

1150

Sponsor(s): Representatives Hatfield, Cairnes, Roach, Cooper, Benson, Haigh, Schual-Berke and Simpson; by request of Insurance Commissioner

Brief Description: Selling single premium credit insurance.

HB 1150 - DIGEST

(DIGEST AS ENACTED)

Provides that an insurer or licensee may not issue or sell any single premium credit insurance product in connection with a residential mortgage loan unless: (1) The term of the single premium credit insurance policy is the same as the term of the loan;

(2) The debtor is given the option to buy credit insurance paid with monthly premiums; and

(3) The single premium credit insurance policy provides for a full refund of premiums to the debtor if the credit insurance is canceled within sixty days of the date of the loan.

Does not apply to residential mortgage loans if: (1) The loan amount does not exceed ten thousand dollars, exclusive of fees;

(2) The repayment term of the loan does not exceed five years; and

(3) The term of the single premium credit insurance does not exceed the repayment term of the loan.