



Chapter 22

MANDATORY/UNIFORM POLICY PROVISIONS (G BENT CLIPPER) Protects the insured

Grace period – 7/10/31 (weekly/monthly/other), 30 for LTC and Medigap, if a claim happens during the grace period, company pays and subtracts the premium

Beneficiary – Can't change if irrevocable

Entire contract – Policy, application, and riders (not medical exam), on the cover, "nothing may be incorporated by reference"

Notice of claim – 20 days

Time of payment of claims – 45 days

Claims forms – 15 days

Legal action – 60 days to 5 years

Incontestable clause (Time limit on certain defenses) – 2 years

Proof of loss – 90 days

Payment of claims – Don't worry about it

Exam or autopsy – If the company wants a medical exam they pay for it. If the company wants an autopsy and the family won't allow the autopsy, then the company will deny the claim.

Reinstatement – 45 days automatically reinstated if the company takes no action on the reinstatement application, and 10 days' probationary period no matter when it's reinstated.

OPTIONAL PROVISIONS Protects the company

Change of occupation – The issue is when the company finds out after the claim is made:

- TO a more hazardous job = reduce the benefit
- TO a less hazardous job = pay the claim and refund excess premium

Misstatement of age/sex – Adjust the benefit to what the policy WOULD have paid

Other insurance – Refund excess premium

Relation of earnings to insurance – Refund excess premium

Cancellation – Refund unearned premium

- 10 days' written notice if due to lack of premium
- 45 days' written notice for any other reason

Automatically amend to statutory changes – Law supersedes the policy

Illegal occupation – Deny the claim

Intoxicants and narcotics – Deny the claim

OTHER PROVISIONS

Insuring clause

- On the cover/first page
- Basic promise to pay a benefit
- Signed by the president and secretary of the company

Free-look

- BEGINS ON DELIVERY DATE
- Get a refund
- Health = 10 days, Medigap = 30 days

Consideration clause – NOT ON COVER / FIRST PAGE

- Premium schedule = amount & frequency
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MODE

Weekly – lowest premium rate, highest cost/outlay



Annually – highest premium rate, lowest cost/outlay

Conversion privilege for kids

- ACA = age 26
- Florida law = age 30
- All kids under your custody/guardianship
- Handicapped/disabled kids = no age limit

Exclusions – Cannot exclude Alzheimer's

Impairment rider – The place in the policy where you find the list of preexisting exclusions (exclusions for preexisting conditions)

RENEWABILITY PROVISIONS

Cheapest premium



Cancellable – Company can cancel at any time

Optionally renewable – Company can only choose not to renew at anniversary

Conditionally renewable – Comp. can only cancel if specific conditions are met

Guaranteed renewable

- Premium goes up
- Only because of age (class) ex. of class: women age 25-29
- Not because of health (no evidence of insurability required)

Noncancellable

- Company can NOT cancel
- Premiums can NOT be raised
- Disability income

Most expensive premium