

HOUSE No. 1575

By Mr. DeNormandie of Lincoln, petition of E. Brayton Durfee for legislation to authorize the issuance of group insurance with respect to educational credit transactions. Insurance.

The Commonwealth of Massachusetts

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

AN ACT AUTHORIZING GROUP INSURANCE WITH RESPECT TO EDUCATIONAL CREDIT TRANSACTIONS.

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 133 of chapter 175 of the General Laws is hereby
2 amended by striking out clause (c) as most recently amended
3 by chapter 209 of the acts of 1959, and inserting in place thereof
4 the following clause:— ; or (c) a group of persons who at any
5 time are debtors of a bank, association, financial or other insti-
6 tution, including its subsidiary or affiliated institutions, if any,
7 for a loan, or of the vendor of any property for its purchase
8 price, or of a guarantor or conditional guarantor of the obliga-
9 tion, under an agreement to pay any such indebtedness, or any
10 balance thereof, in instalments over a period of not more than
11 ten years, or who at any time have been granted a policy loan
12 pursuant to a policy provision therefor, written under a policy
13 issued, with or without medical examination, and made pay-
14 able to such creditor or the assignee of the indebtedness, or the
15 insurance company granting the policy loan, including the in-
16 surance company which issues such policy, and insuring the
17 life of each debtor, or the person granted such policy loan, for
18 an amount not exceeding his individual indebtedness or policy
19 loan with interest, and not exceeding ten thousand dollars; pro-
20 vided, that not less than one hundred persons shall become in-
21 sured under such a group policy each year after its date of issue;

22 and provided, further, that no such debtor shall be insured in
23 such a group for a period of more than ten years on account of
24 a debt arising out of said loan or an obligation for the said pur-
25 chase price [.] ; and provided, further, that insurance on
26 educational credit transaction commitments may be
27 written for the amount of the portion of such commit-
28 ment that has not been advanced by the creditor, and
29 the amount of such insurance shall not exceed ten thou-
30 sand dollars with respect to each student.
