

RETAIL INSTALLMENT SALES ACT (EXCERPT)
Act 224 of 1966

445.863 Retail installment contracts or charge agreements; insurance included in cost; requirements; minimum charges; refunds.

Sec. 13.

(a) If the cost of insurance is included in the retail installment contract or the retail charge agreement and a separate charge is made to the buyer for the insurance:

(1) The contract or agreement shall state the nature, purpose and the amount of the insurance.

(2) The contract or agreement shall state whether the insurance is to be procured by the buyer or the seller.

(3) The amount included for the insurance may not exceed the premiums chargeable in accordance with the rate fixed for the insurance by the insurer except where the amount is less than \$1.00; and if the insurance is cancelled or terminated for any reason, any refund for unearned insurance premiums received by the seller or the holder, shall be credited to the final maturing installments of the retail installment contract or retail charge agreement, and any remaining balance of the unearned insurance premiums shall be refunded to the buyer. No credit or cash refund shall be required if the amount thereof is less than \$1.00.

(b) If the insurance is to be procured by the seller or holder, within 45 days after delivery of the goods or furnishing of the services under the contract or agreement he shall deliver, mail, or cause to be delivered or mailed to the buyer at his address as specified in the contract or agreement, a notice that the insurance is procured, a copy of the policy or policies of insurance, or a certificate of the insurance so procured.

History: 1966, Act 224, Eff. Mar. 10, 1967