

**2761.0600 PROHIBITED PRACTICES.**

Subpart 1. **Generally.** No insurer, or a parent, subsidiary, officer, agent, solicitor, or representative of the insurer, shall engage in any of the following practices:

A. deposit of premiums to the account of the insurer in the financial institution for which the insurer provides the credit insurance, when the account is either non-interest-bearing or at a rate of interest less than usual or the account is controlled by the institution;

B. allowing the remittance of premiums to the insurer after the expiry of date due on a regular basis so that the arrearage period is constant;

C. the retention of premiums by an agent or broker to whom the creditor remits premiums for a period of time that is not reasonably related to the time normally expected to be needed for the agent or broker to remit the premiums to the insurer, if such delay is a continuing feature of the premium paying process;

D. any other practice which unduly delays receipt of premiums by the insurer on a regular basis; or

E. any other practices which involve use of the resources of the insurer for the benefit of the creditor.

Subp. 2. **Limitation on compensation.** An insurer, subsidiary, or parent of the insurer shall not pay compensation to a creditor or a group policyholder offering credit involuntary unemployment insurance in excess of 30 percent of the net written premium.

Subp. 3. **Application.** The criteria in subpart 2 apply regardless of whether premiums are due the insurer on a single premium advance system or any outstanding balance system.

**Statutory Authority:** *MS s 45.023; 62B.12*

**History:** *20 SR 1925*

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