

**2760.0030 RIGHTS AND TREATMENT OF DEBTORS.**

Subpart 1. **Multiple plans of insurance.** If a creditor makes available to the debtors more than one plan of credit life insurance or credit accident and health insurance, every debtor must be informed of each plan for which the debtor is eligible and of the premium or insurance charge for each.

Subp. 2. **Substitution.** When a creditor requires insurance as additional security for a debt, the debtor shall be given the option of furnishing the required amount of insurance through existing policies of insurance owned or controlled by the debtor or of procuring and furnishing the required coverage through any insurer authorized to transact insurance business in this state. If this subpart is applicable, the debtor shall be informed by the creditor of the right to provide alternative coverage before the transaction is completed.

Subp. 3. **Termination of group consumer credit insurance policy.**

A. If a debtor is covered by a group consumer credit insurance policy providing for the payment of single premiums to the insurer, or any other premium payment method which prepays coverage beyond one month, then provision shall be made by the insurer that in the event of termination of the policy for any reason, insurance coverage with respect to any debtor insured under the policy shall be continued for the entire period for which the premium has been paid or until the debtor's insured loan otherwise ends.

B. If a debtor is covered by a group consumer credit insurance policy providing for the payment of premiums to the insurer on a monthly basis, then the policy shall provide that, in the event of termination of the policy, termination notice shall be given to the insured debtor at least 30 days before the effective date of termination except where replacement of the coverage by the same or another insurer in the same amount, the same benefits, and the same rates takes place without lapse of coverage. The insurer shall provide or cause to be provided this required information to the debtor.

Subp. 4. **Remittance of premiums.** If the creditor adds identifiable insurance charges or premiums for consumer credit insurance to the debt, and any direct or indirect finance, carrying, credit, or service charge is made to the debtor on the insurance charges or premiums, the creditor must remit and the insurer shall collect the premium within 60 days after it is added to the debt.

Subp. 5. **Refinancing of debt.** If the debt is discharged due to refinancing before the scheduled end of coverage, the insurance in force shall be terminated before any new insurance is issued in connection with the refinanced debt. In all cases of termination before scheduled maturity, a refund of unearned premium or unearned insurance charges paid by the debtor shall be paid or credited to the debtor as provided in part 2760.0070. In any refinancing of the debt, the effective date of the coverage as respects any policy provision shall be deemed to be the first date on which the debtor became insured under the policy

with respect to the debt which was refinanced, at least to the extent of the amount and term of the debt outstanding at the time of refinancing of the debt.

Subp. 6. **Open-end credit benefit amount.** If a debtor has opened an educational, agricultural, or horticultural open-end credit account for which credit life insurance has been issued on a nondecreasing or level term plan for the amount of the loan commitment, in the event of the death of the debtor the insured amount due is the amount of the loan commitment against which premium was last charged.

Subp. 7. **Maximum aggregate provisions.** If an insurer issues multiple certificates of insurance to an insured under the same group policy which together exceed the maximum amount of life insurance shown in any certificate schedule, the insurance shall remain in effect unless the insurer cancels the excess insurance and refunds or credits the associated premium plus any additional finance charges related to the excess insurance.

**Statutory Authority:** *MS s 62B.12*

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