

155-2-2-.13 Refunds – Alabama Consumer Credit Act

1. When any debt is prepaid in full, renewed, or refinanced, all insurance provided by a creditor, either as seller, lessor, lender or assignee, (such as credit life, accident and health, involuntary unemployment insurance, single interest or modified single interest auto and property) shall be canceled as of the date of prepayment, renewal or refinancing with such termination to be without prejudice to any claim. Refund of unearned premiums, except the premium for credit life insurance which shall be deemed fully earned as of the date of death, shall be made at that time by the creditor to whom payments are made and shall be in accordance with the refund regulations as determined by the Commissioner of Insurance for the State of Alabama.
2. No refund of less than \$1.00 need be made on any single insurance coverage.

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Statutory Authority: Code of Alabama 1975, §5-19-4, §5-19-20, §5-19-21

History: Effective October 1, 1997