Jim Poolman
Commissioner of Insurance

DEPARTMENT OF INSURANCE
STATE OF NORTH DAKOTA

BULLETIN 2002-4

TO: All Companies Writing Consumer Credit Insurance in North Dakota

FROM: Jim Poolman, Commissioner

DATE: December 20, 2002

SUBJECT: New Consumer Credit Insurance Rules

New administrative rules governing consumer credit insurance have been adopted with an effective date of January 1, 2003. North Dakota Administrative Code Chapter 45-07-01, Credit Life and Credit Accident, has been repealed and replaced by Chapter 45-07-01.1, Consumer Credit Insurance. The entire text may be viewed at:

www.state.nd.us/lr/information/acdata/html/45-07.html

The Department will allow an implementation period until April 1, 2003, for companies to make whatever changes are necessary to comply with the new rule provisions.

Summary of Major Changes

- Requires guarantee issue of credit life and credit disability up to $5,000.
- Increases the required maximum age limit for credit life to age 70 and for credit disability to age 66.
- Allows joint credit disability to be written using a joint factor of 1.8 or lower.
- Provides specific standards for credit unemployment insurance.
- Provides specific standards for credit property insurance.

Companies writing credit unemployment or credit property insurance need to refile and justify their current North Dakota rates or file revised rates if their most recent three-year North Dakota experience is lower than the required minimum 45% loss ratio.

Questions regarding this bulletin may be directed to Vance Magnuson or Charles Johnson of the North Dakota Insurance Department at (701) 328-2440.

JP/njb

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