

BY: Finance Committee

AMENDMENTS TO SENATE BILL 938
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 6, after “check” insert “or other remittance”; strike beginning with “dishonored” in line 6 down through “by” in line 7 and substitute “not honored on presentation to”; in line 7, after “reason” insert “under certain circumstances”; in line 8, strike “the applicant” and substitute “certain persons”; and in line 9, strike “a certain address” and substitute “certain addresses”.

AMENDMENT NO. 2

On page 2, in line 8, after “IF” insert “:

(I);

in lines 10, 12, and 18, in each instance, after “CHECK” insert “**OR OTHER REMITTANCE**”; in line 10, strike “DISHONORED AND RETURNED BY A” and substitute “**NOT HONORED ON PRESENTATION TO THE**”; in line 11, strike “AS UNPAID BECAUSE OF INSUFFICIENT FUNDS IN THE ACCOUNT”; in line 12, strike “ON WHICH” and substitute “**WHERE**”; in the same line, after “DRAWN” insert “**; AND**

(II) THE INSURER HAS DISCLOSED TO THE APPLICANT AT THE TIME OF APPLICATION THAT NO COVERAGE WILL BE IN EFFECT IF THE INITIAL PAYMENT IS NOT HONORED ON PRESENTATION TO THE FINANCIAL INSTITUTION;

in line 14, strike “WITHIN 10 DAYS” and substitute “**IMMEDIATELY OR THE NEXT BUSINESS DAY**”; in the same line, strike “OF INSUFFICIENT FUNDS” and substitute “**THAT THE CHECK OR OTHER REMITTANCE FOR THE INITIAL PREMIUM**

(Over)

PAYMENT WAS NOT HONORED ON PRESENTATION TO THE FINANCIAL INSTITUTION"; in line 15, after "APPLICANT" insert "AND ANY SECURED CREDITOR"; in the same line, after "MAIL" insert "AND, IF AVAILABLE, BY ELECTRONIC MAIL OR OTHER ELECTRONIC MEANS"; in line 16, after "APPLICANT'S" insert "AND ANY SECURED CREDITOR'S"; in lines 19 and 20, strike "DISHONORED AND RETURNED BECAUSE OF INSUFFICIENT FUNDS" and substitute "NOT HONORED ON PRESENTATION TO THE FINANCIAL INSTITUTION"; and in line 22, after "BINDER" insert "; BUT

(III) IF THE FINANCIAL INSTITUTION FAILED TO HONOR THE CHECK OR OTHER REMITTANCE IN ERROR, THE INSURER SHALL CONTINUE OR REINSTATE THE POLICY OR BINDER WITHOUT A LAPSE IN COVERAGE IF THE APPLICANT:

1. PROMPTLY NOTIFIES THE INSURER OF THE ERROR; AND
2. PROVIDES DOCUMENTATION OF THE FINANCIAL INSTITUTION'S ERROR TO THE INSURER AS IT BECOMES AVAILABLE AND ON REQUEST OF THE INSURER".