

CHAPTER 62B

CREDIT LIFE AND ACCIDENT AND HEALTH
INSURANCE

62B.01 Scope.

62B.04 Amount of credit life insurance and
credit accident and health insurance.**62B.01 SCOPE.**

All life insurance and accident and health insurance in connection with loan or other credit transactions shall be subject to the provisions of sections 62B.01 to 62B.14, except mortgage life, mortgage accidental death, and mortgage disability insurance. Insurance shall not be subject to the provisions of sections 62B.01 to 62B.14 where its issuance is an isolated transaction on the part of the insurer not related to an agreement or a plan for insuring debtors of the creditor. Credit life and accident and health insurance provided at no additional cost to the borrower shall not be subject to the provisions of sections 62B.01 to 62B.14.

History: 1989 c 330 s 21

62B.04 AMOUNT OF CREDIT LIFE INSURANCE AND CREDIT ACCIDENT AND HEALTH INSURANCE.

Subdivision 1. **Credit life insurance.** (1) The initial amount of credit life insurance shall not exceed the amount of principal repayable under the contract of indebtedness. Thereafter, if the indebtedness is repayable in substantially equal installments according to a predetermined schedule, the amount of insurance shall not exceed the scheduled or actual amount of indebtedness, whichever is greater.

(2) Notwithstanding clause (1), the amount of credit life insurance written in connection with credit transactions repayable over a specified term exceeding 63 months shall not exceed: (i) the actual amount of unpaid indebtedness as it exists from time to time; or (ii) where an indebtedness is repayable in substantially equal installments according to a predetermined schedule, the scheduled amount of unpaid indebtedness, less any unearned interest or finance charges, plus an amount equal to two monthly payments.

(3) Notwithstanding clauses (1) and (2), insurance on educational, agricultural, and horticultural credit transaction commitments may be written on a nondecreasing or level term plan for the amount of the loan commitment.

[For text of subd 2, see M.S.1988]

History: 1989 c 330 s 22