

215 ILCS 5/224(1)(f) Policy Loan and Indebtedness

Sec. 224(1)(f) Policy Loan and Indebtedness

(f) A provision that after the policy has been in force 3 full years the company at any time, while the policy is in force, will advance, on proper assignment or pledge of the policy and on the sole security thereof, at a specified maximum fixed or adjusted rate of interest in accordance with Section 229.5, a sum equal to, or at the option of the insured less than the amount required by Section 229.3 under the conditions specified thereby and with notification as required by Section 229.5; and that the company will deduct from such loan value any indebtedness not already deducted in determining such value and any unpaid balance of the premium for the current policy year, and may collect interest in advance on the loan to the end of the current policy year; and any policy may also provide that if the interest on the loan is not paid when due it shall be added to the existing loan and shall bear interest at the same rate. No condition other than as provided herein or in Sections 229.3 and 229.5 shall be exacted as a prerequisite to any such loan. This clause shall not apply to term insurance.

(Source: P.A. 92-139)