

Approved 3-17-87  
Date

MINUTES OF THE House COMMITTEE ON Insurance

The meeting was called to order by Rep. Dale M. Sprague at  
Chairperson

3:30 ~~a.m.~~/p.m. on March 17, 1987 in room 531-N of the Capitol.

All members were present except:

Rep. Harper, Rep. King, Rep. Schauf

Committee staff present:

Chris Courtwright, Research Department  
Bill Edds, Revisor's Office  
Deanna Willard, Committee Secretary

Conferees appearing before the committee:

Dick Brock, Kansas Insurance Department  
Mel Battin, Consumer Credit Commission

The meeting was called to order by the Chairman.

The minutes of the March 4 and March 5 meetings were approved.

Hearing on: SB 24 - Insurance, making of rates; Re Proposal No. 29

Staff explained that the bill would amend K.S.A. 40-1112 to extend authority of the Insurance Commissioner in regulation of commercial lines of property and casualty insurance. The bill was recommended by the interim Special Committee on Tort Reform and Liability Insurance when it was discovered that the Commissioner lacked authority to regulate deviations from rate filings.

Mr. Dick Brock, Kansas Insurance Department, said that Kansas law provides for prior approval; most rates must be filed with the Commissioner before they can be used. However, individual rates can be modified based on risks. (1) Experience rating takes into account the past loss record. (2) Schedule rating takes into account physical characteristics which might affect future losses. Another factor that can affect premiums is "expense modification" - consideration of the expense of getting the coverage on the books. Though the rates might be approved, there can be a wide fluctuation in actual premiums. Article 9 of Chapter 40 deals with fire policies; Article 11 deals with casualty policies. For that reason, he presented a balloon amendment that would make both articles coincide. (Att. 1.) The insurance industry has not given any testimony on the bill.

Mr. Ron Smith, Kansas Bar Association, said they favor the bill and request the committee to support it. They would have no problem with the proposed amendment.

Hearing on: SB 84 - UCCC, loss of employment insurance

Mr. Mel Battin, Assistant Consumer Credit Commissioner, presented testimony for the bill which would amend section 16a-2-501 of the UCCC to include loss of employment insurance as a permissible charge in addition to the finance charge. (Att. 2.)

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Insurance,  
room 531-N, Statehouse, at 3:30 XX a.m./p.m. on March 17, 1987

Staff explained that currently credit life and accident and health insurance coverage are permissible charges in addition to the finance charge. Also, Truth-in-Lending no longer regulates arrangers of credit, thus the reference to "arrangers" of credit would be deleted.

Action on: SB 24 - Insurance, making of rates; Re Proposal No. 29

Rep. Neufeld made a motion that the proposed balloon amendment be adopted; Rep. Beauchamp seconded the motion. The motion carried.

Rep. Sawyer made a motion that the bill be recommended favorably as amended; Rep. Cribbs seconded the motion. The motion carried.

The meeting was adjourned at 4:00 p.m.



SENATE BILL No. 24

By Special Committee on Tort Reform and Liability Insurance

Re Proposal No. 29

12-15

0017 AN ACT concerning insurance; relating to the making of rates;  
0018 amending K.S.A. 40-1112 and repealing the existing section.

sections.  
and 40-927

0019 *Be it enacted by the Legislature of the State of Kansas:*

0020 Section 1. K.S.A. 40-1112 is hereby amended to read as fol-  
0021 lows: 40-1112. All rates shall be made in accordance with the  
0022 following provisions:

0023 ~~(1)~~ (a) Due consideration may be given: (1) To past and  
0024 prospective loss experience within and outside the state;

0025 (2) to catastrophe hazards, if any;

0026 (3) to a reasonable margin for profit and contingencies;

0027 (4) to dividends, savings or unabsorbed premium deposits  
0028 allowed or returned by insurers to their policyholders, members  
0029 or subscribers;

0030 (5) to policyholders' dividends in the case of participating  
0031 insurers; and

0032 (6) to all other relevant factors within and outside the state;

0033 ~~(2)~~ (b) The systems of expense provisions included in the  
0034 rates for use by any insurer or group of insurers may differ from  
0035 those of other insurers or groups of insurers to reflect the re-  
0036 quirements of the operating methods of any such insurer or  
0037 group with respect to any kind of insurance, or with respect to  
0038 any subdivision or combination thereof for which subdivision or  
0039 combination the commissioner of insurance, hereinafter referred  
0040 to as commissioner, approves the application of separate expense  
0041 provisions; but. This subdivision paragraph shall not be con-  
0042 strued to require uniformity among all insurers with respect to  
0043 the application of other subdivisions paragraphs of this section.

