

WAC 284-34-130 What obligations do insurers have? (1) If the creditor adds insurance charges or premiums to the debt, the insurer must collect the premium or charges within sixty days after it is added to the debt.

(2) If the debtor refinances and pays off the debt before the scheduled maturity date, the insurer must terminate existing insurance before any new insurance may be issued to provide coverage for the re-financed debt.

(3) If insurance coverage ends due to prepayment before the scheduled maturity date, the insurer must terminate coverage and comply with WAC 284-34-190 and refund all unearned insurance or premium charges and cause those amounts to be paid or credited to the debtor. The following exceptions apply:

(a) The insurer does not have to refund insurance charges or premiums for any coverage under which a lump sum insurance benefit is paid.

(b) The insurer does not have to refund insurance charges or premiums for any period of disability under which credit accident and health benefits are paid.

(c) The insurer must comply with WAC 284-34-170 (1)(d)(ii), which says that disability premium charges must be returned for the months following the billing month in which the disability occurred.

(4) The insurer may apply a maximum limit on total claim payments only to a specific individual policy or group certificate.

[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), § 284-34-130, filed 1/4/05, effective 4/1/05.]