

HOUSE BILL REPORT

HB 2036

As Reported By House Committee On:
Financial Institutions & Insurance

Title: An act relating to credit involuntary unemployment insurance.

Brief Description: Concerning the sale of consumer credit unemployment insurance.

Sponsors: Representative L. Thomas.

Brief History:

Committee Activity:

Financial Institutions & Insurance: 3/1/95 [DPS].

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives L. Thomas, Chairman; Beeksma, Vice Chairman; Smith, Vice Chairman; Wolfe, Ranking Minority Member; Grant, Assistant Ranking Minority Member; Benton; Campbell; Costa; Dellwo; Dyer; Huff; Kessler; Mielke; Ogden and Pelesky.

Staff: Charlie Gavigan (786-7340).

Background: The Office of the Insurance Commissioner regulates insurance in Washington. Agents and brokers must be licensed by the Insurance Commissioner. The Insurance Commissioner may issue a limited license for transacting credit related insurance. Credit life insurance generally covers the borrowers and pays off the loan balance in the event of the death of a borrower. Credit accident and disability insurance generally covers part or all of the monthly payment in the event of an accident or disability that interferes with the borrowers ability to repay the loan.

Summary of Substitute Bill: A person may obtain information related to processing a credit property and casualty insurance request without being a licensed agent or broker. The Insurance Commissioner may issue a limited license to allow transaction of credit property and casualty insurance.

Substitute Bill Compared to Original Bill: "Credit involuntary unemployment insurance" is replaced by "credit property and casualty insurance."

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This bill allows new credit-related insurance products to be sold to Washington borrowers.

Testimony Against: None.

Testified: Allen Morrow, Office of the Insurance Commissioner (pro); and Jim Clark, Balboa Insurance Company (pro).