*** § 3436. Group credit unemployment insurance and individual credit unemployment insurance.** (a) Any policy of credit unemployment insurance which covers more than one person shall be deemed a group credit unemployment policy.

(b) No policy of group credit unemployment insurance, and no certificate thereunder, shall be delivered or issued for delivery in this state unless it conforms to the requirements of this section and section three thousand two hundred one of this chapter.

(c) A policy of group credit unemployment insurance may only be issued to a creditor, vendor, trustee, trustees or agent insuring a group of debtors or vendees, all as defined and set forth in paragraph three of subsection (b) of section four thousand two hundred sixteen of this chapter and under the same conditions and limitations and subject to the definitions as specified therein; provided, however, that the amount of benefits payable with respect to any person insured thereunder shall not at any time exceed:

(1) in all cases except as hereinafter provided the lesser of fifty-five thousand dollars and the total of payments scheduled to be paid by the person to whom credit has been extended;

(2) in the case of a loan commitment pursuant to a program for defraying the cost of attendance of a student at a college or university or at an elementary or secondary school providing education for minors, the lesser of fifty-five thousand dollars and the total amount of the unpaid balance of the scheduled periodic payments whether due or not due and the amount of any outstanding loan commitment pursuant to such a program;

(3) in the case of a transaction secured by a real estate mortgage, the lesser of one hundred ten thousand dollars and the total of payments scheduled to be paid by the person to whom credit has been extended; or

(4) in all cases the amounts of the payment or payments due during the period of unemployment of the covered person, excluding such amounts which may have become due by acceleration or default.

(d) Benefits under a policy of group credit unemployment insurance may be provided to a debtor or vendee only if such debtor or vendee qualifies for unemployment insurance benefits in this state pursuant to article eighteen of the labor law or would qualify thereunder but for exclusion therefrom pursuant to subdivision three, four, five, six, ten

or eleven of section five hundred eleven of the labor law, or by reason of exhaustion of benefits or length of employment. No insurance company writing a policy permitted by this section shall, directly or indirectly, through an agent or representative, have standing to participate in a hearing or court proceeding in which the eligibility for unemployment insurance benefits of an insured under this section shall be in controversy, unless the insured was an employee of said company.

(e) Credit unemployment insurance may be written separately or in combination with all or any of the kinds of insurance authorized in paragraphs three, seven and twenty of subsection (a) of section one thousand one hundred thirteen of this chapter. The superintendent may by regulation prohibit or limit any combination based upon the amount of insured indebtedness or the amount of premium. The premium rate for each kind of insurance shall be disclosed and the total premium charge for the combination shall likewise be disclosed.

(f) Acceptance of credit unemployment insurance by a debtor must be voluntary and not a condition of extending credit nor a factor in the cost of the credit agreement other than the cost of credit unemployment insurance. The insurance agreement must be signed and dated separately from the request for credit and must clearly and conspicuously disclose to the debtor (1) that the insurance coverage is not required by the creditor and (2) the cost of the credit unemployment insurance.

(g) (1) Any dividend hereafter apportioned on any participating group insurance policy, or any rate reduction hereafter made or continued on any non-participating group policy for the first or any subsequent year of insurance under any such policy heretofore or hereafter issued under this section, may be applied to reduce the policyholder's part of the cost of such policy, except that the excess, if any, of the insured's aggregate contribution under the policy over the net cost (gross premium less dividends or rate reductions) of the insurance shall be applied at the discretion of the insurer either as a cash payment to the insured or to reduce the insured's premium. If a dividend or rate reduction is payable upon termination of the policy the insurer shall either make payment to the insured or to the policyholder upon receipt of a certification from the policyholder that the dividend or rate reduction will be distributed by the policyholder to the insureds or applied to

reduce the insured's premium.

(2) The provisions of paragraph one of this subsection shall apply to New York residents insured under a policy issued in any other jurisdiction to a group which is described in this section.

* NB There are 2 § 3436's