
SENATE BILL 5078

State of Washington

54th Legislature

1995 Regular Session

By Senators Fraser, Prentice, Newhouse and Sellar

Read first time 01/10/95. Referred to Committee on Financial Institutions & Housing.

1 AN ACT Relating to delinquency and cancellation charges on premium
2 finance agreements; and amending RCW 48.56.100.

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

4 **Sec. 1.** RCW 48.56.100 and 1969 ex.s. c 190 s 10 are each amended
5 to read as follows:

6 A premium finance agreement may provide for the payment by the
7 insured of a delinquency charge of one dollar to a maximum of five
8 percent of the delinquent installment (~~((but not to exceed five dollars
9 on any installment which))~~) that is in default for a period of five days
10 or more except that if the loan is primarily for personal, family, or
11 household purposes the delinquency charge shall not exceed five
12 dollars.

13 If the default results in the cancellation of any insurance
14 contract listed in the agreement, the agreement may provide for the
15 payment by the insured of a cancellation charge equal to the difference
16 between any delinquency charge imposed with respect to the installment
17 in default and five dollars.

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