

FINAL BILL REPORT

SSB 6234

C 344 L 02
Synopsis as Enacted

Brief Description: Requiring a date certain for the payment of insurance premiums.

Sponsors: Senate Committee on Labor, Commerce & Financial Institutions (originally sponsored by Senators Winsley, Prentice, Regala, Hochstatter, Honeyford, Benton, Rasmussen, Gardner, Deccio, Roach, Morton, Franklin and Hewitt).

Senate Committee on Labor, Commerce & Financial Institutions
House Committee on Financial Institutions & Insurance

Background: Currently, there is no statutory requirement that insurance premiums be due on a date certain, creating some confusion among some consumers as to the ultimate due date. Consumers may also not be aware of the existence or length of a "grace period," during which the premium will still be accepted as timely by the insurer, saving the policyholder from late charges or cancellation for failure to pay.

Consumers of insurance may encounter a variety of approaches among insurers regarding due dates, notice of due dates, and grace periods for payment of premiums.

Summary: For private passenger auto insurance, contracts of insurance are required to provide a date certain on which the premium is due, and a grace period of a minimum of five days.

The Office of the Insurance Commissioner adopts rules. Insurers are allowed 90 days in which to comply before disciplinary action may be taken by the Insurance Commissioner.

Votes on Final Passage:

Senate	46	0	
House	93	0	(House amended)
Senate	41	0	(Senate concurred)

Effective: June 13, 2002