

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1518

Short Title: Credit Ins. Clarification.

(Public)

Sponsors: Representatives Church; and Buchanan.

Referred to: Financial Institutions.

May 15, 2000

A BILL TO BE ENTITLED

1 AN ACT TO CLARIFY THAT CREDIT INSURANCE MAY BE PAID ON A LEVEL
2 CHARGE MONTHLY BASIS WITHOUT VIOLATING THE LAW RELATING
3 TO CONSUMER PROTECTIONS IN CERTAIN HOME LOANS.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 24-10.2(b) reads as rewritten:

6 "(b) Notwithstanding the provisions of G.S. 58-57-35(b), it shall be unlawful for
7 any lender in a consumer home loan to finance, directly or indirectly, any credit life,
8 disability, or unemployment insurance, or any other life or health insurance ~~premiums;~~
9 ~~premiums. provided, that insurance premiums calculated and paid on a monthly basis~~
10 ~~shall not be considered financed by the lender. Premiums for credit life, disability, or~~
11 ~~unemployment insurance, or any other life or health insurance in a consumer home loan~~
12 shall be charged, collected, and paid only on a monthly basis and only for the term of the
13 insurance coverage. Notwithstanding G.S. 58-57-40(g) or G.S. 58-57-45(f), a credit
14 insurance company may charge the same level premium each month over the term of the
15 insurance coverage under this subsection."

16 Section 2. This act becomes effective July 1, 2000.
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