

HOUSE . . . No. 1300

The Commonwealth of Massachusetts.

HOUSE OF REPRESENTATIVES, March 6, 1918.

The committee on Insurance, to whom were referred the recommendations of the Insurance Commission (House, No. 46), report in part the accompanying bill (new draft of House, No. 47).

For the committee,

GEORGE B. WATERMAN.

The Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Eighteen.

AN ACT

Relative to Group Life Insurance.

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. Group life insurance is hereby declared to
2 be that form of life insurance covering not less than fifty
3 employees with or without medical examination, written
4 under a policy issued to the employer, the premium on
5 which is to be paid by the employer or by the employer
6 and employees jointly, and insuring only all of his em-
7 ployees, or all of any class or classes thereof determined
8 by conditions pertaining to the employment, for amounts
9 of insurance based upon some plan which will preclude
10 individual selection, for the benefit of persons other than
11 the employer: *provided, however,* that when the premium
12 is to be paid by the employer and employee jointly and
13 the benefits of the policy are offered to all eligible em-
14 ployees, not less than seventy-five per cent of such
15 employees may be so insured.

1 SECTION 2. On and after July first, nineteen hundred
2 and eighteen, no policy of group life insurance shall be

3 issued or delivered in this commonwealth unless and
4 until a copy of the form thereof has been filed at least
5 thirty days with the insurance commissioner; unless be-
6 fore the expiration of said thirty days the insurance
7 commissioner shall have approved the policy in writing
8 nor if the insurance commissioner notifies the company
9 in writing within said thirty days that, in his opinion
10 the form of said policy does not comply with the re-
11 quirements of the laws of this commonwealth, specify-
12 ing his reasons for his opinion: *provided*, that this action
13 of the insurance commissioner shall be subject to review
14 by the supreme court of this commonwealth; nor shall
15 such policy be so issued or delivered unless it contains in
16 substance the following provisions:

17 1. A provision that the policy shall be incontestable
18 after two years from its date of issue except for non-
19 payment of premiums and except for violation of the
20 conditions of the policy relating to military or naval
21 service in time of war.

22 2. A provision that the policy, the application of the
23 employer and the individual applications, if any, of the
24 employees insured shall constitute the entire contract
25 between the parties and that all statements made by the
26 employer or by the individual employees shall, in the
27 absence of fraud, be deemed representations and not
28 warranties and that no such statement shall be used in
29 defence to a claim under the policy unless it is contained
30 in a written application.

31 3. A provision for the equitable adjustment of the
32 premium or the amount of insurance payable in the
33 event of a misstatement of the age of an employee.

34 4. A provision that the company will issue to the em-
35 ployer for delivery to the employee whose life is insured
36 under such policy an individual certificate setting forth a

37 statement as to the insurance protection to which he is
38 entitled, to whom payable, together with a provision to
39 the effect that in case of the termination of the employ-
40 ment for any reason whatsoever the employee shall be
41 entitled to have issued to him by the company, without
42 evidence of insurability and upon application made to
43 the company within thirty-one days after such termi-
44 nation and upon the payment of the premium applicable
45 to the class of risk to which he belongs and to the form
46 and amount of the policy at his then attained age, a
47 policy of life insurance in any one of the forms custo-
48 marily issued by the company, except term insurance,
49 in an amount equal to the amount of his protection
50 under such group insurance policy at the time of such
51 termination.

52 5. A provision that to the group or class thereof
53 originally insured shall be added from time to time all
54 new employees of the employer eligible to insurance in
55 such group or class.

56 Any policy shall be deemed to contain any such pro-
57 vision in substance when in the opinion of the insurance
58 commissioner any such provision is stated in terms more
59 favorable to the employer or employee than are herein
60 set forth.

1 SECTION 3. Policies of group life insurance issued by
2 a company not organized under the laws of this com-
3 monwealth may, when issued in this commonwealth,
4 contain any provision which is required by the law of the
5 state, territory or district of the United States in which
6 the company was organized, and policies of group life
7 insurance issued by a company organized under the laws
8 of this commonwealth may, when issued or delivered in
9 any other state, territory, district or country, contain any

10 provision required by the laws of the state, territory,
11 district or country in which the same are issued or
12 delivered.

1 SECTION 4. No policy of group life insurance, or the
2 proceeds thereof when paid to any employee or employees
3 thereunder, or to their beneficiaries, shall be liable to
4 attachment, garnishment or other process or to be seized,
5 taken, appropriated or applied by any legal or equitable
6 process or operation of law to pay any debt or liabilities
7 of such employee or his beneficiary or any other person
8 who may have a right thereunder either before or after
9 payment; nor shall the proceeds thereof, when not made
10 payable to any beneficiary, constitute a part of the estate
11 of the employee for the payment of his debts.

1 SECTION 5. Group life insurance policies shall be
2 exempt from any loan provision or requirement. Any
3 equity of the insured in a group life insurance policy at
4 the time of default in the payment of a premium, whether
5 that equity exists by reason of the terms of the policy or
6 by statute, shall be applied to purchase extended or
7 paid up insurance for each of the insured at attained age
8 on the basis of the mortality table and rate of interest
9 used in computing the premium for the group.

1 SECTION 6. Under any group policy issued by a do-
2 mestic mutual life insurance company, the employer
3 only shall be a member of said company, and entitled
4 to one vote by virtue of such policy at the meetings of
5 said company.

1 SECTION 7. Section seventy-five of chapter five hun-
2 dred seventy-six of the acts of nineteen hundred

3 and seven, and all other acts and parts of acts incon-
 4 sistent with the provisions of this act shall not be ap-
 5 plicable to group life insurance policies. Except as
 6 provided in this act it shall be unlawful to make a
 7 contract of life insurance covering a group in this common-
 8 wealth.