



HOUSE BILL No. 4728

May 6, 1993, Introduced by Rep. Keith and referred to the Committee on Business and Finance.

A bill to amend section 13a of Act No. 21 of the Public Acts of 1939, entitled as amended "Regulatory loan act of 1963," as amended by Act No. 14 of the Public Acts of 1991, being section 493.13a of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 13a of Act No. 21 of the Public Acts of
2 1939, as amended by Act No. 14 of the Public Acts of 1991, being
3 section 493.13a of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 13a. (1) At the option of the borrower, a licensee may
6 obtain or provide ~~credit~~ 1 OR BOTH OF THE FOLLOWING AND DEDUCT
7 FROM THE PRINCIPAL OF A LOAN AND RETAIN AN AMOUNT EQUAL TO THE
8 PREMIUM LAWFULLY CHARGED BY THE INSURANCE COMPANY:

1 (A) CREDIT life insurance on the life of the borrower, but
2 only 1 of them if there are 2 or more obligors, pursuant to the
3 credit insurance act, Act No. 173 of the Public Acts of 1958, as
4 amended, being sections 550.601 to 550.624 of the Michigan
5 Compiled Laws. ~~, and may deduct from the principal of a loan and~~
6 ~~retain an amount equal to the premium lawfully charged by the~~
7 ~~insurance company.~~

8 (B) ANY OTHER INSURANCE PURSUANT TO THE INSURANCE CODE OF
9 1956, ACT NO. 218 OF THE PUBLIC ACTS OF 1956, BEING SECTIONS
10 500.100 TO 500.8302 OF THE MICHIGAN COMPILED LAWS.

11 (2) The insurance permitted by this section shall be in
12 force when the loan is made. If the borrower obtains the insur-
13 ance from or through a licensee, the statement required by sec-
14 tion 14 shall show the cost of the insurance ~~,~~ and the licensee
15 shall ~~cause to be delivered~~ PROVIDE to the borrower a copy of
16 the policy, certificate, or other evidence of the insurance.
17 This act ~~shall~~ DOES not prohibit the licensee or any employee,
18 affiliate, subsidiary, or associate of the licensee from collect-
19 ing the premium or identifiable charge for life insurance permit-
20 ted by this section ~~and~~ OR from receiving and retaining any
21 gain or other benefit resulting from the insurance. A licensee
22 shall not require the purchase of insurance as a condition prece-
23 dent to the making of a loan.

24 Section 2. This amendatory act shall not take effect unless
25 all of the following bills of the 87th Legislature are enacted
26 into law:

- 1 (a) House Bill No. 4020.
- 2 (b) House Bill No. 4021.
- 3 (c) House Bill No. 4022.
- 4 (d) Senate Bill No. _____ or House Bill No. 4726 (request
5 no. 01837'93 b *).
- 6 (e) Senate Bill No. _____ or House Bill No. 4727 (request
7 no. 02862'93).
- 8 (f) Senate Bill No. _____ or House Bill No. 4729 (request
9 no. 02864'93).