

CHAPTER 103
SB 253 – FINAL VERSION

2012 SESSION

12-2940
01/09

SENATE BILL **253**

AN ACT relative to debt-related mortgage disability and mortgage accidental death insurance.

SPONSORS: Sen. White, Dist 9; Rep. Hunt, Ches 7; Rep. Flanders, Belk 4; Rep. McGuinness, Hills 20

COMMITTEE: Commerce

ANALYSIS

This bill allows a group of individuals to be insured under a mortgage disability or mortgage accidental death policy. The policy shall be issued to the creditor to insure debtors of the creditor subject to certain requirements.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears [~~in brackets and struck through~~].
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twelve

AN ACT relative to debt-related mortgage disability and mortgage accidental death insurance.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 103:1 New Section; Debt-Related Mortgage Disability and Mortgage Accidental Death
2 Insurance. Amend RSA 415 by inserting after section 19-a the following new section:

3 415:19-b Debt-Related Mortgage Disability and Mortgage Accidental Death Insurance. A group
4 of individuals may be insured under a mortgage disability or mortgage accidental death policy issued
5 to a creditor, or to the trustee of a creditor, which creditor or trustee shall be deemed the
6 policyholder, to insure debtors of the creditor or creditors, subject to the following requirements:

7 I. The debtors eligible for insurance under the policy shall be all the debtors of the creditor
8 or creditors whose indebtedness is repayable in installments, or all of any class or classes thereof
9 determined by conditions pertaining to the indebtedness or to the purchase giving rise to the
10 indebtedness. The policy may provide that the term “debtors” shall include the debtors of one or
11 more subsidiary corporations, and the debtors of one or more affiliated corporations, proprietors, or
12 partnerships if the business of the policyholder and of such affiliated corporations, proprietors, or
13 partnerships is under common control through stock ownership, contract, or otherwise.

14 II. The premium for the policy shall be paid by the policyholder, either from the creditor or
15 creditor’s funds, or from charges collected from the insured debtors, or from both.

16 III. The amount of indemnity payable with respect to any debtor shall at no time exceed the
17 amount owed by the debtor which is repayable in installments to the debtor’s creditor.

18 IV. The insurance shall be payable to the policyholder. Such payment shall reduce or
19 extinguish the unpaid indebtedness of the debtor to the extent of such payment.

20 V. All the provisions of RSA 417, and specifically RSA 417:4, XVI, shall apply to any policy
21 issued under this section.

22 103:2 Effective Date. This act shall take effect 60 days after its passage.

23 Approved: May 29, 2012

24 Effective Date: July 28, 2012