

Bulletin 8

**CREDIT LIFE AND CREDIT ACCIDENT AND HEALTH INSURANCE –
MAXIMUM AMOUNT OF INSURANCE**

August 15, 1963

The Department, after further study, now advises all licensed life insurers of a revised interpretation of the initial amount of life insurance permitted (Indiana Code 27- 8- 4- 4A) for all individual and group policies which qualify under the Model Act for the Regulation of Credit Life and Credit A & H Insurance (Acts 1961, Ch. 47) as follows:

I. The initial amount of life insurance shall not exceed the total amount repayable under the contract of indebtedness. The amount of indebtedness to be insured is not limited by the "Model Act."

II. Agriculture credit transaction commitments, not exceeding one year in duration, may be insured up to the amount of the loan commitment on a non-decreasing or a level term plan. The amount of loan commitment to be insured, is not limited by the "Model Act."

III. It is the interpretation of the Department that as to the \$10,000.00 maximum insurance permitted by Indiana Code 27- 1- 12- 27(2)(d) of the Indiana Insurance Code, that part of such Section is in conflict with the "Model Act" (Acts 1961, Ch. 47) and is therefore repealed. However, Indiana Code 27- 1- 12- 27 will continue to apply to "Model Act" group creditor policies as to all other requirements, insofar as these requirements are not in conflict with the "Model Act."

Indiana Code 27- 1- 12- 27, in its entirety, shall continue as a requirement of all group creditor policies which do not qualify under the Model Act for Credit Life and Credit A & H Insurance (Acts 1961, Ch. 47).

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Insurance Commissioner