

**LEGISLATIVE REFERENCE BUREAU**

## AMENDMENTS TO HOUSE BILL NO. 526

Sponsor:

Printer's No. 577

1 Amend Bill, page 1, lines 15 through 18; page 2, lines 1  
2 through 30, by striking out all of said lines on said pages and  
3 inserting

4 (1) Each individual policy or group certificate paid by  
5 single premium shall provide a notice that in the event of  
6 termination of the insurance, including by renewing or  
7 refinancing the covered indebtedness, prior to the scheduled  
8 maturity date of the indebtedness [any refund of an amount paid  
9 by the debtor for insurance] that:

10 (i) the debtor may be entitled to a refund of unearned  
11 premium;

12 (ii) the person who is the holder of the underlying debt  
13 instrument on the date the debt terminates shall provide notice  
14 to the insurer of the termination of the debt no later than  
15 sixty days after the termination, which notice shall include the  
16 name of the debtor and the payoff date of the underlying debt  
17 and any relevant contact information for the debtor known to the  
18 holder, or may alternatively provide notice directly to the  
19 debtor with instructions on how to obtain a refund from the  
20 insurer; and

21 (iii) any refund of an amount paid by the debtor for  
22 insurance shall be paid or credited promptly to the person  
23 entitled thereto[: Provided, however, That the commissioner  
24 shall prescribe a minimum refund and no] after receipt of notice  
25 by the insurer.

26 (2) No refund [which would be less than such minimum] for  
27 any amount less than five dollars (\$5) need be made. The formula  
28 to be used in computing such refund shall be filed with and  
29 approved by the commissioner.

30 \* \* \*

31 Section 2. The amendment of section 8(b) of the act shall  
32 apply to individual policies or group certificates of credit  
33 insurance delivered, issued for delivery or renewed on and after  
34 the effective date of this section.

35 Section 3. This act shall take effect in 120 days.