

May 15, 2000

H 1518. CREDIT INS. CLARIFICATION (=S 1223). *TO CLARIFY THAT CREDIT INSURANCE MAY BE PAID ON A LEVEL CHARGE MONTHLY BASIS WITHOUT VIOLATING THE LAW RELATING TO CONSUMER PROTECTIONS IN CERTAIN HOME LOANS.* Amends GS 24-10.2(b) to provide that premiums for credit life, disability, or unemployment insurance, or any other life or health insurance in a consumer home loan shall be charged, collected, and paid only on a monthly basis and only for the term of the insurance coverage. Provides that notwithstanding GS 58-57-40(g) and GS 58-57-45(f), credit insurance company may charge same level premium each month over term of insurance coverage under subsection. Effective July 1, 2000.

Intro. by Church.

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| Ref. to Financial Inst | GS 24 |
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June 30, 2000

H 1518. CREDIT INS. CLARIFICATION. Intro. 5/15/00. House committee substitute makes the following changes to 1st edition. Makes new title "AN ACT TO CLARIFY THAT GROUP CREDIT ACCIDENT AND HEALTH INSURANCE MAY BE ISSUED TO A CREDITOR TO INSURE DEBTORS OF THE CREDITOR." Amends GS 58-51-80(b)(1)(1b) according to title in cases in which the creditor has more than 100 new debtors per year. Authorizes creditors or debtors to pay for or be charged the premium for the insurance policy. Sets premiums at actuarial equivalent to rates authorized for credit accident and health insurance under Article 57 of Chapter 58 of the General Statutes. Deletes all other provisions.