

CERTIFICATION OF ENROLLMENT

HOUSE BILL 1150

58th Legislature
2003 Regular Session

Passed by the House February 28, 2003
Yeas 96 Nays 0

Speaker of the House of Representatives

Passed by the Senate April 15, 2003
Yeas 46 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Cynthia Zehnder, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1150** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

HOUSE BILL 1150

Passed Legislature - 2003 Regular Session

State of Washington

58th Legislature

2003 Regular Session

By Representatives Hatfield, Cairnes, Roach, Cooper, Benson, Haigh, Schual-Berke and Simpson; by request of Insurance Commissioner

Read first time 01/20/2003. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to the sale of single premium credit insurance; and
2 adding a new section to chapter 48.18 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.18 RCW
5 to read as follows:

6 (1) For the purposes of this section:

7 (a) "Licensee" means every insurance agent, broker, or solicitor
8 licensed under chapter 48.17 RCW.

9 (b) "Residential mortgage loan" means any loan primarily for
10 personal, family, or household use secured by a mortgage or deed of
11 trust on residential real estate upon which is constructed or intended
12 to be constructed a single-family dwelling or multiple family dwelling
13 of four or less units.

14 (c) "Single premium credit insurance" means credit insurance
15 purchased with a single premium payment at inception of coverage.

16 (2) An insurer or licensee may not issue or sell any single premium
17 credit insurance product in connection with a residential mortgage loan
18 unless:

1 (a) The term of the single premium credit insurance policy is the
2 same as the term of the loan;

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

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

8 (3) This section does not apply to residential mortgage loans if:

9 (a) The loan amount does not exceed ten thousand dollars, exclusive
10 of fees;

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

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

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