

MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIRST LEGISLATURE

Legislative Document

No. 1015

S. P. 349

In Senate, February 5, 1963

Referred to Committee on Business Legislation. Sent down for concurrence and ordered printed.

CHESTER T. WINSLOW, Secretary

Presented by Senator Brooks of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-THREE

AN ACT Relating to Definition of Group Life Insurance.

Be it enacted by the People of the State of Maine, as follows :

Sec. 1. R. S., c. 60, § 164, sub-§ II, amended. The first paragraph of subsection II of section 164 of chapter 60 of the Revised Statutes, as repealed and replaced by chapter 154 of the public laws of 1957, is amended to read as follows :

'A policy issued to a **single creditor, or to a trustee or trustees or agent designated by 2 or more creditors, which creditor, trustee, trustees or agent** ~~who~~ shall be deemed the policyholder, to insure debtors of the **single creditor or debtors of the 2 or more creditors, as the case may be,** subject to the following requirements:'

Sec. 2. R. S., c. 60, § 164, sub-§ II, ¶ A, amended. The first sentence of paragraph A of subsection II of section 164 of chapter 60 of the Revised Statutes, as repealed and replaced by chapter 154 of the public laws of 1957, is amended to read as follows :

'The debtors eligible for insurance under the policy shall be all of the debtors of the **single creditor or all the debtors of the 2 or more creditors** whose indebtedness is repayable either in installments, or in one sum at the end of a period not in excess of 18 months from the initial date of debt, or all of any class or classes thereof determined by conditions pertaining to the indebtedness or to the purchase giving rise to the indebtedness.'

Sec. 3. R. S., c. 60, § 164, sub-§ II, ¶ D, amended. Paragraph D of subsection II of section 164 of chapter 60 of the Revised Statutes, as repealed and replaced by chapter 154 of the public laws of 1957, is amended to read as follows :

'D. The amount of insurance on the life of any debtor shall at no time exceed the amount owed by him which is repayable in installments to the creditor, or ~~\$10,000~~ \$20,000, whichever is less. Where the indebtedness is repayable in one sum to the creditor, the insurance on the life of any debtor shall in no instance be in effect for a period in excess of 18 months except that such insurance may be continued for an additional period not exceeding 6 months in the case of default, extension or recasting of the loan. The amount of the insurance on the life of any debtor shall at no time exceed the amount of the unpaid indebtedness, or ~~\$10,000~~ \$20,000, whichever is less.'