59D.05 CONTRACTUAL LIABILITY OR OTHER INSURANCE POLICIES.

Subdivision 1. **Reimbursement or payment statement.** Contractual liability or other insurance policies insuring GAP waivers must state the obligation of the insurer to reimburse or pay to the creditor any sums the creditor is legally obligated to waive under the GAP waivers issued by the creditor and purchased or held by the borrower.

Subd. 2. **Coverage of assignee.** Coverage under a contractual liability or other insurance policy insuring a GAP waiver must also cover a subsequent assignee upon the assignment, sale, or transfer of the finance agreement.

Subd. 3. **Term.** Coverage under a contractual liability or other insurance policy insuring a GAP waiver must remain in effect unless canceled or terminated in compliance with applicable laws.

Subd. 4. **Effect of cancellation or termination.** The cancellation or termination of a contractual liability or other insurance policy must not reduce the insurer's responsibility for GAP waivers issued by the creditor before the date of cancellation or termination and for which a premium has been received by the insurer.

History: *1Sp2015 c 1 art 3 s 7*