

HOUSE BILL REPORT

HB 2824

As Reported By House Committee On:
Financial Institutions & Insurance

Title: An act relating to refunds when an insured cancels a policy.

Brief Description: Refunding the unearned portion of an insurance contract.

Sponsors: Representatives L. Thomas, Wolfe, Grant, Smith, Benson, DeBolt and Thompson.

Brief History:

Committee Activity:

Financial Institutions & Insurance: 2/5/98 [DP].

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass. Signed by 9 members: Representatives L. Thomas, Chairman; Smith, Vice Chairman; Zellinsky, Vice Chairman; Wolfe, Ranking Minority Member; Grant, Assistant Ranking Minority Member; Benson; DeBolt; Sullivan and Wensman.

Minority Report: Without recommendation. Signed by 2 members: Representatives Constantine and Keiser.

Staff: Jim Morishima (786-7191).

Background: The cancellation of insurance policies is governed by state law. Subject to certain limitations, when an insured cancels his or her policy, the insurer must refund any unearned portion of any premium paid on the policy. The insurer does not have to make the refund if the amount of the refund is less than \$2.

Summary of Bill: The insurer does not have to make the refund if the amount of the refund is less than \$10.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: None.

Testimony Against: None.

Testified: None.