

FINAL BILL REPORT

SHB 2746

C 95 L 96
Synopsis as Enacted

Brief Description: Changing the rates or terms of an insurance policy.

Sponsors: By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives L. Thomas, Sheldon, Wolfe and Benton).

House Committee on Financial Institutions & Insurance
Senate Committee on Financial Institutions & Housing

Background: An insurance policy is a contract between an insurance company and the policyholder. These contracts are regulated by statute and by rules adopted by the Office of the Insurance Commissioner. A binder is often issued as a temporary summary of the agreement until the actual policy is delivered to the policyholder. The Insurance Commissioner's rules limit the ability of insurance companies to correct incorrect premiums without notice to and agreement of the policyholder.

Summary: Premium discrepancies between the binder and the actual policy that are less than \$10 do not require notice to the policyholder, and the insurer may use the policy amount as the premium.

Votes on Final Passage:

House	97	0
Senate	47	0

Effective: June 6, 1996