



HOUSE COMMITTEE ON APPROPRIATIONS
2009-10 Legislative Session

FISCAL NOTE

HOUSE BILL: 526

PRINTER'S NO: 577

PRIME SPONSOR: DeLuca

FISCAL IMPACT SUMMARY	FY 2008/09	FY 2009/10
Expenditure Increase/(Decrease):		
General Fund	\$0	\$0

OVERVIEW:

House Bill 526 amends Section 8(b) of the Model Act for the Regulation of Credit Life Insurance and Credit Accident and Health Insurance of 1961. If insurance coverage is terminated prior to the original expiration date, each individual policy or group certificate insuring either credit life insurance or credit accident and health insurance shall provide notice. Notice of termination also applies to renewing or refinancing the covered indebtedness.

The notice shall include the following information:

- the debtor may be entitled to a refund of the unearned premium;
- the holder of the underlying debt instrument shall provide notice to the insurer of the debt termination within 60 days after the termination;
- any refund of any amount paid by the debtor for insurance (unless less than \$5) shall be paid or credited promptly to the person entitled to the refund, after receipt of aforementioned notice of termination; and
- the insurer shall be entitled to indemnity from a holder of a debt instrument who failed to provide the required notice to the insurer.

The act shall take effect January 1, 2010.

ANALYSIS:

The Insurance Department does not anticipate any additional responsibilities as a result of this legislation. Therefore, House Bill 526 will not result in any additional cost to the Commonwealth.

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House Appropriations Committee, (D)

DATE: March 24, 2009

General Note and Disclaimer: *This Fiscal Note was prepared pursuant to House Rule 19(a), and the elements considered and reported above are required by Section 5 of the rule. Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*