0044 (3) (c) Risks may be grouped by classifications for the es-  
 0045 tablishment of rates and minimum premiums. Classification  
 0046 rates for *personal lines of property and casualty insurance* may  
 0047 be modified to produce rates for individual risks in accordance  
 0048 with rating plans which establish standards for measuring varia-  
 0049 tions in hazards or expense provisions, or both. *Classification*  
 0050 *rates for commercial lines of property and casualty insurance*  
 0051 *may be modified to produce rates for individual risks in ac-*  
 0052 *cordance with rules and regulations promulgated by the com-*  
 0053 *missioner establishing reasonable standards for rating plans,*  
 0054 *including experience rating plans, schedule rating plans, indi-*  
 0055 *vidual risk premium modification plans and expense reduction*  
 0056 *plans, designed to modify rates in the development of premiums*  
 0057 *for individual risks insured in a property and casualty market.*  
 0058 *Such standards shall permit recognition of expected differences*  
 0059 *in loss or expense characteristics, and shall be designed so that*  
 0060 *such plans are reasonable and equitable in their application,*  
 0061 *and are not unfairly discriminatory, violative of public policy or*  
 0062 *otherwise contrary to the best interests of the people of this*  
 0063 *state. Such standards shall not prevent the development of new*  
 0064 *or innovative rating methods which otherwise comply with this*  
 0065 *act. Such rating plans shall be filed or refiled by insurers in*  
 0066 *compliance with the rules and regulations. The commissioner*  
 0067 *shall review such plans and shall disapprove a plan that does*  
 0068 *not comply with the rules and regulations. The rules and regu-*  
 0069 *lations shall establish maximum debits and credits that may*  
 0070 *result from the application of a rating plan, encourage loss*  
 0071 *control, safety programs, and other methods of risk manage-*  
 0072 *ment and require insurers to maintain documentation of the*  
 0073 *basis of the debits and credits applied under any plan. Once it*  
 0074 *has been filed and approved, use of the rating plan shall become*  
 0075 *mandatory and such plan shall be applied uniformly for eligible*  
 0076 *risks in a manner that is not unfairly discriminatory.*

Delete.

Delete.

Delete.

0077 (4) (d) Rates shall be reasonable, adequate and not unfairly  
 0078 discriminatory.  
 0079 ~~Sec. -2. K.S.A. 40-1112 is hereby repealed.~~  
 0080 ~~Sec. -3. This act shall take effect and be in force from and~~  
 0081 ~~after its publication in the statute book.~~

Sec. 2. K.S.A. 40-927 is hereby amended to read as follows: (See Next Page)

and 40-927 are

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4

40-927. (a) Rates shall be made in accordance with the following provisions:

(1) Manual, minimum, class rates or rating schedules, shall be made and adopted, except in the case of specific inland marine rates on risks specially rated. Such rates for personal lines of property insurance may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Rates for commercial lines of property insurance may be modified to produce rates for individual risks in accordance with rules and regulations promulgated by the commissioner establishing reasonable standards for rating plans, including experience rating plans, schedule rating plans, individual risk premium modification plans and expense reduction plans, designed to modify rates in the development of premiums for individual risks insured in a property market. Such standards shall permit recognition of expected differences in loss or expense characteristics, and shall be designed so that such plans are reasonable and equitable in their application, and are not unfairly discriminatory, violative of public policy or otherwise contrary to the best interests of the people of this state. Such standards shall not prevent the development of new or innovative rating methods which otherwise comply with this act. Such rating plans shall be filed or refiled by insurers in compliance with the rules and regulations. The commissioner shall review such plans and shall disapprove a plan that does not comply with the rules and regulations. The rules and regulations shall establish maximum debits and credits that may result from the application of a rating plan, encourage loss control, safety programs, and other methods of risk management and require insurers to maintain documentation of the basis of the debits and credits applied under any plan. Once it has been filed and approved, use of the rating plan shall become mandatory and such plan shall be applied uniformly for eligible risks in a manner that is not unfairly discriminatory.

(2) Rates shall not be excessive, inadequate or unfairly discriminatory.

