

HOUSE BILL ANALYSIS

HB 2824

Title: An act relating to refunds when an insured cancels a policy.

Brief Description: Refunding the unearned portion of an insurance contract.

Sponsors: Representatives L. Thomas, Wolfe, Grant, Smith, Benson, DeBolt and Thompson.

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Meeting Date: January 29, 1998

Bill Analysis Prepared by: Jim Morishima (786-7191)

Background: The cancellation of insurance policies is governed by state law. Subject to certain limitations, when an insured cancels his or her policy, the insurer must refund any unearned portion of any premium paid on the policy. The insurer does not have to make the refund if the amount of the refund is less than \$2.00.

Summary of Bill: The insurer does not have to make the refund if the amount of the refund is less than \$10.00.

Appropriation: None.

Fiscal Note: None requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Rulemaking Authority: Not addressed.