

304.19-040 Amounts of credit life insurance.

- (1) The initial amount of credit life insurance shall not exceed the total amount repayable under the contract of indebtedness and, where an indebtedness is repayable in substantially equal installments, the amount of insurance shall at no time exceed the scheduled or actual amount of unpaid indebtedness, whichever is greater, provided that in the case of a group policy the amount of insurance may be reduced annually or at more frequent intervals, by a level percentage.
- (2) Notwithstanding subsection (1) of this section, insurance on agricultural credit transaction commitments not exceeding one (1) year in duration may be written up to the amount of the loan commitment, on a nondecreasing or level term plan.
- (3) Notwithstanding subsection (1) of this section, insurance on educational credit transaction commitments may be written for the amount of the portion of such commitment that has not been advanced by the creditor.

Effective: June 18, 1970

History: Created 1970 Ky. Acts ch. 301, subtit. 19, sec. 4, effective June 18, 1970.