

§ 58-35-55. Limitations on service charges; computation; minimum charges.

(a) An insurance premium finance company shall not directly or indirectly except as otherwise provided by law, impose, take, receive from, reserve, contract for, or charge an insured greater service charges than are permitted by this Article. No insurance premium finance company shall be permitted to charge or finance any membership fees, dues, registration fees, or any other charges except the service charges provided for in this Article for financing insurance premiums on policies of insurance lawfully placed in this State.

(b) An insurance premium finance company may, in an insurance premium finance agreement, contract for, charge, receive, and collect a service charge for financing the premiums under the agreement computed as provided in subsection (c).

(c) The service charge provided for in this section shall be computed on the principal balance of the insurance premium finance agreement from the inception date of the insurance contract, the premiums for which are advanced or to be advanced under the agreement unless otherwise provided under rules and regulations prescribed by the Commissioner, to and including the date when the final installment of the insurance premium finance agreement is payable, at a rate not exceeding twelve dollars (\$12.00) per one hundred dollars (\$100.00) per annum; plus a nonrefundable origination fee which shall not exceed fifteen dollars (\$15.00) per premium finance agreement.

(d) The provisions of subsection (c) of this section pertaining to the time from which the service charge is calculated apply if the premiums under only one insurance contract are advanced or are to be advanced under an insurance premium finance agreement. If premiums under more than one insurance contract are advanced or are to be advanced under an insurance premium finance agreement, the service charge shall be computed from the earlier of the following:

- (1) The date that the premium is advanced on behalf of the insured.
- (2) The inception date of any insurance contract financed on the premium finance agreement.

Only one minimum service charge shall apply to each insurance premium finance agreement.

(e) No insurance producer or insurance premium finance company shall induce an insured to become obligated under more than one insurance premium finance agreement for the purpose of or with the effect of obtaining service charges in excess of those authorized by this Article.

(f) A premium service agreement may provide for the payment by the insured of a delinquency and collection charge on each installment in default for a period of not less than five days in an amount of one dollar (\$1.00) or a maximum of five percent (5%) of such installment, whichever is greater, provided that only one such delinquency and collection charge may be collected on any such installment regardless of the period during which it remains in default. (1963, c. 1118; 1967, c. 824; 1979, 2nd Sess., c. 1083, ss. 1, 2; 1981, c. 394, s. 1; 1999-157, s. 3; 2022-46, s. 14(l).)