

FINAL BILL REPORT

SHB 1226

C 405 L 93
Synopsis as Enacted

Brief Description: Concerning amounts of credit life insurance and credit disability insurance that consumer loan companies may make in connection with open-end loans.

By House Committee on Financial Institutions & Insurance
(originally sponsored by Representatives Zellinsky, Dellwo, Anderson and Mielke).

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

Background: Consumer loan companies are authorized by statute to sell credit life and disability insurance in connection with the provision of open-end credit agreements. However, the statute requires such insurance to be issued in no less than the amount necessary to pay the total balance of the loan due on the date of the borrower's death or in the case of disability, in no less than the amount necessary to make loan payments during the borrower's disability.

Summary: Consumer loan companies are authorized to sell credit life and disability insurance in connection with the provision of open-end credit agreements in amounts less than necessary to completely satisfy a borrower's indebtedness on the date of death and in amounts less than necessary to meet minimum loan payments for the duration of the borrower's disability.

Votes on Final Passage:

House	97	0	
Senate	46	0	(Senate amended)
House	95	0	(House concurred)

Effective: July 25, 1993