



IDA# 13673
MJ

**Committee on
House Administration**

Edmund Kuempel
Chairman

P.O. Box 2910
Austin, Texas 78768-2910
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RQ-190

September 13, 1991

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SEP 23 91

Opinion Committee

The Honorable Dan Morales
Price Daniel Building
P.O. Box 12548
Austin, Texas 78701-2548

Dear General Morales:

I would like to request an Attorney General's opinion on the following:

Under Chapter 6A of the Texas Credit Code, Article 5069-V.T.C.S., *5069-6A.08*

- 1.) When a consumer purchases the required insurance from someone other than the creditor, can the creditor demand the consumer provide a one year paid-in-full insurance policy?
- 2.) When a creditor is willing to finance the required insurance, can the creditor demand the consumer to purchase the required insurance from an insurer or agent of the creditor's choosing and exclude all other authorized Texas insurers or Texas licensed agents who can provide the identical required insurance?
- 3.) When a creditor is willing to finance the required insurance, shouldn't the creditor be obligated to finance the required insurance written by any authorized Texas insurer or Texas licensed agent the consumer chooses?
- 4.) When a consumer purchases the required insurance from someone other than the creditor, the creditor has the right for good cause to refuse to accept certain insurance policies from insurance companies designated by the creditor; what is good cause?

Fred Hill
Vice Chairman

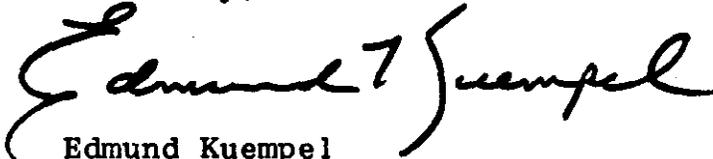
Members: Clyde Alexander, Layton Black, Dianne White Delisi
Tony Goolsby, Paul Sadler, Gwyn Clarkston Shea, Sylvester Turner

5.) When a consumer requests a creditor to finance any insurance allowed by Chapter 6A, including the required insurance, after the date of the credit transaction, does the creditor have to finance the requested insurance?

6.) When insurance is required in connection with a credit transaction under Chapter 6A, can the creditor require the term of the policy to be longer than 12 months?

In the event you should require additional information please do not hesitate to call this office. Thank you for your attention to this request.

Sincerely,

A handwritten signature in cursive script that reads "Edmund Kuempel". The signature is written in black ink and is positioned above the printed name.

Edmund Kuempel

EK/pmu