

**Kansas Administrative Regulations
Agency 40. Insurance Department
Article 5. Credit Insurance**

40-5-12 Consumer credit insurance; termination of coverage; prohibited contractual provisions.

(a) A policy or certificate of consumer credit insurance as defined in K.S.A. 16a-4-103, that may be issued, delivered, renewed or continued within or outside this state covering residents of this state, shall not contain provisions which permit coverage to be terminated by the insurer with respect to any policyholder, certificate holder or other insured person unless:

- (1) The policy or certificate is formally and specifically terminated;
- (2) the insured and any affected certificate holder is provided not less than ten days written notice of termination; and
- (3) any unearned premium is returned to the borrower or credited to the account of the consumer as required by K.S.A. 16a-4-108.

(b) The restrictions imposed by section (a) of this regulation shall not apply with respect to transactions permitted or required by K.S.A. 16a-4-108.

(Authorized by K.S.A. 40-103; 16a-4-112; implementing K.S.A. 16a-4-203; effective Nov. 29, 1993.)