

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1142

H. P. 929

House of Representatives, March 12, 1979

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

EDWIN H. PERT, Clerk

Presented by Mr. Whittemore of Skowhegan.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

AN ACT to Permit Optional Credit Life Insurance for the Comaker of a Debt.

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

24-A MRSA § 2854, sub-§ 3, as enacted by PL 1969, c. 132, § 1, is amended to read:

3. Group life. Group policies of life insurance issued to creditors providing insurance upon the lives of debtors on the term plan, **provided that credit life insurance shall be made available to all debtors whose incomes are considered by the lending institution in the making of a loan;**

STATEMENT OF FACT

This bill requires lending institutions to offer the option of credit life insurance to all persons whose incomes are considered in a loan determination. In many instances, such as when husband and wife work, the ability to repay their indebtedness is contingent on the continued income of both persons. All parties to the transaction stand to benefit from this change in the law. In no case would the amount of insurance collectible on a given indebtedness exceed the limits set by existing statutes and regulations.