

## **Single Premium Credit Life Insurance Questions & Answers**

1. Can Single Premium Credit Life Insurance be sold on an open-end line of credit?

NO, Single Premium Credit Life Insurance can only be sold on a closed end loan.

2. Can a borrower be required to buy Single Premium Credit Life Insurance?

NO, a borrower should not be required to buy Single Premium Credit Life Insurance.

3. If the primary borrower is not eligible for Single Premium Credit Life Insurance, can the co-borrower purchase Credit Life Insurance?

Yes, if the co-borrower is eligible, they can purchase single coverage credit life insurance but their name must be listed first on the application as the Primary Applicant.

4. If a borrower answers YES to the health question appearing on the Single Premium Credit Life Insurance application, can they still be approved for coverage?

NO, if a borrower answers YES to the health question, they are not eligible for coverage.

5. If a borrower has other life insurance, are they eligible to purchase Single Premium Credit Life Insurance?

Yes, if the borrower has other life insurance, they can still purchase Single Premium Credit Life Insurance to supplement the coverage they already have.

6. Can a borrower cancel their Single Premium Credit Life Insurance at any time?

Yes, the borrower can cancel coverage at any time. If they do so within the first 30 days a full refund of premium is provided.

7. Is the cost of Single Premium Credit Life Insurance guaranteed not to increase during the term of coverage?

Yes, the borrower will not have to pay any additional amounts.

8. What happens if the borrower misstated their age?

If the borrower misstated their age and the correct age exceeds the policy age limit, no insurance will be effective and a refund of premium is paid.

9. Can Single Premium Credit Life Insurance be purchased at a later date, after loan closing?

No, Single Premium Credit Life Insurance must be purchased at loan closing.

10. What happens if the borrower does not answer the health question accurately?

This can result in denial of a claim and refund of premium.