Policy Cancellation Save Checklist

Handle a cancellation request properly, find out why, offer real alternatives, and respect the client's decision.

WHO USES IT	Account Manager, CSR, Producer
LINES	Not line-specific
VERSION	1.0 | Last reviewed November 19, 2026
MAINTAINED BY	AgencyPacket
ONLINE	https://agencypacket.com/resources/policy-cancellation-save-checklist

BEFORE YOU USE THIS
Review this against your agency's current processes, carrier guidelines, and E&O requirements before you put it into practice. Insurance rules vary by state, and some requirements are set at the local level, so confirm the licensing, disclosure, filing, and recordkeeping rules that apply where you operate. This resource is general guidance, not legal, compliance, or insurance advice. See our Terms at https://agencypacket.com/terms. Cancellation notice periods and refund rules are set by state law and your carrier.

Purpose

Most cancellation requests come from a price jump, a better offer somewhere else, a life change, or a bad claim or service experience. Some can be fixed with a conversation. Many can't, and that is fine.

This is a retention conversation, not a negotiation. If the client has made a valid request to cancel, you process it. Do not delay, argue, or refuse a valid request.

When to use it

Use it when a client asks to cancel or non-renew a policy, or tells you they are going to.

Process owner

The CSR or account manager who takes the request owns it. The producer or account manager handles the retention conversation. The CSR processes the cancellation when the client decides.

Before you begin: required information

- Policy number, carrier, and effective dates
- Who is asking, and whether they are authorized
- The requested cancellation date
- Any lender, lienholder, or contract requirements tied to the policy
- Billing status: paid, financed, or unpaid

Procedure

Request intake and authorization

- [ ] Log the request: date, time, who, how, and the requested cancellation date.
- [ ] Confirm the requester is a named insured or authorized person.
- [ ] Check whether the policy has a lender, lienholder, or contract that requires coverage to stay in force.
- [ ] Check whether a replacement policy is in place and effective before the cancellation date.

Reason for cancellation

- [ ] Ask why in one open question and listen. Common reasons: price, coverage, service, claim, selling the property or vehicle, or switching carriers.
- [ ] Record the reason in the client's words.
- [ ] If they sold the property or vehicle, ask for the date and documentation.

Coverage and pricing concerns

- [ ] If it's price: find out what they are comparing to and whether coverage is the same.
- [ ] Review the current policy for discounts, deductibles, and coverage choices that could lower the premium without removing protection they need.
- [ ] Check whether there are errors that raised the price: wrong driver, wrong mileage, old claims, wrong discounts.
- [ ] If it's service or a claim: ask what happened, and get the producer or manager involved.

Alternatives to consider

- [ ] Offer changes only if they fit the client's situation: different deductible, coverage adjustment, a different carrier you represent, or a payment plan.
- [ ] Explain trade-offs. Don't let the client remove coverage they need only to get a lower number.
- [ ] If the better option is another carrier, remarket the account.
- [ ] If the client is leaving to another agency, let them go gracefully and tell them how to reach you later.

Effective date and billing implications

- [ ] Confirm the exact cancellation date and time requested.
- [ ] Explain any return premium, short-rate or cancellation fees, and how a refund will be sent. Carrier terms vary, so check them.
- [ ] Warn about the risk of a coverage gap if replacement is not effective before cancellation.
- [ ] Warn about lender or contract consequences. Mortgagees and lienholders may be notified.

Customer decision

- [ ] Ask once: "Do you want to keep the policy, make changes, or go ahead with the cancellation?"
- [ ] Respect the answer. A request to cancel is not a request to be convinced.
- [ ] Record the decision and the date.

Carrier submission and written confirmation

- [ ] Submit the cancellation promptly using the carrier's required method. Use signed forms where carriers require them.
- [ ] Do not delay processing to continue a sales conversation.
- [ ] Get written confirmation from the carrier with the cancellation date and any refund.
- [ ] Send written confirmation to the client with date, any refund, and a reminder to confirm replacement coverage.

Documentation

- [ ] Record in the AMS: request, reason, offers made, decision, carrier confirmation, and refund.
- [ ] Save signed forms and communications to the file.
- [ ] Update related policies and note whether the client remains on other policies.
- [ ] If the client leaves, record where they are going if they tell you, and set a follow-up if they agree.

Execution checklist

- [ ] Request logged and requester authorized
- [ ] Lender, lienholder, and contract requirements checked
- [ ] Reason asked and recorded
- [ ] Price and coverage options reviewed with the client
- [ ] Gap risk and billing impact explained
- [ ] Client decision recorded
- [ ] Cancellation submitted promptly if requested
- [ ] Carrier and client confirmations received
- [ ] AMS updated

Exceptions and escalation

- **Client wants to cancel today and has no replacement.** Tell them about the gap risk in writing, then process their request.
- **Request comes from someone not on the policy.** Do not process. Contact a named insured.
- **The client cancels a policy with a lender attached.** Tell them the lender may be notified and may force-place coverage.
- **Client cancels in anger over service.** Escalate to the manager. Process the cancellation anyway.
- **Client asks you not to cancel and then changes their mind.** Re-confirm before you reverse or submit.

Completion criteria

- The cancellation was processed on the requested date, or the client chose to keep or change the policy.
- Carrier confirmation and client confirmation are in the file.
- The reason is recorded.
- The client was told about gap risk and any refund.

Make it yours: agency customization

This is a starting point built for independent agencies in general. Fill in the details below so it matches how your agency actually works, then keep your version with your other procedures.

Cancellations that need a signed request
By carrier and line.

Who handles retention conversations
Name or role.

Same-day processing rule for cancellation requests
For example: submit within one business day.

Reason codes we use
Price, service, claim, sold, other carrier, other.

ASSIGN IT, TRACK IT
Need to assign this process to your team? Turn it into a repeatable workflow with AgencyPacket.

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