§ 569. Delinquency, collection and cancellation charges; attorney's fees. 1. A premium finance agreement may provide for the payment by the insured of a delinquency and collection charge on each instalment in default for a period of not less than five days in an amount of one dollar to a maximum not in excess of five per centum of such instalment, provided however, that when any personal, household or domestic insurance contract are listed in the agreement the charge shall not exceed five dollars and, provided that only one such delinquency and collection charge may be collected on any such instalment regardless of the period during which it remains in default and, if the default results in the cancellation of any personal, household or domestic insurance contract listed in the agreement, the agreement may provide for the payment by the insured of a cancellation charge equal to the difference between any delinquency and collection charge imposed in respect to the instalment in default and five dollars.

2. A premium finance agreement may also provide for the payment of attorney's fees not exceeding twenty per centum of the amount due and payable under the agreement if it is referred for collection to an attorney not a salaried employee of the premium finance agency holding the agreement.

3. Notwithstanding the provisions of this section, a premium finance agency shall not take or receive from or charge an insured any cancellation charge or attorney's fees unless, within ten days after default in the payment of any instalment of a premium finance agreement, the agency has mailed a notice of the default to the insured at his address as shown on the agreement and to any insurance agent or broker named therein at his place of business as shown therein.