
ENGROSSED HOUSE BILL 2661

State of Washington

52nd Legislature

1992 Regular Session

By Representative Beck

Read first time 01/23/92. Referred to Committee on Financial
Institutions & Insurance.

1 AN ACT Relating to insurance premium financing; and amending RCW
2 48.56.090.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 48.56.090 and 1969 ex.s. c 190 s 9 are each amended to
5 read as follows:

6 (1) A premium finance company shall not charge, contract for,
7 receive, or collect a service charge other than as permitted by this
8 chapter.

9 (2) The service charge is to be computed on the balance of the
10 premiums due (after subtracting the down payment made by the insured in
11 accordance with the premium finance agreement) from the effective date
12 of the insurance coverage, for which the premiums are being advanced,
13 to and including the date when the final installment of the premium
14 finance agreement is payable.

1 (3) (~~The service charge shall be a maximum of ten dollars per one~~
2 ~~hundred dollars per year plus an acquisition charge of ten dollars per~~
3 ~~premium finance agreement which need not be refunded upon cancellation~~
4 ~~or prepayment~~) The service charge in a premium finance agreement shall
5 not exceed one and one-half percent per month on the outstanding unpaid
6 principal balance. The company may also charge and collect a
7 nonrefundable administrative fee not exceeding thirty dollars per
8 premium finance agreement.