

**§ 58-57-90. Credit property insurance; personal property coverage.**

(a) As used in this Article, the term "single interest credit property" insurance means insurance of the personal property of the debtor against loss, with the creditor as sole beneficiary; and the term "dual credit property" insurance means insurance of personal property of the debtor, with the creditor as primary beneficiary and the debtor as beneficiary of proceeds not paid to the creditor. For the purpose of this Article, "personal property" means household furniture, furnishings, appliances designed for household use, and other personal property of the debtor, exclusive of an automobile, not used by the debtor in a business trade or profession.

(b) Premium rates charged shall not exceed eighty-seven cents (87¢) per year per one hundred dollars (\$100.00) of insured value for single interest credit property insurance and shall not exceed one dollar and thirty-one cents (\$1.31) per year per one hundred dollars (\$100.00) of insured value for dual interest credit property insurance. The insured value shall not exceed the lesser of the value of the property or the amount of the initial indebtedness.

In addition to the premium rate authorized, a charge may also be made for a nonrefundable origination fee per credit property insurance transaction as set forth below:

Insured Value	Fee Permitted
less than \$250.00	none
\$250.00 or more but less than \$500.00	\$1.00
\$500.00 or more	\$3.00

No third or subsequent origination fee may be charged in connection with the third or subsequent refinancing within any twelve-month period.

The Department shall collect data on credit property insurance written in North Carolina, including but not limited to: the amount of coverage written, direct premiums, earned premiums, dividends and retrospective rate credits paid, direct losses paid, direct losses incurred, commissions paid, loss ratios and policy provisions. (1981, c. 759, s. 7; 1987, c. 826, s. 9; 1993, c. 226, s. 11; 1993 (Reg. Sess., 1994), c. 720, s. 2; 2017-205, s. 2.1.)