**§4-104. Creditor's provision of and charge for insurance; excess amount of charge**

**1.**  Except as otherwise provided in Parts 1, 2 and 3 of this Article and subject to the provisions on additional charges, section 2‑501, and maximum finance charges, Parts 2 and 4 of Article II, a creditor may agree to provide insurance, and may contract for and receive a charge for insurance separate from and in addition to other charges. A creditor need not make a separate charge for insurance provided or required by that creditor. This Act does not authorize the issuance of any insurance prohibited under any statute, or rule thereunder, governing the business of insurance.

[PL 1997, c. 315, §2 (AMD).]

**2.**  The excess amount of a charge for insurance provided for in agreements in violation of Parts 1, 2 and 3 of this Article is an excess charge for the purposes of the provisions of the Article on Remedies and Penalties, Article V, as to effect of violations on rights of parties, section 5‑201, and of the provisions of the Article on Administration, Article VI, as to civil actions by the administrator, section 6‑113.

[PL 1997, c. 315, §2 (AMD).]

**3.**  In any consumer credit sale or any supervised loan, except pursuant to open-end credit sales, a creditor may not contract for or receive a separate charge for consumer credit insurance providing for accident and health coverage unless there is a minimum payment of $30 per month or a loan duration of at least 18 months. All consumer credit insurance providing for accident and health coverage in any consumer credit sale or any supervised loan shall provide for a waiting period of 30 days or more. If a creditor offers consumer credit insurance providing for accident and health coverage for which a separate charge may be received, the creditor shall offer the consumer the option of purchasing consumer credit insurance which does not pay a benefit for the 30-day waiting period and shall disclose to the consumer the cost thereof in accordance with section 2‑501, subsection 2, paragraph B.

[PL 1981, c. 151 (AMD).]

SECTION HISTORY

PL 1973, c. 762, §1 (NEW). PL 1975, c. 288, §2 (AMD). PL 1981, c. 151 (AMD). PL 1997, c. 315, §2 (AMD).

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