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**SUBSTITUTE HOUSE BILL 2746**

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**State of Washington**

**54th Legislature**

**1996 Regular Session**

**By** House Committee on Financial Institutions & Insurance (originally sponsored by Representatives L. Thomas, Sheldon, Wolfe and Benton)

Read first time 02/02/96.

1 AN ACT Relating to unfair practices when the rates or terms of an  
2 insurance policy are being changed; and amending RCW 48.18.230.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 48.18.230 and 1947 c 79 s .18.23 are each amended to  
5 read as follows:

6 (1) A "binder" is used to bind insurance temporarily pending the  
7 issuance of the policy. No binder shall be valid beyond the issuance  
8 of the policy as to which it was given, or beyond ninety days from its  
9 effective date, whichever period is the shorter.

10 (2) If the policy has not been issued a binder may be extended or  
11 renewed beyond such ninety days upon the commissioner's written  
12 approval, or in accordance with such rules and regulations relative  
13 thereto as the commissioner may promulgate.

14 (3) Where the premium used in the binder differs from the actual  
15 policy premium by less than ten dollars, the insurer shall not be  
16 required to notify the insured and may use the actual policy premium.

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