

HOUSE BILL NO. 175

Introduced: 01/12/83

Referred to Committee on Business & Industry: 01/12/83

Hearing: 1/19/83

Died in Committee

House BILL NO. 175

INTRODUCED BY Donaldson

A BILL FOR AN ACT ENTITLED: "AN ACT TO PERMIT THE ISSUANCE OF LEVEL TERM CREDIT LIFE INSURANCE; AMENDING SECTION 33-21-202, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 33-21-202, MCA, is amended to read:

"33-21-202. Amount. (1) The amount of credit life insurance shall be equal to the indebtedness, provided that the original indebtedness does not exceed the sum of \$15,000. If the original indebtedness exceeds the sum of \$15,000, the amount of credit life insurance shall not exceed the indebtedness. ~~Where indebtedness is repayable in substantially equal installments is secured by an individual policy of credit life insurance, the amount of insurance shall not exceed the approximate unpaid indebtedness on the date of death and where secured by a group policy of credit life insurance shall not exceed the exact amount of unpaid indebtedness on such date. Except that agricultural loans not exceeding 1 year~~ A policy of credit life insurance may be written up to the amount of the loan commitment on a nondecreasing or level term plan.

(2) The amount of periodic indemnity payable by credit

disability insurance in the event of disability, as defined in the policy, shall be equal to the aggregate of the periodic scheduled unpaid installments of indebtedness and shall not exceed the original indebtedness divided by the number of periodic installments, provided that the original indebtedness does not exceed the sum of \$15,000. If the original indebtedness exceeds the sum of \$15,000, the amount of periodic indemnity payable by credit disability insurance in the event of disability, as defined in the policy, shall not exceed the aggregate of the periodic scheduled unpaid installments of indebtedness and shall not exceed the original indebtedness divided by the number of periodic installments."

NEW SECTION. Section 2. Effective date. This act is effective on passage and approval.

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