(3) Due consideration shall be given to past and prospective loss experience within and outside this state, to the conflagration and catastrophe hazards, to a reasonable margin for underwriting profit and contingencies, to dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers, to past and prospective expenses both countrywide and those specially applicable to this state, and to all other relevant factors within and outside this state; and in the case of fire insurance rates consideration shall be given to the experience of the fire insurance business during a period of not less than the most recent five-year period for which such experience is available.

(4) The systems of expense provision included in the rates for use by any insurer or group of insurers may differ from those of other insurers or groups of insurers to reflect the requirements of the operating methods of any such insurer or group with respect to any kind of insurance, or with respect to any subdivision or combination thereof for which subdivision or combination the commissioner of insurance,

hereinafter referred to as commissioner, approves the application for separate expense provisions.

(b) Except to the extent necessary to meet the provisions of subdivision 2 of subsection (a) of this section, uniformity among insurers in any matters within the scope of this section is neither required nor prohibited.

(c) Rates made in accordance with this section shall be used subject to the provisions of this act.

March 17, 1987

STATEMENT OF MEL BATTIN  
ASSISTANT CONSUMER CREDIT COMMISSIONER  
ON SENATE BILL NO. 84

Senate Bill 84, if enacted, would include in the additional charge section, 16a-2-501, of the Kansas Uniform Consumer Credit Code "loss of employment" insurance coverage as a permissible charge in addition to the finance charge. This section, at the present time, permits credit life and accident & health insurance coverage as a permissible additional charge.

Section 16a-4-103 of the code defines consumer credit insurance as "insurance other than insurance on property, by which the satisfaction of the debts in whole or in part is a benefit provided".

The 1973 comments to that section states: "The usual forms of consumer credit insurance provides benefits conditioned on the death or disability of the debtor, the contracts being described as credit life insurance and credit accident & health insurance. The insured event might also be loss of earnings in other ways, as by the loss of employment".

Loss of employment insurance fits within the definition of consumer credit insurance and the Kansas comments gives credence to the fact that the "loss of income" insurance might be permitted by the code. We may have been able to promulgate a regulation rather than come to you.

Since loss of employment insurance is a new concept in Kansas, and to avoid the appearance of attempting to make law by promulgating a regulation, we would like for the legislature to amend this section of the code (16a-2-501) to include loss of employment insurance.

This bill, also would repeal subsection 16a-3-206(2) of the code. This subsection requires an arranger of credit to disclose to the consumer information required by rules and regulations adopted by the administrator pursuant to KSA 16a-6-117.



Prior to the 1981 legislative session, the disclosure requirements of the Federal Truth-in-Lending Act and regulations was included in the UCCC by reference. Because it is unconstitutional for a State law to change automatically when a federal law changes, we were to be enforcing the Federal Truth-in-Lending Act as it was in 1974 when the code was enacted. There were many changes in the federal act between 1974 and 1981. This, in effect, required Kansas creditors to disclose as required in 1974 and in 1981. This was not possible and often resulted in conflict of disclosure requirements. Therefore the incorporation by reference of Federal Truth-in-Lending Act disclosure requirements was repealed.

In its stead, a new section of the code was enacted, 16a-6-117, that requires the administrator to adopt rules and regulations no less restrictive than the Federal Truth-in-Lending Act to carry out the disclosure requirements of 16a-3-206.

By updating the administrator's regulation 75-6-26, whenever there was a change in the federal act, we have been able to keep the state disclosures requirement the same as the federal requirements.

In 1982, the Federal Truth-in-Lending Act was amended to delete the disclosure requirement of an arranger of credit, we amended our regulation to do the same.

It was only recently that we discovered that this section of the code, 16a-3-206, requires that our regulation include an arranger of credit. The repeal of this subsection will make the federal and state disclosure requirement identical to the federal act.

premium finance transactions will continue to be governed by K.S.A. 40-2610 rather than by the ceilings established for other consumer credit transactions covered by this act.

**16a-4-103. (UCCC) Definition:** "Consumer credit insurance." In this act "consumer credit insurance" means insurance, other than insurance on property, by which the satisfaction of debt in whole or in part is a benefit provided, but does not include:

(a) Insurance provided in relation to a credit transaction in which a payment is scheduled more than 15 years after the extension of credit;

(b) insurance issued as an isolated transaction on the part of the insurer not related to an agreement or plan for insuring consumers of the creditor; or

(c) insurance indemnifying the creditor against loss due to the consumer's default.

