

**WAC 284-34-120 What rights do debtors have?** (1) A debtor has the right to know about all available credit insurance plans. The creditor must inform every debtor about:

- (a) Each plan of insurance for which the debtor is eligible; and
- (b) The premium or insurance charge for each plan of insurance.

(2) If the creditor requires consumer credit insurance, then the debtor has the right to provide alternative insurance coverage. The creditor must tell the debtor before the transaction is completed that the debtor may provide alternative insurance coverage. The debtor may:

- (a) Use existing insurance policies the debtor owns or controls; or
- (b) Get coverage from any authorized insurer.

(3) Debtor's rights when a policy of group consumer credit insurance ends:

(a) The insurer must continue coverage for the entire period for which a premium has been paid. This paragraph applies if the policy provides for:

- (i) Single premium payments; or
- (ii) Premium payments that prepay coverage beyond one month.

(b) The insurer must provide termination notice to the insured debtor at least thirty days before coverage ends. If the policy provides for monthly premium payments, the insurer does not have to provide termination notice if the debtor obtains equivalent coverage and no lapse of coverage occurs.

(4) For coverage on refinanced debt, all exclusions and policy limitations will apply as of the first date that the debtor first became insured for the original debt.

This subsection applies to the amount of debt and term of the debt outstanding on the day the debtor refinances.

[Statutory Authority: RCW 48.02.060, 48.30.010, 48.34.100, and 48.34.110. WSR 05-02-076 (Matter No. R 2002-02), § 284-34-120, filed 1/4/05, effective 4/1/05.]