

## 2016 Kansas Statutes

**16a-4-301. (UCCC) Property insurance.** (1) A creditor may not contract for or receive a separate charge for insurance against loss of or damage to property unless:

- (a) The insurance covers a substantial risk of loss of or damage to property related to the credit transaction;
  - (b) the amount, terms, and conditions of the insurance are reasonable in relation to the character and value of the property insured or to be insured; and
  - (c) the term of the insurance is reasonable in relation to the terms of credit.
- (2) The term of the insurance is reasonable if it is customary and does not extend substantially beyond a scheduled maturity.
- (3) A creditor may not contract for or receive a separate charge for insurance against loss of or damage to property unless property is purchased pursuant to a credit card or in a transaction pursuant to open end credit, or unless the amount financed exclusive of charges for the insurance is \$900 or more, and the value of the property is \$900 or more.

**History:** L. 1973, ch. 85, § 76; L. 1999, ch. 107, § 24; July 1.