

**§ 58-57-35. General premium rate standard.**

(a) Benefits provided by credit life, credit accident and health and credit unemployment insurance written under this Article shall be reasonable in relation to the premium charge. This requirement is conclusively presumed to be satisfied if the premium rates to be charged for credit life and credit accident and health insurance are no greater than those premium rates set forth in G.S. 58-57-40, 58-57-45, and 58-57-105 for benefits as described in those sections. If an insurer files premium rates for all or part of its business that are greater than those premium rates to which this conclusive presumption applies, the greater rates may be disapproved by the Commissioner if the insurer fails to demonstrate that the benefits are reasonable in relation to the premium rates filed for the group or groups of insureds to which the premium rates would apply and which groups shall meet credibility standards established by the Commissioner. In making this determination, the Commissioner shall give due consideration to the past and prospective loss experience of the group or groups of insureds to which the rates would apply, to reasonable costs and expenses attributable to the insurer and creditor making the coverage available and to other relevant factors, including a fair return to the insurer and creditor. These premium rates shall be allowed to be applied only to the group or groups with respect to which the rate filing is made and approved. The premium rates for credit unemployment insurance shall be filed with and approved by the Commissioner. The amount charged to a debtor for any credit life, credit accident and health, or credit unemployment insurance shall not exceed the premiums charged by the insurer, as computed at the time the charge to the debtor is determined.

(b) The premium or cost of credit life, disability, or unemployment insurance, when written by or through any lender or other creditor, its affiliate, associate or subsidiary shall not be deemed as interest or charges or consideration or an amount in excess of permitted charges in connection with the loan or credit transaction and any gain or advantage to any lender or other creditor, its affiliate, associate or subsidiary, arising out of the premium or commission or dividend from the sale or provision of such insurance shall not be deemed a violation of any other law, general or special, civil or criminal, of this State, or of any rule, regulation or order issued by any regulatory authority of this State.

(c) If premiums are to be determined according to the age of the insured debtor or by age brackets, an insurer may determine premium rates on a basis actuarially equivalent with the rates provided in G.S. 58-57-35, but such rates shall be filed with and approved by the Commissioner.

(d) Premium rates for benefits provided during a critical period shall be adjusted by a critical period conversion ratio that reduces the rates giving recognition to the shorter benefit period provided. (1975, c. 660, s. 1; 1993, c. 226, s. 6; 2007-298, s. 6.2; 2007-484, s. 43.5.)