

§2170. Certain fees for handling insurance transactions in connection with loans prohibited

1. No person who makes a loan on real or personal property shall in connection with such a transaction make any separate charge to or require any fee from or require the payment of any money for handling insurance papers for an insurer, insurance agency, borrower, mortgagor or purchaser, other than the insurance premium on insurance written as additional security for the loan. This prohibition includes any separate charge or fee or payment of any money for the substitution by a borrower or a mortgagor or a purchaser of one insurance policy on the property for an existing policy on the property when the existing or substituted policy is provided through an insurer or insurance agent or broker licensed to do business in the State.

[PL 1969, c. 132, §1 (NEW).]

2. This section does not prohibit fees paid to a lender for handling or processing credit accident and health or credit life insurance not exceeding 10% of prima facie premiums as set forth by rules adopted by the superintendent.

[PL 1993, c. 208, §2 (AMD).]

3. Nothing in this section prevents the payment of the interest which may be charged on premium loans or premium advances in accordance with the security agreement, or the payment of dividends to group policyholders provided that the payment of dividends to group credit life and group credit health policyholders shall be subject to such rules and regulations as shall be promulgated by the superintendent.

[PL 1973, c. 585, §12 (AMD).]

SECTION HISTORY

PL 1969, c. 132, §1 (NEW). PL 1969, c. 177, §34 (AMD). PL 1973, c. 585, §12 (AMD). PL 1993, c. 208, §2 (AMD).

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