
The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, May 14, 1979.

The committee on Insurance, to whom were referred the petition (accompanied by bill, Senate, No. 50) of the Savings Banks Association of Massachusetts, by Elliott G. Carr, executive vice president, Joseph B. Walsh and Joseph J. Semensi for legislation to increase the amount and term of insurance on debtors of a bank, association, financial or other institution, the petition (accompanied by bill, Senate, No. 634) of Daniel J. Foley for legislation to require fire and casualty companies to attach a printed notice to all policies explaining reductions or eliminations made in coverages, the petition (accompanied by bill, Senate, No. 658) of Joseph B. Walsh for legislation to remove the limitation of ten years on indebtedness with which group credit life insurance may be issued from indebtedness arising from real estate mortgage loans and also to limit such insurance for fifty thousand dollars in amount and to thirty years in term, the petition (accompanied by bill, House, No. 457) of the Credit Union League of Mass., Inc., relative to increasing the amount and term of creditors life insurance for debtors of a bank, association, financial or other institution, including subsidiary or affiliated institutions for loans, the petition (accompanied by bill, House, No. 1221) of John F. Melia and another relative to increasing the amount and term of insurance on debtors of a bank, association, financial or other institution, the petition (accompanied by bill, House, No. 2584) of Raymond M. LaFontaine relative to increasing the amount and term of insurance on debtors of a bank, association, financial or other institution, and the petition (accompanied by House, No. 4374) of John E. Murphy, Jr., and another for legislation to authorize an increase in group life insurance on the lives of debtors, reports recommending that the accompanying bill (House, No. 6233) ought to pass.

For the committee,

RAYMOND M. LaFONTAINE

The Commonwealth of Massachusetts

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

AN ACT INCREASING THE AMOUNT AND TERM OF INSURANCE ON DEBTORS OF A BANK, ASSOCIATION, FINANCIAL OR OTHER INSTITUTION.

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 as most recently
2 amended is hereby further amended by striking out clause (c)
3 contained therein and inserting in place thereof the following: —
4 (c) A group of persons who at any time are debtors of a bank,
5 association, financial or other institution, including its subsidiary
6 or affiliated institutions, if any, for a loan, or of the vendor of any
7 property for its purchase price, or of a guarantor of the obligation,
8 under an agreement to pay any such indebtedness, or any balance
9 thereof, the installments over a period of not more than fifteen
10 years, or who at any time have been granted a policy loan pursuant
11 to a policy provision thereof, written under a policy issued, with or
12 without medical examination, and made payable to such creditor
13 or the assignee of the indebtedness, or the insurance company
14 granting the policy loan, including the insurance company which
15 issues such policy, and insuring the life of each debtor, or the
16 person granted such policy loan, for an amount not exceeding his
17 individual indebtedness or policy loan with interest, and not
18 exceeding twenty thousand dollars; provided, that not less than one
19 hundred persons shall become insured under such a group policy
20 each year after its date of issue; and provided, further, that no such
21 debtor shall be insured in such a group for a period of more than
22 fifteen years on account of a debt arising out of said loan or an
23 obligation for the said purchase price.