the business of automobile insurance in Guam.

(d) *Nonpayment of premium* means failure of the named insured to discharge when due any of his obligations in connection with the

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payment of premiums on a policy, or any installment of such premium, whether the premium is payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit.

**SOURCE:** GC § 43525; enacted by P.L. 9-246.

**§ 21102. Coverage.**

This Chapter shall only to that portion of a policy of automobile insurance providing bodily injury and property damage liability, comprehensive, and collision coverages and to the provisions therein, if any, relating to medical payments and uninsured motorists coverage.

**SOURCE:** GC § 43526; enacted by P.L. 9-246.

**§ 21102.1. Driving Under Influence; Insurance.**

**[Repealed]**

**SOURCE:** Added by P.L. 20-35:5. Repealed by P.L. 20-216:2.

**NOTE:** P.L. 20-216:2 repealed 16 GCA § 21101.1; however, the Compiler could find no § 21101.1 to be repealed, so this reference must be a typographical error. It is almost certain that § 21102.1 was meant. P.L. 20-216 repeals and reenacts Chapter 19, dealing with mandatory insurance, and covers the subject matter of this section.

**§ 21103. Discrimination.**

No insurer shall cancel or refuse to write or renew a policy of automobile insurance solely because of the age, residence, race, color, creed, national origin, ancestry or lawful occupation (including the military service) of anyone who is or seeks to become insured, or solely because another insurer has refused to write a policy, or has cancelled, or has refused to renew an existing policy in which that person was the named insured.

**SOURCE:** GC § 43527; enacted by P.L. 9-246.

**§ 21104. Cancellation of Policies.**

No insurer shall cancel a policy except for one (1) or the other of the of the following specified reasons:

(a) Nonpayment of premium; or

(b) The driver's license or motor vehicle registration of the named insured has been under suspension or revocation during the policy period; the applicability of this reason to one who either is a resident in the same household or who customarily operates an automobile

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insured under the policy shall be proper reason for the insurer thereafter excluding such individual from coverage under the policy, but not for cancelling the policy.

**SOURCE:** GC § 43528; enacted by P.L. 9-246.

**§ 21105. Notice to Insured.**

No cancellation or refusal to renew by an insurer of a policy of automobile insurance shall be effective unless the insurer shall deliver or mail, to the named insured at the address shown in the policy, a written notice of the cancellation or refusal to renew. Such notice shall:

(a) Be approved as to form by the Commissioner of Banking and Insurance prior to use;

(b) State the date, not less than thirty (30) days after the date of such mailing or delivering on which such cancellation or refusal to renew shall become effective, except that such effective date may be fifteen (15) days from the date of mailing or delivery when it is being cancelled or not renewed for the reason set forth in § 21104;

(c) State the specific reason or reasons of the insurer for cancellation or refusal to renew or be accompanied by a statement that upon written request of the named insured, mailed or delivered to the insurer not less than twenty (20) days prior to the effective date of cancellation or refusal to renew, the insurer will specify the reason or reasons for such cancellation, or refusal to renew, the insurer to supply such information within five (5) days of receipt by it of such request; and

(d) Advise the insured of his right to request in writing, within ten (10) days of the receipt of the notice of cancellation or intention not to renew, or of the receipt of the reason or reasons for the cancellation or refusal to renew, if they were not stated in the notice of cancellation or of intention not to renew, that the Commissioner of Banking and Insurance review the action of the insurer.

**SOURCE:** GC § 43529 GC, enacted by P.L. 9-246. Amended by P.L. 27-88:6.

**§ 21106. Application.**

Nothing in this Chapter shall apply:

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

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

(c) To any policy of automobile insurance which has been in effect less than sixty (60) days, unless it is a renewal policy, except that no insurer shall decline to continue in force such a policy of automobile insurance solely on the basis of the grounds set forth in § 21103.

(d) To any policy issued under an automobile assigned risk plan, nor to any policy insuring more than four (4) automobiles, nor to any policy covering garage, automobile sales agency repair shop, service station or public parking plan operation hazards.

**SOURCE:** GC § 43530; enacted by P.L. 9-246.

**§ 21107. Information.**

There shall be no liability on the part of and no cause of action of any nature shall arise against the Commissioner of Banking and Insurance, any insurer, the authorized representatives, agents and employees of either or any firm, person, or corporation, furnishing to the insurer information as to reasons for cancellation or refusal to write or renew, for any statement made by any of them in complying with this Chapter or for the providing of information pertaining thereto.

**SOURCE:** GC § 43541; enacted by P.L. 9-246.

**2011 NOTE:** Reference to the “Insurance Commissioner” changed to the “Commissioner of Banking and Insurance” pursuant to P.L. 27-088:10 (May 6, 2004).

**§ 21108. Request for Review.**

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

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(b) Any applicant for a policy who is refused such policy by an insurer may in writing within ten (10) days of notice of such refusal request the insurer to supply the reasons for such refusal. The insurer shall supply such reasons within five (5) days of receipt by it of such request. Within ten (10) days of the receipt of such reasons, the applicant may request in writing to the Commissioner of Banking and Insurance that he review the action of the insurer in refusing to write a policy for the applicant.

**SOURCE:** GC § 43542; enacted by P.L. 9-246.

**2011 NOTE:** Reference to the “Insurance Commissioner” in subsections (a) and (b) changed to the “Commissioner of Banking and Insurance” pursuant to P.L. 27-088:10 (May 6, 2004).

**§ 21109. Review.**

On receipt of a request for review, the Commissioner of Banking and Insurance or his designated representative shall notify the insurer thereof, and shall review the matter to determine whether the cancellation or refusal to renew or to write was in violation of this Chapter, and shall within forty (40) days of the receipt of such request either order the policy written or reinstated, or uphold the cancellation or refusal to renew. In the case of a cancellation of or refusal to renew a policy, such policy shall remain in effect until the conclusion of such review.

**SOURCE:** GC § 43533; enacted by P.L. 9-246.

**2011 NOTE:** Reference to the “Insurance Commissioner” changed to the “Commissioner of Banking and Insurance” pursuant to P.L. 27-088:10 (May 6, 2004).

**§ 21110. Rules and Regulations.**

The Commissioner of Banking and Insurance shall promulgate rules and regulations necessary for the administration of this Chapter. The Commissioner may provide in such rules and regulations for the establishment of a filing fee, not exceeding Fifteen Dollars (\$15.00), to accompany the request for review. Should the Commissioner of Banking and Insurance decide the appeal in favor of the insured, the filing fee shall be returned immediately and the fee shall be paid by the insurer.

**SOURCE:** GC § 43534; enacted by P.L. 9-246.

**2011 NOTE:** Reference to the “Insurance Commissioner” changed to the “Commissioner of Banking and Insurance” pursuant to P.L. 27-088:10 (May 6, 2004).

**§ 21111. Records.**

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Each insurer shall maintain records of the numbers of cancellations and refusals to write or renew policies and the reasons therefor and shall supply to the Commissioner of Banking and Insurance such information as he may request.

**SOURCE:** GC § 43535; enacted by P.L. 9-246.

**2011 NOTE:** Reference to the “Insurance Commisioner” changed to the “Commissioner of Banking and Insurance” pursuant to P.L. 27-088:10 (May 6, 2004).

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