
SENATE BILL 5422

State of Washington

58th Legislature

2003 Regular Session

By Senators Benton, Prentice and Keiser; by request of Insurance Commissioner

Read first time 01/24/2003. Referred to Committee on Financial Services, Insurance & Housing.

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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