Article - Insurance

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§13–106.

(a) (1) The initial amount of credit life insurance may not exceed the total amount repayable under the contract of indebtedness.

(2) Notwithstanding any other provision of this title, insurance on an agricultural credit transaction commitment not exceeding a term of 1 year may be written up to the amount of the loan commitment on a nondecreasing or level term plan.

(3) Notwithstanding any other provision of the Code, insurance on an educational credit transaction commitment may be written for the amount of that part of the commitment that has not been advanced by the creditor.

(b) (1) The total amount of periodic indemnity payable by credit health insurance in the event of disability may not exceed the aggregate of the periodic scheduled unpaid installments of the indebtedness.

(2) The amount of each periodic indemnity payment under a policy of credit health insurance may not exceed the original indebtedness divided by the number of periodic installments.

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