**History:** L. 1973, ch. 85, § 63; L. 1982, ch. 95, § 1; July 1.

**KANSAS COMMENT, 1973**

1. The usual forms of consumer credit insurance provide benefits conditioned on the death or disability of the debtor, the contracts being described as credit life insurance and credit accident and health insurance. The insured event might also be loss of earnings in other ways, as by the loss of employment. A type of insurance not embraced in the term "consumer credit insurance" is that procured by a creditor to guard against the uncollectibility of his accounts. Insurance of this type, although historically and properly called "credit insurance," is conditioned on the nonpayment of debt, and does not serve any interest of debtors of the insured person. This is true also of insurance indemnifying the creditor against loss due to non-filing of instruments. By contrast, the benefit of consumer credit insurance runs to debtors as well as creditors; any payment made to the creditor by the insurer under the policy satisfies the debtor's obligation to the extent of the payment.

2. The definition of "consumer credit insurance" excludes insurance related to long-term credit, following a similar but broader exclusion from the scope of the NAIC model act.

3. Exceptionally, there are occasions when credit life insurance or the like is appropriate but cannot be provided under a general arrangement for insuring debtors of the creditor. On these occasions the debtor may be expected to bargain actively about the insurance feature of the credit transaction. Therefore insurance issued as an isolated transaction is excluded from the definition of consumer credit insurance. It is also excluded from the scope of the NAIC model act.

**16a-4-104. (UCCC) Creditor's provision of and charge for insurance; excess amount of charge.**

(1) Except as otherwise provided in this article and subject to the provisions on additional charges (section 16a-2-501) and maximum finance charges (parts 2 and 4 of article 2), a creditor may agree to provide insurance, and may contract for and receive a charge for insurance separate from and in addition to other charges. A creditor need not make a separate charge for insurance provided or required by him. This act does not authorize the issuance of any insurance prohibited under any statute, or rule thereunder, governing the business of insurance.

(2) The excess amount of a charge for insurance provided for in agreements in violation of this ar-

ticle is an excess charge for the purposes of the provisions of the article on remedies and penalties (article 5) as to effect of violations on rights of parties (section 16a-5-201) and of the provisions of the article on administration (article 6) as to civil actions by the administrator (section 16a-6-113).

**History:** L. 1973, ch. 85, § 64; Jan. 1, 1974.

**KANSAS COMMENT, 1973**

1. Subsection (1) broadly authorizes creditors to contract for and receive payments for providing insurance in the whole range of transactions within the scope of this article. See 16a-4-102. A creditor may provide insurance without making a charge in addition to the finance charge, and in that event is not required to disclose any amount as a charge for insurance. Credit unions frequently do this. If, however, the creditor requires insurance in connection with a consumer credit sale, consumer lease, or consumer loan, the fact that he includes the cost of providing it in a finance charge, giving the insurance "free," will not necessarily exclude him from restrictions under any other law.

Limitations are placed on the making of an additional or separate charge for insurance in 16a-2-501, and the authorization of this section is subject to that provision. In addition, such a charge must be limited as provided in 16a-4-107.

2. This act does not purport to define "separate charge" for insurance. The question has been raised whether there is a separate charge for insurance when a creditor's finance charge varies depending upon whether or not consumer credit insurance is provided. This act does not resolve that question.

**16a-4-105. (UCCC) Conditions applying to insurance to be provided by creditor.** If a creditor agrees with a consumer to provide insurance

(1) the insurance shall be evidenced by an individual policy or certificate of insurance delivered to the consumer, or sent to him at his address as stated by him, within thirty (30) days after the term of the insurance commences under the agreement between the creditor and consumer; or

(2) the creditor shall promptly notify the consumer of any failure or delay in providing the insurance.

**History:** L. 1973, ch. 85, § 65; Jan. 1, 1974.

**KANSAS COMMENT, 1973**

In order to provide needed disclosure to the consumer, this section requires that the creditor deliver to the consumer at an early date the credit insurance policy, or a certificate if a group policy is involved. A copy of the policy would be sufficient if the policy itself were to be kept by the creditor for safekeeping. This tracks with prior Kansas law (former K.S.A. 16-413 (e) and 16-507 (e)).

