

40-283a. Premium financing or extension of credit for term exceeding one year prohibited; renewal of agreement at expiration of term. From and after the effective date of this act, no life insurance company authorized to do business in this state nor any insurance agent thereof shall enter into or arrange for an agreement with a purchaser or prospective purchaser of any life insurance policy to finance the cost of any premium or extend credit in the amount of any premium for a term exceeding one year. At the expiration of any such term, such life insurance company or agent may enter into or arrange for a new agreement to finance the cost of any premiums or extend credit in the amount of any premium for an additional term of not to exceed one year.

History: L. 1976, ch. 213, § 1; July 1.