

1 **SHB 2545** - H AMD
2 By Representative Benson

3 On page 1, beginning on line 11, after "(1)" strike all material
4 through line 17 and insert "An insurer shall not sell any single
5 premium credit insurance product in connection with a residential
6 mortgage loan unless the following conditions are met:

7 (a) Within sixty days after the commissioner approves an insurers
8 monthly installment credit insurance product or one year after the
9 effective date of this act if the insurer has not filed a monthly
10 installment credit insurance product application with the commissioner,
11 if an insurer offers a single premium credit insurance product in
12 connection with residential mortgage loan, the insurer shall offer the
13 borrower the option of paying the premiums on such insurance in monthly
14 installments; and

15 (b) Unless the terms of the credit insurance policy allow for the
16 payment of the premium on a monthly or other regular, periodic basis,
17 the insurer must provide the borrower with a separate written
18 disclosure, with a copy acknowledged by the insured no later than the
19 time of closing, in a form substantially similar to the following:

20 CREDIT-RELATED INSURANCE
21 BORROWER'S DISCLOSURE AND CONSENT

22 You have elected to purchase credit life, accident and health,
23 and/or unemployment insurance in conjunction with this mortgage loan.
24 The cost of this insurance is being prepaid and financed at the
25 interest rate provided for in this loan.

26 This insurance is not required as condition of closing this loan
27 and has been included with the loan at your request.

28 At any time you have the right to cancel any or all such policies
29 purchased in conjunction with this loan. You may cancel your policy or
30 policies by signing and returning a copy of this notice to your lender
31 or you may contact the lender directly.

32 If you cancel your insurance within 30 days of the date of your
33 loan, then you will receive either a full refund or a credit against
34 your loan account. If you cancel your insurance at any other time, you

1 will receive either a refund or credit against your loan account of any
2 unearned premium.

3 You must cancel within 30 days of the date of the loan to receive
4 a full refund.

5 CREDIT INSURANCE CANCELLATION

6 I (we) request that the lender cancel the insurance that I (we)
7 purchased in conjunction with my (our) mortgage loan dated _____ .

8 _____ DATE
9 _____ BORROWER

10 ACKNOWLEDGMENT OF RECEIPT

11 _____ DATE
12 _____ BORROWER ;

13 (c) If within thirty days of obtaining a residential mortgage loan
14 the borrower elects to cancel single premium credit insurance purchased
15 in connection with such loan, the insurer shall provide the borrower
16 with either a full premium refund or a full premium credit against the
17 unpaid loan balance. If the borrower elects to cancel such insurance at
18 any other time, the borrower shall receive a refund or credit against
19 the unpaid loan balance of any unearned premium."

20 On page 2, line 3, after "dollars" insert ",exclusive of fees"

EFFECT: Allows an insurer to market single premium credit insurance provided disclosures are made to the consumer and the consumer is allowed the choice of an alternative monthly payment plan.