

**31A-23a-416 Solicitations to loan applicants.**

- (1)
  - (a) A person authorized to engage in insurance activities in this state shall prominently disclose in writing the information described in Subsection (1)(b) to a person seeking an extension of credit if:
    - (i) the person authorized to engage in insurance activities also extends credit directly or through a subsidiary or an affiliate;
    - (ii) the person requires a customer to obtain insurance in connection with an extension of credit; and
    - (iii) the person offers to the person seeking an extension of credit the line of credit insurance required in connection with the extension of credit.
  - (b) The disclosure required by Subsection (1)(a) shall be in a form substantially similar to the following. "You may obtain insurance required in connection with your extension of credit from any insurance producer or approved insurer that sells such insurance. Your choice of insurance provider will not affect our credit decision or your credit terms."
  - (c) The person shall make the required disclosure under Subsection (1)(a):
    - (i) at the time of written application for an extension of credit; or
    - (ii) if there is no written application, before the closing of the extension of credit.
- (2) The disclosure required by Subsection (1)(c)(ii) may be in a verbal, electronic, or other unwritten form if a printed disclosure is included with the first printed statement of terms and conditions of the extension of credit sent to the person seeking the extension of credit.
- (3) This section does not apply when:
  - (a) a person is contacting a person in the course of direct or mass marketing to a group of persons in a manner that bears no relation to the person's application for an extension of credit or credit decision; and
  - (b) an agreement for the extension of credit is changed or extended, if the person who originally sought the extension of credit is not required to purchase new or additional insurance.
- (4)
  - (a) For purposes of this section, "approved insurer" means an insurer that is approved to issue insurance related to the extension of credit by the person that extends the credit.
  - (b) The commissioner shall make rules establishing standards that govern the approval under Subsection (4)(a) of an insurer by a person that extends credit.

Renumbered and Amended by Chapter 298, 2003 General Session