**Section 1051.50 Credit Life Insurance Rates**

A credit life insurance rate shall be considered prima facie reasonable in relation to the benefits provided if the rate is not greater than that set forth below in subsection (a) for coverage containing no more restrictive exclusions than those described in subsection (b) of this Section.

a) Premium Rate. Credit life insurance premium rates for the insured portion of an indebtedness repayable in equal monthly installments, where the insured portion of the indebtedness decreases uniformly by the amount of the monthly installment paid, shall be as set forth in subsections (a)(1), (2) and (3). Subsections (a)(4), (5) and (6) refer to premium rates for other types of benefits either alone or in combination with the type of benefits applicable to subsections (a)(1), (2) and (3).

1) If premiums are payable monthly on the outstanding insured balance basis for term insurance on a single insured debtor, the prima facie premium rate shall be $.72 per month per $1,000 of outstanding insured indebtedness.

2) If premiums are payable on a single premium basis for term insurance which decreases in equal monthly amounts on a single insured debtor, the prima facie premium rate shall be $.47 per annum per $100 of initial insured indebtedness.

3) If premiums are payable on a single premium basis for level term insurance on a single insured debtor, the prima facie premium rate shall be $.94 per annum per $100 of initial insured indebtedness.

4) A combination of the appropriate rate for level term and the appropriate rate for decreasing term (with equal decrements), if coverage provided is a combination of level term and decreasing term (with equal decrements) on a single insured debtor.

5) Joint credit life rate shall be 1.67 times the appropriate single life rate.

6) If the benefits provided are other than those described in subsections (a)(1), (2), (3), (4) and (5), then rates for such benefits shall be actuarially consistent with the rates provided in subsections (a)(1), (2), (3), (4) and (5).

b) Exclusions. The premium rates in subsection (a) shall apply to policies providing credit life insurance to be issued with or without evidence of insurability, to be offered to all debtors, and containing:

1) No exclusions other than suicide within one year of the effective date of coverage. Under open-end credit plans, the effective date of coverage may apply separately with respect to each additional purchase or each additional loan to which the coverage relates.

2) Either no age restrictions, or age restriction only for initial eligibility, making ineligible for coverage debtors age 65 or over at the time indebtedness is incurred or debtors having attained age 66 or over on the maturity date of the indebtedness, provided that coverage will remain in full force and effect in the event the insurer accepts premium on a debtor whose correctly stated age exceeds the maximum for eligibility and the premium is not refunded within 60 days of receipt.

3) Insurance written in connection with an open-end credit plan may exclude from the classes eligible for insurance, classes of debtors determined by age, and provide for the cessation of insurance or reduction in the amount of insurance upon attainment of not less than age 65.

4) On insurance written in connection with open-end credit plans where the amount of insurance is based on or limited to the outstanding unpaid balance, no provision excluding or denying a claim for death resulting from a pre-existing condition except for those conditions for which the insured debtor received medical diagnosis or treatment within 6 months preceding the effective date of coverage and which caused or substantially contributed to the death of the insured debtor within 6 months following the effective date of coverage. The effective date of coverage for each part of the insurance attributable to a different advance or charge to the plan account is the date on which the advance or charge is posted to the plan account.

(Source: Amended at 19 Ill. Reg. 17145, effective January 1, 1996)