

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.1508 Premium finance agreement; requirements; specifications; items; subsidiary companies.

Sec. 1508. (1) A premium finance agreement shall:

(a) Be dated, signed by or on behalf of the insured, and the printed portion thereof shall be in at least 8-point type.

(b) Contain the name and place of business of the insurance agent negotiating the related insurance contract, the name and residence or the place of business of the insured as specified by him, the name and place of business of the premium finance company to which payments are to be made, a description of the insurance contracts involved and the amount of the premium therefor.

(c) Set forth the following items where applicable:

(i) The total amount of the premiums,

(ii) The amount of the down payment,

(iii) The balance of premiums due, the difference between items (i) and (ii),

(iv) The amount of the service charge, or other charges for each installment to be paid pursuant to the terms of the contract and the total charges to be paid for the duration of the contract,

(v) The balance payable by the insured, sum of items (iii) and (iv),

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

(2) The items set out in subdivision (c) of subsection (1) need not be stated in the sequence or order in which they appear in the clause, and additional items may be included to explain the computations made in determining the amount to be paid by the insured.

(3) A subsidiary of an authorized insurer or a corporation under substantially the same management or control as an authorized insurer or group of authorized insurers may finance insurance premiums on insurance policies issued on business produced by such authorized insurer or group of insurers under an open-end, revolving credit plan wherein credit is advanced for the payment of insurance premiums from time to time, without being required to comply with the provisions of paragraphs (1) and (2) of this section if the service charge made under such premium finance agreement shall not exceed the service charge permitted under section 1509.

History: Add. 1968, Act 352, Eff. Nov. 15, 1968.

Popular name: Act 218