59A.02 DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of sections 59A.01 to 59A.15, the words, terms and phrases defined in this section have the meanings ascribed to them except where the context clearly indicates a different meaning.

Subd. 2. **Insurance premium finance agreement.** "Insurance premium finance agreement" means an agreement by which an insured or prospective insured promises to pay to a premium finance company or to its assignee the amount advanced or to be advanced under the agreement to an insurer or to an insurance agent or broker in payment of premiums on an insurance policy together with a service charge. Any agreement to finance premiums is a premium finance agreement if an insurance policy, other than a life or disability insurance policy, is made the security or collateral for the repayment of the debt incurred under the agreement. Provided, however, an agreement to finance premiums for insurance which is included in a retail installment transaction or purchased in connection with a real estate transaction, mortgage, deed of trust or other security agreement is not a premium finance agreement. Provided further, that an agreement by an insurance company to finance policies written by itself or by companies other than itself or its parent company, its subsidiaries or companies with which it shares a common parent company is not a premium finance agreement.

Subd. 3. **Licensee.** "Licensee" means a person licensed by the commissioner to engage in the business of insurance premium financing. The term does not include a person in the business of insurance premium financing exclusively financing premiums for business, agricultural, or corporate purposes.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of commerce.

History: *1974 c 353 s 2; 1983 c 289 s 114 subd 1; 1984 c 655 art 1 s 92; 1993 c 257 s 43*