START\_STATUTE6-1410.  Form of premium finance agreement; notice

A.  A premium finance agreement shall:

1.  Be dated and signed by the insured and the printed portion of the agreement shall be in at least eight-point type.

2.  Contain the name, place of business and mailing address of the agent or broker who is negotiating the related insurance contract, the name and residence or mailing address of the insured as specified by the insured, the name, place of business or mailing address of the premium finance company, a brief description of the insurance contract involved and the amount of the  premium.

3.  Set forth the following items if applicable:

(a)  The total amount of the premiums.

(b)  The amount of the down payment.

(c)  The principal balance.

(d)  The amount of the interest or discount.

(e)  The balance payable by the insured.

(f)  The number of installments required, the amount of each installment expressed in dollars and the due date or period of the installments.

(g)  The amount of any service charge and if the charge is refundable.

B.  Notwithstanding subsection A, paragraph 1 of this section, if a premium finance agreement is for a renewal contract, the agreement may be signed by the insured or by an authorized person on behalf of the insured. The deputy director may adopt rules identifying persons authorized to sign premium finance agreements on behalf of the insured.

C.  The licensee may include additional information regarding computations made in determining the amount to be paid by the insured.

D.  The agent or broker who submits the premium finance agreement to the licensee shall list any managing general agent to whom the submitting agent or broker is required to pay insurance premiums for the policies listed on the premium finance agreement.

E.  If a managing general agent's name and address are listed on a premium finance agreement submitted to a licensee, the licensee shall notify the managing general agent that a premium finance agreement has been executed not later than thirty days after the licensee accepts the premium finance agreement.

F.  If an insurer or the managing general agent of an insurer gives notice in writing that an agent or broker is not authorized to receive premiums on behalf of the insurer, the licensee shall pay all future monies advanced on policies purchased from the agent or broker to the insurer or managing general agent of the insurer as directed in the notice.

G.  A licensee or an employee of a licensee shall not pay, allow or offer to pay or allow any other person to pay valuable consideration or a rebate of any kind that exceeds a value of $10 to an insurer, agent, broker or managing general agent, or any of its employees, as an inducement to arrange the financing of an insurance policy providing coverage for an individual, family or household purpose directly or indirectly either before or after the issuance of the policy.  Office equipment loaned for the purpose of preparing and servicing premium finance agreements or an article of merchandise not exceeding $2 in value that bears the advertisement of the licensee shall not be deemed an inducement or rebate in violation of this subsection.  This subsection does not apply to financing of policies providing coverage for any entity involved in transactions solely for business purposes.

H.  This section does not prevent a licensee from purchasing or otherwise acquiring a premium finance agreement that otherwise conforms to this article in all respects if the acquisition is from another premium finance company with recourse against the agent, broker or insurer on such terms and conditions as may be mutually agreed on.

I.  No premium finance agreement shall contain any provision by which:

1.  In the absence of default of the insured or insolvency of the insurer, the licensee holding the agreement may, arbitrarily and without reasonable cause, accelerate the maturing of any part or all of the amount owing under the premium finance agreement.

2.  The insured relieves the agent or broker from liability for any legal rights or remedies that the insured may otherwise have against the agent or broker.

J.  A licensee shall comply with title I of the consumer credit protection act (15 United States Code sections 1601 through 1667) and the regulations of the act. END\_STATUTE