

By Mr. Amorello, a petition (accompanied by bill, Senate, No. 25) of Matthew J. Amorello for legislation to limit finance charges assessed by insurance companies for installment payments of motor vehicle insurance. Commerce and Labor.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety-Four

AN ACT TO LIMIT FINANCE CHARGES ASSESSED TO AUTO INSURANCE RATE-PAYERS IN THE COMMONWEALTH.

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

1 Auto insurance providers in the Commonwealth, when comput-
2 ing finance charges for those ratepayers who pay their annual
3 Massachusetts auto insurance coverage in monthly installments,
4 or other means of extended payment, shall be prohibited from
5 assessing finance charges at a rate greater than one percent above
6 the current prime lending rate. At no time, regardless of the level
7 of the prime lending rate, may finance charges exceed 12 percent
8 of the total balance due.

