62B.08 PREMIUMS AND REFUNDS.

Subdivision 1. **Schedules and rates; revisions.** An insurer may revise its schedules or premium rates from time to time, and shall file such revised schedules with the commissioner. No insurer shall issue any credit life insurance policy, credit accident and health insurance policy, or credit involuntary unemployment insurance policy for which the premium rate exceeds that determined by the schedules of the insurer then on file with the commissioner.

Subd. 2. **Termination before maturity date.** Each individual policy or group certificate shall provide that in the event of termination of the insurance prior to the scheduled maturity date of the indebtedness, any refund of an amount paid by the debtor for insurance shall be paid or credited promptly to the person entitled thereto; provided, however, that a premium refund or credit need not be made if the amount thereof is less than $5. The formula to be used in computing the refund shall be filed with and approved by the commissioner.

Subd. 3. **Required payments; credit to be made when policy or certificate not issued.** If a creditor requires a debtor to make a payment for credit life insurance, credit accident and health insurance, or credit involuntary unemployment insurance and an individual policy or group certificate of insurance is not issued, the creditor shall immediately give written notice to the debtor and shall promptly make an appropriate credit to the account.

Subd. 4. **Limitation on insurance charges.** The amount charged to a debtor for credit life insurance, credit accident and health insurance, or credit involuntary unemployment insurance shall not exceed the premiums charged by the insurer, as computed at the time the charge to the debtor is determined, and any premium charged or collected on a single premium basis shall be submitted to the insurer within 90 days of the month in which said premium is charged or collected.

Subd. 5. **Credit involuntary unemployment insurance; compensation to creditor limited.** With respect to credit involuntary unemployment insurance only, 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 premiums.

Subd. 6. **Compensation defined.** "Compensation" means any valuable consideration, direct or indirect, paid by or on behalf of the insurer, or by any subsidiary or parent, or subsidiary of the parent of the insurer, or by any other person to whom or on behalf of any group policyholder or creditor or withheld from an insurer by any group policyholder or creditor, including but not limited to: commissions, retrospective commissions, retrospective rate credits, experience refunds, dividends, service fees, expense allowances or reimbursements, gifts, equipment, facilities, goods or services, or any other form of remuneration resulting directly from the sale of credit involuntary unemployment insurance.

History: *Ex1967 c 2 s 8; 1993 c 343 s 18-22; 1995 c 202 art 2 s 26*