

# HOUSE . . . . No. 1064

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By Mr. Johnson of Brockton, petition of George C. P. Ohlson and Adolph Johnson that the rate of interest on policy loans made by life insurance companies shall not exceed three per cent per annum. Insurance.

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## The Commonwealth of Massachusetts

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

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AN ACT PROVIDING THAT THE INTEREST RATE ON POLICY LOANS MADE BY LIFE INSURANCE COMPANIES SHALL NOT EXCEED THREE PER CENT.

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

1 Subdivision seven of section one hundred and  
2 thirty-two of chapter one hundred and seventy-five  
3 of the General Laws, as appearing in the Tercentenary  
4 Edition, is hereby amended by striking out, in line  
5 fifty-four, the word "six" and inserting in place thereof  
6 the word:— three, — so as to read as follows:—  
7 7. A provision that not later than the third anniver-  
8 sary of the policy the holder of the policy shall, upon  
9 a proper assignment thereof to the company, be  
10 entitled to borrow of the company, on the sole security  
11 of the policy, a sum not more than ninety-five per cent  
12 of the cash surrender value thereof, less any indebted-  
13 ness to the company, with interest at a rate not ex-

14 ceeding three per cent per annum or, at the option of  
15 the company, with interest as aforesaid compounded  
16 semi-annually. Said provision shall include such  
17 other conditions as, in conformity to the laws of the  
18 commonwealth, the company will impose when the  
19 application for the loan is made.