001. Statutory authority. Pursuant to Section Neb.Rev.Stat. § 44-101.01 R.S. Supp. 1969 the Director of Insurance hereby rules that it is an unfair trade practice for any insurance agent, broker, or other individual, to coerce the purchase of insurance, or to require the purchase of insurance from a particular insurance agent, agency, broker, or company, as a condition precedent to the consummation of any credit transaction.

002. Instructions. To assure compliance with the foregoing ruling, it is essential that the companies or individuals involved comply with the following instructions:

002.01 Purchasers or borrowers, in all credit transactions where insurance coverage is mandatory, must not be misled concerning their right to purchase from any insurance company licensed by the State of Nebraska, which company provides the coverage required. Where property insurance is required, in transactions involving the purchase of motor vehicles, the vendor or creditor need not accept as evidence of insurance a policy which does not contain an approved LOSS PAYABLE clause.

002.02 Purchaser or borrowers who choose to purchase insurance from the company represented by the vendor or creditor must be furnished an original policy, a duplicate copy thereof, or a memorandum which recites:

- **002.02A** The name of the insurer;
- **002.02B** The number of the policy;
- **002.02C** The term and effective dates of the policy;
- **002.02D** The coverage provided; and
- **002.02E** The premium charged, properly apportioned to the particular risk.

002.03 In transactions involving the sale of motor vehicles, all automobile insurance policies issued by vendors or creditors must be plainly printed or stamped notifying the purchaser or borrower to the effect that the policy does not insure against liability for bodily injury or property damage, if such policy does not insure against liability for damages to persons, or property of persons, other than the insured.

002.04 All vendors or creditors must maintain separate books for all credit
transactions and shall immediately upon receipt of a return of premium or benefit make payment to the insured or to the beneficiary of the insured.

002.05 Alternative penalties for violation of this Rule are contained in Sections 44-339 and 44-1515 to 44-1518 R.S., 1943.