

SENATE BILL REPORT

ESHB 2036

As Reported By Senate Committee On:
Financial Institutions & Housing, March 28, 1995

Title: An act relating to credit involuntary unemployment insurance.

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

Sponsors: House Committee on Financial Institutions & Insurance (originally sponsored by Representative L. Thomas).

Brief History:

Committee Activity: Financial Institutions & Housing: 3/24/95, 3/28/95 [DP].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & HOUSING

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair; Hale, Roach, Sellar, Smith and Sutherland.

Staff: Erika Lim (786-7488)

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

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

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Consumer credit unemployment insurance covers loan payments in case borrowers become unemployed through no fault of their own. This bill will make this product, and other similar credit-related insurance products, more accessible to Washington borrowers.

Testimony Against: None.

Testified: Representative Les Thomas, original prime sponsor; Jim Clark, Balboa Insurance Company (pro); Brian L. Vance, West One Bank (pro).