

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 198

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “for Late Payment of Premiums” and substitute “and Installment Fees”; in line 6, after “fee” insert “and the installment fee”; strike beginning with “make” in line 6 down through “fee” in line 7 and substitute “review certain expenses associated with late payments or installment payments; prohibiting the imposition of a late fee during certain grace periods or, if no grace period is required by law or regulation, until a certain number of days after the date the payment amount becomes due; requiring an authorized insurer to credit certain payments to certain premiums under certain circumstances”; in line 8, after “fee” insert “or single installment fee”; and in line 9, strike “for late payment of premiums for insurance” and substitute “and installment fees imposed by an authorized insurer”.

AMENDMENT NO. 2

On page 2, in line 23, strike “AND (IV)” and substitute “(IV), AND (V)”; and strike in their entirety lines 28 through 34, inclusive, and substitute:

“(II) THE COMMISSIONER:

1. SHALL REVIEW ADMINISTRATIVE EXPENSES SUBMITTED BY AN AUTHORIZED INSURER THAT ARE ASSOCIATED WITH LATE PAYMENTS OR INSTALLMENT PAYMENTS; AND

2. MAY APPROVE A LATE FEE OR INSTALLMENT FEE NOT TO EXCEED \$10.

“(III) A LATE FEE MAY NOT BE IMPOSED:

1. DURING ANY GRACE PERIOD REQUIRED BY LAW OR

(Over)

REGULATION ON A POLICY OF INSURANCE; OR

2. IF NO GRACE PERIOD IS REQUIRED BY LAW OR REGULATION ON A POLICY OF INSURANCE, UNTIL 10 DAYS AFTER THE DATE THE PAYMENT AMOUNT BECOMES DUE.

(IV) AN AUTHORIZED INSURER SHALL CREDIT EACH PAYMENT RECEIVED FROM AN INSURED TO THE PREMIUM OWED BY THE INSURED BEFORE CREDITING THE PAYMENT TO A LATE FEE OR INSTALLMENT FEE OWED BY THE INSURED.

(V) A POLICY OF INSURANCE MAY NOT BE CANCELED FOR THE FAILURE TO PAY A SINGLE LATE FEE OR SINGLE INSTALLMENT FEE.”.