

HOUSE BILL No. 5767

April 28, 1992, Introduced by Reps. Palamara, DeMars, Weeks and Hertel and referred to the Committee on Insurance.

A bill to amend section 1510 of Act No. 218 of the Public Acts of 1956, entitled as amended

"The insurance code of 1956,"

being section 500.1510 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 1510 of Act No. 218 of the Public Acts
2 of 1956, being section 500.1510 of the Michigan Compiled Laws, is
3 amended to read as follows:

4 Sec. 1510. ~~—A—~~ AN INSURANCE premium finance agreement may
5 provide for the payment by the insured of a delinquency charge of
6 \$1.00 to a maximum of 5% of the delinquent installment ~~but not~~
7 ~~to exceed \$5.00~~ on any installment ~~which~~ THAT is in default
8 for a period of 10 days or more. HOWEVER, AN INSURANCE PREMIUM
9 FINANCE AGREEMENT THAT FINANCES AN INSURANCE CONTRACT PRIMARILY
10 FOR A PERSONAL, FAMILY, OR HOUSEHOLD PURPOSE SHALL NOT PROVIDE

1 FOR THE PAYMENT BY THE INSURED OF A DELINQUENCY CHARGE THAT
2 EXCEEDS \$5.00 ON ANY INSTALLMENT THAT IS IN DEFAULT FOR A PERIOD
3 OF 10 DAYS OR MORE. If the default results in the cancellation of
4 any insurance contract listed in the agreement, the agreement may
5 provide for the payment by the insured of a cancellation charge
6 equal to the difference between any delinquency charge imposed in
7 respect to the installment in default and \$5.00.