

## **PREMIUM FINANCE**

### **Introduction & Overview**

Section 364.100 is the governing authority for premium finance. There are no accompanying regulations for this act. A company licensed pursuant to this section finances insurance premiums. The premiums financed are not credit insurance premiums, but typically would include such things as homeowners insurance or auto insurance. However, the majority of the premium finance business involves the financing of business insurance premiums such as liability and workman's compensation. Engaging in the business of financing business insurance premiums does not exempt a company from the licensing requirement.

The following is a quick reference guide for each section of chapter 364.100.

364.100	Defines the terms used in section 364.100 through 364.160.
364.105	Requires a premium finance company to obtain a certificate of registration.
364.110	Establishes certain record maintenance requirements.
364.115	Establishes requirements for the contents of a premium finance agreement.
364.120	Sets forth the maximum interest rate and permits a \$10.00 service charge, specifies the method of interest computation, and provides a method of refund calculation.
364.125	Provides for certain additional fees.
364.130	Sets forth the cancellation procedure for a premium finance contract.
364.135	Establishes a procedure for the return of unearned insurance premiums.
364.140	No functional applicability.
364.145	Requires registration fees be paid to the general revenue fund.
364.150	Exempts insurance agents and brokers from registration requirements and exempts credit insurance transactions.
364.155	Establishes the procedure for suspension and reinstatement of rules.
364.160	Provides a penalty provision.

The following is a cross-reference guide to some of the more fundamental sections of section 364.100-364.120.

Additional Charges	364.125
Cancellation Procedures	364.130, 364.135
Contract Contents	364.115
Rates & Service Charge	364.120
Refunds	364.120