

REGULATORY LOAN ACT (EXCERPT)
Act 21 of 1939

493.13a Credit life insurance; other insurance.

Sec. 13a.

(1) In addition to charges allowed under section 13, at the option of the borrower, a licensee may obtain or provide 1 or both of the following and deduct from the principal of a loan and retain an amount equal to the premium lawfully charged by the insurance company:

(a) Credit insurance as defined in the credit insurance act, 1958 PA 173, MCL 550.601 to 550.624.

(b) Any other insurance under the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302.

(2) The insurance permitted by this section shall be in force when the loan is made. If the borrower obtains the insurance from or through a licensee, the statement required by section 14 shall show the cost of the insurance and the licensee shall provide to the borrower a copy of the policy, certificate, or other evidence of the insurance. This act does not prohibit the licensee or any employee, affiliate, subsidiary, or associate of the licensee from collecting the premium or identifiable charge for the insurance permitted by this section or from receiving and retaining any gain or other benefit resulting from the insurance. A licensee shall not require the purchase of insurance as a condition precedent to the making of a loan.

History: Add. 1963, Act 103, Eff. Sept. 6, 1963 ;-- Am. 1971, Act 168, Eff. Mar. 30, 1972 ;-- Am. 1978, Act 528, Eff. Mar. 30, 1979 ;-- Am. 1991, Act 14, Eff. Oct. 1, 1991 ;-- Am. 1994, Act 407, Eff. Mar. 30, 1995 ;-- Am. 1996, Act 184, Imd. Eff. May 3, 1996 ;-- Am. 2001, Act 270, Imd. Eff. Jan. 11, 2002

Compiler's Notes: For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.