**16a-4-106. (UCCC) Unconscionability.** (1) In applying the provisions of this act on unconscionability (sections 16a-5-108 and 16a-6-111) to a separate charge for insurance, consideration shall be given, among other factors, to

(a) potential benefits to the consumer including the satisfaction of his obligations;

(b) the creditor's need for the protection provided by the insurance; and

(c) the relation between the amount and terms of credit granted and the insurance benefits provided.

(2) If consumer credit insurance otherwise complies with this article and other applicable law,

# Amendments and Corrections to Regulation Z, Truth in Lending, and the Truth in Lending Act December 1984\*

## REGULATION Z

1. *The April 1, 1982 effective date for mandatory compliance with Regulation Z was delayed to October 1, 1982, pursuant to Public Law 97-110.*

2. *Effective December 31, 1984, section 226.1(a) is amended by adding a sentence to the end to read as follows:*

(a) *Authority.* \* \* \* Information-collection requirements contained in this regulation have been approved by the Office of Management and Budget under the provisions of 44 USC 3501 et seq. and have been assigned OMB No. 7100-0199.

3. *Effective October 1, 1982, section 226.2 is amended by deleting and reserving the text of paragraph (a)(3) and footnote 2 and by deleting paragraph (a)(17)(ii) and redesignating paragraphs (a)(17)(iii), (iv), and (v) as paragraphs (a)(17)(ii), (iii), and (iv), respectively, to read as follows:*

(a) *Definitions.* \* \* \*

(3) [Reserved]

[Footnote 2 reserved]

\* \* \* \* \*

(17) "*Creditor*" means: \* \* \*

(ii) For purposes of sections 226.4(c)(8) (Discounts), 226.9(d) (Finance Charge Imposed at Time of Transaction), and 226.12(e) (Prompt Notification of Returns and Crediting

\* For this regulation to be complete, effective December 31, 1984, destroy the slip sheet dated May 1983 and retain—

- Regulation Z pamphlet dated April 1, 1981 and this slip sheet.
- Items 2 and 4 of the regulatory amendments are new. All other items were included in the May 1983 slip sheet.

of Refunds), a person that honors a credit card.

(iii) For purposes of subpart B, any card issuer that extends either open-end credit or credit that is not subject to a finance charge and is not payable by written agreement in more than four installments.

(iv) For purposes of subpart B (except for the finance charge disclosures contained in sections 226.6(a) and 226.7(d) through (g) and the right of rescission set forth in section 226.15) and subpart C, any card issuer that extends closed-end credit that is subject to a finance charge or is payable by written agreement in more than four installments.

\* \* \* \* \*

4. *Effective December 31, 1984, section 226.3 is amended by removing footnote 4 to paragraph (a) and adding a new footnote 4 to read as follows:*

### SECTION 226.3—Exempt Transactions

This regulation does not apply to the following:<sup>4</sup> \* \* \*

<sup>4</sup> The provisions in sections 226.12(a) and (b) governing the issuance of credit cards and the liability for their unauthorized use apply to all credit cards, even if the credit cards are issued for use in connection with extensions of credit that otherwise are exempt under this section.

5. *Effective October 1, 1982, section 226.3 is amended by adding new paragraph (f) to read as follows:*

(f) *Student loan programs.* Loans made, insured, or guaranteed pursuant to a pro-

use a sum substantially equivalent to, or in excess of, the total value of the property and services involved; and

(ii) Will become (or has the option to become), for no additional consideration or for nominal consideration, the owner of the property upon compliance with the agreement.

(17) "Creditor" means:

(i) A person (A) who regularly extends consumer credit<sup>3</sup> that is subject to a finance charge or is payable by written agreement in more than four installments (not including a downpayment), and (B) to whom the obligation is initially payable, either on the face of the note or contract, or by agreement when there is no note or contract.

(ii) An arranger of credit.

(iii) For purposes of sections 226.4(c) (8) (Discounts), 226.9(d) (Finance Charge Imposed at Time of Transaction), and 226.12(e) (Prompt Notification of Returns and Crediting of Refunds), a person that honors a credit card.

(iv) For purposes of subpart B, any card issuer that extends either open-end credit or credit that is not subject to a finance charge and is not payable by written agreement in more than four installments.

(v) For purposes of subpart B (except for the finance charge disclosures contained in sections 226.6(a) and 226.7(d) through (g) and the right of rescission set forth in section 226.15) and subpart C, any card issuer that extends closed-end credit that is subject to a finance charge or is payable by written agreement in more than four installments.

