**Section 1051.70 Credit Life Rate Adjustments**

a) No insurance company may charge or collect a credit life insurance premium which would not be considered reasonable under this Part. Unless otherwise approved by the Director pursuant to this Section, no insurance company writing credit insurance in this state shall charge or collect a premium rate in excess of the prima facie rate established by Section 1051.50 of this Part which shall be conclusively presumed to satisfy this general standard.

b) No insurance company may charge or collect a credit life insurance premium rate higher than the prima facie rate, unless it files with the Director 60 days prior to the intended effective date of such rate, credible Illinois experience data, actuarial procedures and ratemaking assumptions in support of its proposed rate, and it demonstrates to the Director in an administrative hearing (see 50 Ill. Adm. Code 2402) that a higher credit life insurance rate is reasonable in relation to the benefits provided for each credit life insurance policy form which contains the rate. A hearing request to determine the reasonableness of a rate must be made in writing by the insurance company seeking approval of the policy form which contains the rate at least 45 days prior to the intended effective date of such rate. A proposed rate will be approved for a 12 month period beginning on the effective date of the proposed rate only if such ratemaking procedure is actuarially sound, and will produce a credit life insurance benefit that is reasonable in relation to the credit life insurance premium charged by the requesting company during the next 12 months beginning after the effective date. No policy form may be approved for more than one year where the rate contained therein is greater than the prima facie rate contained in Section 1051.50.

(Source: Added at 12 Ill. Reg. 2426, effective January 15, 1988)