

SENATE No. 179

To accompany the petition of Edward F. Hurley for legislation to further specify provisions which must be contained in group life insurance policies. Insurance.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Fifty-One.

AN ACT FURTHER SPECIFYING PROVISIONS WHICH MUST BE CONTAINED IN GROUP LIFE INSURANCE POLICIES.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 134 of chapter 175 of the
2 General Laws, as amended, is hereby further amended
3 by striking out the provision numbered 4, as most
4 recently amended by chapter 456 of the acts of 1941,
5 and inserting in place thereof the following pro-
6 vision: —

7 4. Except in the case of a policy issued under sub-
8 division (c) of section one hundred and thirty-three,
9 that the company will issue to the employer, for
10 delivery to each employee whose life is insured under
11 the policy, an individual certificate specifying his
12 insurance coverage under the policy, the amount
13 thereof and to whom payable, together with a pro-
14 vision to the effect that if his insurance, or any portion
15 of it, ceases because of termination of employment or

16 of membership in the class or classes eligible for
17 coverage under the policy, and also if the group policy
18 expires or otherwise terminates, or is amended so as to
19 terminate the insurance of the class of insured persons
20 to which he then belongs after he has been insured
21 thereunder for five or more years immediately pre-
22 ceding such expiration or termination date, the
23 employee shall continue to be insured after the
24 termination of the employment or of membership in
25 the class or classes eligible for coverage under the
26 policy, or after the termination of the policy or of the
27 insurance of the class of insured persons to which he
28 then belongs, as the case may be, for a period of
29 thirty-one days, for the amount of life insurance which
30 he would have been entitled to have issued to him
31 under an individual policy in accordance with the
32 provisions which follow; and that he shall be entitled
33 to have issued to him by the company, without evi-
34 dence of insurability, upon written application in a
35 form satisfactory to the company, and upon the pay-
36 ment of the premium applicable to the class of risk
37 to which he belongs and to the form and amount of
38 the policy at his then attained age, both within said
39 period of thirty-one days, an individual policy of life
40 insurance without disability or other supplementary
41 benefits, effective at the expiration of said period, in
42 any one of the forms of life policies customarily issued
43 by the company, except a term policy, for an amount
44 not in excess of the amount of the insurance which
45 ceases because of such termination, provided that
46 any amount of insurance which shall have matured on
47 or before the date of such termination as an endow-
48 ment payable to him, whether in one sum or in
49 installments or in the form of an annuity, shall not,

50 for the purposes of this provision, be included in the
51 amount which is considered to cease because of such
52 termination, or, at the option of the company in the
53 case of any such termination of the policy or of the
54 insurance of the class of insured persons to which such
55 employee then belongs, for an amount which shall in
56 no event exceed the lesser of (1) the amount of such
57 employee's insurance protection ceasing because of
58 the termination or amendment of the group policy,
59 less any amount of life insurance for which he may
60 be or may become eligible under any group policy
61 issued by the same or another company within
62 thirty-one days after such termination or amendment
63 of the policy and (2) two thousand dollars; and, for
64 the purposes of this provision, the date of termination
65 of the policy in case of its expiration by its own terms
66 shall be the effective date of such expiration irrespec-
67 tive of any grace period specified in the policy for the
68 payment of any premium falling due on such date.

1 SECTION 2. Section 134 of chapter 175 of the
2 General Laws, as amended, is hereby further amended
3 by adding after the provision numbered five the fol-
4 lowing provisions:—

5 6. That the employer is entitled to a grace period
6 of thirty-one days for the payment of any premium
7 due except the first, during which grace period the
8 death benefit coverage shall continue in force, unless
9 the employer shall have given the company written
10 notice of discontinuance in advance of the date of
11 discontinuance and in accordance with the terms of
12 the policy. The policy may provide that the em-
13 ployer shall be liable to the company for the payment
14 of a pro rata premium for the time the policy was in
15 force during such grace period.

16 7. That any sum becoming due by reason of the
17 death of the employee insured shall be payable to the
18 beneficiary designated by the employee insured, sub-
19 ject to the provisions of the policy in the event there
20 is no designated beneficiary as to all or any part of
21 such sum living at the death of the employee insured,
22 which policy provisions may, among other things,
23 stipulate that such sum, in such event, shall be paid
24 to the executors or administrators of the employee or
25 that the company may, at its option, pay such sum
26 to any one or more of the following surviving relatives:
27 wife, husband, mother, father, child or children,
28 brothers or sisters; and subject to any right reserved
29 by the company in the policy and set forth in the
30 certificate to pay at its option a part of such sum not
31 exceeding two hundred and fifty dollars to any person
32 appearing to the company to be equitably entitled
33 thereto by reason of having incurred funeral or other
34 expenses incident to the last illness or death of the
35 employee insured.