

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.**

House Bill 526

**PRINTER'S NO.**

3169

**AMOUNT**

No Fiscal Impact

**FUND**

General

**DATE INTRODUCED**

February 19, 2009

**PRIME SPONSOR**

Representative DeLuca

**HISTORY OF BILL**Referred to INSURANCE, Feb. 19, 2009Reported as committed, March 18, 2009

First consideration, March 18, 2009

Laid on the table, March 18, 2009

Removed from table, March 18, 2009

Re-committed to APPROPRIATIONS, March 18, 2009Re-reported as committed, March 24, 2009

Second consideration, March 24, 2009

Third consideration and final passage, March 25, 2009 (192-0)

In the Senate

Referred to BANKING AND INSURANCE, March 27, 2009Reported as amended, Feb. 2, 2010

First consideration, Feb. 2, 2010

Re-referred to APPROPRIATIONS, Feb. 8, 2010Re-reported as committed, March 8, 2010**DESCRIPTION AND PURPOSE OF BILL**

House Bill 526 amends Act 540 of 1961, "Model Act for the Regulation of Credit Life Insurance and Credit Accident and Health Insurance" to clarify provisions relating to notification of debt termination.

The legislation requires a policy or group certificate to include notice when a policy is terminated prior to the original date of coverage. The notice must state that the debtor may be entitled to a refund of unearned premium, that the holder of the underlying debt instrument on the date the debt terminates must provide 60 days notice to the insurer of the termination, and that the amount of any refund will be paid promptly. Refunds less than \$5 are not required.

# SENATE APPROPRIATIONS COMMITTEE

## FISCAL NOTE

The bill applies to policies delivered, issued for delivery, or renewed after the effective date of the act.

HB 526 would take effect in 120 days.

### **FISCAL IMPACT:**

The Department of Insurance does not anticipate any additional cost to the Commonwealth.