

Senate File 2316

H-8372

1 Amend Senate File 2316, as passed by the Senate, as follows:

2 1. Page 14, after line 1 by inserting:

3 <Sec. _____. Section 508.25, Code 2018, is amended to read as
4 follows:

5 **508.25 Policy forms — ~~approval~~ and notification of lapse of**
6 **policy.**

7 1. It shall be unlawful for any insurance company
8 transacting business within this state, under the provisions of
9 this chapter, to ~~write~~ do any of the following:

10 a. Write or use any form of policy or contract of insurance,
11 on the life of any individual in this state, until a copy
12 of such form of policy or contract has been filed with and
13 approved by the commissioner of insurance.

14 b. Fail to provide at least thirty calendar days' advance
15 written notice to a policyholder's last known address prior
16 to termination or lapse of the policyholder's universal life
17 policy or contract. The notice shall be in a conspicuously
18 labeled envelope that indicates it contains important,
19 time-sensitive information.

20 c. Fail to provide the notice required pursuant to
21 subsection 2. The notice shall be provided by the insurer to a
22 policyholder with the notice provided pursuant to paragraph "b"
23 or as required by rules adopted by the commissioner.

24 2. The commissioner shall develop a written notice that
25 shall be provided by an insurer to a policyholder to advise
26 the policyholder of potential alternatives to the lapse or
27 surrender of the policyholder's universal life policy or
28 contract. The notice shall comply with all of the following:

29 a. It shall be written in plain language.

30 b. It shall be developed at no cost to insurers or other
31 entities licensed by the commissioner to conduct the business
32 of life insurance.

33 c. It shall advise a policyholder of the policyholder's
34 rights regarding disposition of the policyholder's policy.

35 d. It shall advise the policyholder that life insurance, a

1 life settlement, or other alternative may be available to the
2 policyholder dependent upon the terms of the policyholder's
3 universal life policy or contract and other factors including
4 the age and health status of the insured person.

5 e. It shall advise the policyholder to contact the
6 policyholder's financial advisor, insurance agent, insurance
7 broker, or attorney to obtain advice or assistance.

8 3. The commissioner shall adopt rules pursuant to chapter
9 17A to specifically administer the written notice requirements
10 of this section.>

11 2. Title page, by striking lines 1 and 2 and inserting <An
12 Act relating to transactions and notifications by domestic
13 stock insurers and life insurance companies.>

14 3. By renumbering as necessary.

PETTENGILL of Benton