

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 840

Short Title: Credit Accident & Health Insurance.

(Public)

Sponsors: Representative Beall.

Referred to: Commerce.

April 16, 1991

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE DEFINITION OF CREDIT ACCIDENT AND HEALTH INSURANCE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-57-5 reads as rewritten:

"§ 58-57-5. Definitions.

As used in this Article, unless the context requires otherwise, the following words or terms shall have the meanings herein ascribed to them, respectively:

- (1) 'Commissioner' means the Commissioner of Insurance;
- (2) 'Credit accident and health insurance' means insurance on a debtor to provide indemnity for payments becoming due on a specific loan or other credit transaction as defined in ~~G.S. 58-51-100~~; G.S. 58-51-100, with or without insurance against death by accident;
- (3) 'Credit life insurance' means insurance on the life of a debtor pursuant to or in connection with a specific loan or other credit transaction as defined in G.S. 58-58-10;
- (4) 'Credit life insurance agent' means an agent of an insurance company licensed in this State who is authorized to solicit, negotiate or effect credit life insurance or accident and health insurance, or both, but only to the extent as is authorized and limited in this Article;
- (5) 'Creditor' means any lender of money or vendor or lessor of goods, services, property, rights or privileges, including any person that directly or indirectly provides credit in connection with any such sale or lease, for which payment is arranged through a credit-related

- 1 transaction; or any successor to the right, title or interest of any such  
2 lender, vendor, lessor, or person extending credit, and an affiliate,  
3 associate, or subsidiary of any of them, or any director, officer, or  
4 employee of any of them or any other person in any way associated  
5 with any of them;
- 6 (6) 'Debtor' means a borrower of money or a purchaser or lessee of goods,  
7 services, property, rights or privileges for which payment is arranged  
8 through a credit transaction;
- 9 (7) 'Indebtedness' means the total amount payable for the term of the loan  
10 by debtor to creditor in connection with a loan or other credit  
11 transaction, including principal, interest, allowable charges, and any  
12 premiums authorized hereunder;
- 13 (8) 'Joint life coverage' means credit life insurance covering two or more  
14 lives, the entire amount of insurance being payable upon the death of  
15 the first insured debtor to die;
- 16 (9) 'Lease' means a contract whereby the lessee of a 'motor vehicle,' as  
17 defined in G.S. 20-4.01(23), contracts to pay as compensation for use a  
18 sum substantially equivalent to or in excess of the aggregate value of  
19 the property, but not exceeding the term of years in G.S. 58-57-1."  
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- Sec. 2. This act is effective upon ratification.