

§4-301. Property insurance

The following provisions apply to insurance provided or to be provided in relation to a consumer credit transaction: [PL 1997, c. 315, §6 (NEW).]

1. A creditor may not contract for or receive a separate charge for insurance against loss of or damage to property unless:

A. The insurance covers a substantial risk of loss of or damage to property related to the credit transaction; [PL 1973, c. 762, §1 (NEW).]

B. The amount, terms and conditions of the insurance are reasonable in relation to the character and value of the property insured or to be insured; [PL 1973, c. 762, §1 (NEW).]

C. The term of the insurance is reasonable in relation to the term of credit. [PL 1973, c. 762, §1 (NEW).]

[PL 1975, c. 368, §1 (AMD).]

2. The term of the insurance is reasonable if it is customary and does not extend substantially beyond a scheduled maturity.

[PL 1973, c. 762, §1 (NEW).]

3. With respect to a transaction, except pursuant to open-end credit, a creditor may not contract for or receive a separate charge for insurance against loss of or damage to property, unless the amount financed exclusive of charges for the insurance is \$1,400 or more and the cash price of the item or property is \$1,400 or more.

[PL 1997, c. 727, Pt. B, §15 (AMD).]

4. With respect to a transaction pursuant to open-end credit, the administrator may adopt rules consistent with the principles set out in subsections 1 and 2 prescribing whether, and the conditions under which, a creditor may contract for or receive a separate charge for insurance against loss of or damage to property.

[PL 1975, c. 368, §2 (NEW).]

5.

[PL 1997, c. 727, Pt. B, §16 (RP).]

SECTION HISTORY

PL 1973, c. 762, §1 (NEW). PL 1975, c. 368, §§1,2 (AMD). PL 1985, c. 763, §A40 (AMD). PL 1997, c. 315, §6 (AMD). PL 1997, c. 727, §§B15,16 (AMD).

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