

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 180

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Version: As introduced

Authors: Hillstrom and others

Subject: Mortgage escrows for homeowner's insurance

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Overview

This bill deals with situations in which homeowner's insurance premiums are to be paid out of a mortgage escrow account, but are not paid as required.

Section

- 1** **Time requirements.** Forbids an insurance company from canceling homeowner's insurance for nonpayment of premium, if the premium is to be paid directly out of a mortgage escrow account, unless the insurance company first gives the homeowner either 20 or 30 days' notice that the premium has not been paid. Specifies that the notice is to be given by certified mail, and if the homeowner does not receive the certified mail, requires the insurer to assure that the homeowner receives at least ten days' notice some other way. Provides that a cancellation that violates this requirement is void. Provides that this requirement applies whether the cancellation for nonpayment is within the first 60 days of the policy or not. Defines "homeowner's insurance" and "residential mortgage originator."
- 2** **Effective date.** Provides an August 1, 2003, effective date.