(18) "Downpayment" means an amount, including the value of any property used as a trade-in, paid to a seller to reduce the cash price of goods or services purchased in a credit sale transaction. A deferred portion

of a downpayment may be treated as part of the downpayment if it is payable not later than the due date of the second otherwise regularly scheduled payment and is not subject to a finance charge.

(19) "Dwelling" means a residential structure that contains one to four units, whether or not that structure is attached to real property. The term includes an individual condominium unit, cooperative unit, mobile home, and trailer, if it is used as a residence.

(20) "Open-end credit" means consumer credit extended by a creditor under a plan in which—

(i) The creditor reasonably contemplates repeated transactions;

(ii) The creditor may impose a finance charge from time to time on an outstanding unpaid balance; and

(iii) The amount of credit that may be extended to the consumer during the term of the plan (up to any limit set by the creditor) is generally made available to the extent that any outstanding balance is repaid.

(21) "Periodic rate" means a rate of finance charge that is or may be imposed by a creditor on a balance for a day, week, month, or other subdivision of a year.

(22) "Person" means a natural person or an organization, including a corporation, partnership, proprietorship, association, cooperative, estate, trust, or government unit.

(23) "Prepaid finance charge" means any finance charge paid separately in cash or by check before or at consummation of a transaction, or withheld from the proceeds of the credit at any time.

(24) "Residential mortgage transaction" means a transaction in which a mortgage, deed of trust, purchase money security interest arising under an installment sales contract, or equivalent consensual security interest is created or retained in the consumer's principal dwelling to finance the acquisition or initial construction of that dwelling.

(25) "Security interest" means an interest in property that secures performance of a consumer credit obligation and that is recognized by state or federal law. It does not

<sup>3</sup> A person regularly extends consumer credit only if it extended credit more than 25 times (or more than 5 times for transactions secured by a dwelling) in the preceding calendar year. If a person did not meet these numerical standards in the preceding calendar year, the numerical standards shall be applied to the current calendar year.

75-6-26. Federal truth-in-lending act requirements. A creditor, including a person who in the ordinary course of business regularly extends or arranges for the extension of credit or offers to arrange for the extension of credit, shall disclose to the consumer the information required by title I of the consumer protection act (public law 90-321; 82 stat. 146), as amended, and any regulations issued pursuant to this act as of November 12, 1981. (Authorized by and implementing 1981 Kansas Session Laws, chapter 93, section 1; effective E ; effective May 1, 1982.)

**APPROVED**

Dept. of Admin.

by MDS

**APPROVED**

ATTORNEY GENERAL

By JSS Asst.

75-6-26. Federal Truth-in-lending act requirements. Any creditor who, in the ordinary course of business, regularly extends or offers to extend consumer credit shall disclose to the consumer the information required by title I of the consumer protection act (public law 90-321; 82 stat. 146), as amended, and any regulations issued pursuant to this act as of ~~March-15-1985~~ March 25, 1986. (Authorized by and implementing K.S.A. 16a-6-117; effective, E-82-16, Aug. 12, 1981; amended T-83-2, Jan. 7, 1982; amended T-83-6, April 14, 1982; amended T-84-10, May 25, 1983; amended, T-85-15, May 3, 1984; amended, T-86-12, May 1, 1985; amended, T-87-14, June 6, 1986.)

DEPT. OF ADMINISTRATION

MAR 25 1986

APPROVED BY *JAX*

ATTORNEY GENERAL

MAR 28 1986

APPROVED BY J.S.S.

REQUESTED INFORMATION ON SENATE BILL NO. 84

The National Consumer Law Center located in Boston, recently conducted a survey regarding unemployment insurance offered in various states, including several UCCC states.

The following information is from that survey:

Rates Charged:

Company No. 1	Open end credit - \$0.28/100 on outstanding balance Calculated commission of 25%
Company No. 2	Open end credit \$0.45/100 on outstanding balance
Company No. 3	Combined policy - loss of income and A&H. \$0.59/100 on outstanding balance \$0.51 was attributed to unemployment insurance and \$0.08 to A&H

Policy Provisions:

Maximum length of time benefits to be paid were normally four months, there were a few six and nine month benefits.

No self employed individuals.

Six month employment with same company prior to loan.

Most policies were written for lay-offs. Firings were not covered for willful misconduct.