

**Sec. 32-13-38. Premium payments**

The secured party, upon execution of the insurance contract, shall pay to the commission a first insurance premium equal to two per cent of the original face amount of the loan or such lesser percentage as the commission shall require in its formal commitment to insure the loan payments. Premiums thereafter shall be at the rate aforesaid on the unpaid principal balance on the anniversary date of the loan each year, and shall be payable by the secured party at the beginning of each year and shall be payable in advance. If premiums are not paid when due, such nonpayment shall constitute a default and if such default is not cured within thirty days thereafter, insurance benefits shall terminate.

(Effective November 26, 1968)