

CHAPTER 188

ACCIDENT AND SICKNESS INSURANCE

H. F. 238

AN Act relating to individual accident and sickness insurance policies, making uniform the law relating thereto, to repeal section five hundred eleven point thirty-six (511.36), Code 1950, also relating to accident or health insurance.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Definition of accident and sickness insurance policy.
2 The term "policy of accident and sickness insurance" as used herein
3 includes any policy or contract covering insurance against loss re-
4 sulting from sickness or from bodily injury or death by accident, or
5 both. For the purposes of this Act the words "policy of accident and
6 sickness insurance" are interchangeable without deviation of mean-
7 ing with the words "policy of accident and health insurance" or the
8 words "policy of accident or health insurance". The provisions of
9 this Act shall apply to all individual policies of such accident and
10 sickness insurance as are written by Iowa or non-Iowa companies or
11 associations duly licensed under the provisions of either chapter five
12 hundred eight (508), five hundred ten (510), five hundred fifteen
13 (515) or five hundred twenty (520) of the Code 1950, also, societies,
14 orders or associations licensed under the provisions of chapter five
15 hundred twelve (512) of the Code 1950 writing sickness and accident
16 policies providing benefits for loss of time.

17 Orders, societies or associations which admit to membership only
18 persons engaged in one (1) or more crafts or hazardous occupations
19 in the same or similar lines of business and the ladies' societies or
20 ladies' auxiliaries to such orders shall not be subject to the pro-
21 visions of this Act nor shall any religious order be subject to the
22 provisions of this Act.

1 SEC. 2. Form of policy.

2 (A) No policy of accident and sickness insurance shall be delivered
3 or issued for delivery to any person in this state unless:

4 (1) the entire money and other considerations therefor are ex-
5 pressed therein; and

6 (2) the time at which the insurance takes effect and terminates
7 is expressed therein; and

8 (3) it purports to insure only one person, except that a policy may
9 insure, originally or by subsequent amendment, upon the application
10 of an adult member of a family who shall be deemed the policyholder,
11 any two or more eligible members of that family, including husband,
12 wife, dependent children or any children under a specified age which
13 shall not exceed nineteen years and any other person dependent upon
14 upon the policyholder; and

15 (4) the style, arrangement and over-all appearance of the policy
16 give no undue prominence to any portion of the text, and unless every
17 printed portion of the text of the policy and of any endorsements or
18 attached papers is plainly printed in light-faced type of a style in
19 general use, the size of which shall be uniform and not less than ten-
20 point with a lower-case unspaced alphabet length not less than one

21 hundred and twenty-point (the "text" shall include all printed mat-
22 ter except the name and address of the insurer, name or title of the
23 policy, the brief description if any, and captions and subcaptions);
24 and

25 (5) the exceptions and reductions of indemnity are set forth in
26 the policy and, except those which are set forth in section 3 of this
27 Act, are printed, at the insurer's option, either included with the
28 benefit provision to which they apply, or under an appropriate cap-
29 tion such as "exceptions", or "exceptions and reductions", provided
30 that if an exception or reduction specifically applies only to a particu-
31 lar benefit of the policy, a statement of such exception or reduction
32 shall be included with the benefit provision to which it applies; and

33 (6) each such form, including riders and endorsements, shall be
34 identified by a form number in the lower left-hand corner of the first
35 page thereof; and

36 (7) it contains no provision purporting to make any portion of
37 the charter, rules, constitution, or by-laws of the insurer a part of
38 the policy unless such portion is set forth in full in the policy, except
39 in the case of the incorporation of, or reference to, a statement of
40 rates or classification of risks, or shortrate table filed with the com-
41 missioner.

42 (B) If any policy is issued by an insurer domiciled in this state
43 for delivery to a person residing in another state, and if the official
44 having responsibility for the administration of the insurance laws of
45 such other state shall have advised the commissioner that any such
46 policy is not subject to approval or disapproval by such official, the
47 commissioner may by ruling require that such policy meet the stand-
48 ards set forth in sub-section (A) of this section and in section 3.

1 SEC. 3. Accident and sickness policy provisions.

2 (A) Required provisions. Except as provided in paragraph (C)
3 of this section each such policy delivered or issued for delivery to
4 any person in this state shall contain the provisions specified in this
5 subsection in the words in which the same appear in this section;
6 provided, however, that the insurer may, at its option, substitute
7 for one or more of such provisions corresponding provisions of differ-
8 ent wording approved by the commissioner which are in each instance
9 not less favorable in any respect to the insured or the beneficiary.
10 Such provisions shall be preceded individually by the caption appear-
11 ing in this subsection or, at the option of the insurer, by such appro-
12 priate individual or group captions or subcaptions as the commis-
13 sioner may approve.

14 (1) A provision as follows:

15 Entire contract; changes: This policy, including the endorsements
16 and the attached papers, if any, constitutes the entire contract of
17 insurance. No change in this policy shall be valid until approved by
18 an executive officer of the insurer and unless such approval be en-
19 dorsed hereon or attached hereto. No agent has authority to change
20 this policy or to waive any of its provisions.

21 (2) A provision as follows:

22 Time limit on certain defenses: (a) After three years from the
23 date of issue of this policy no misstatements, except fraudulent mis-

24 statements, made by the applicant in the application for such policy
25 shall be used to void the policy or to deny a claim for loss incurred or
26 disability (as defined in the policy) commencing after the expiration
27 of such three year period.

28 (The foregoing policy provision shall not be so construed as to
29 affect any legal requirement for avoidance of a policy or denial of a
30 claim during such initial three year period, nor to limit the applica-
31 tion of section 3 (B), (1), (2), (3), (4) and (5) in the event of
32 misstatement with respect to age or occupation or other insurance.)

33 (A policy which the insured has the right to continue in force sub-
34 ject to its terms by the timely payment of premium (1) until at least
35 age 50 or, (2) in the case of a policy issued after age 44, for at least
36 five years from its date of issue, may contain in lieu of the foregoing
37 the following provision (from which the clause in parentheses may
38 be omitted at the insurer's option) under the caption "incontestable":

39 After this policy has been in force for a period of three years dur-
40 ing the lifetime of the insured, (excluding any period during which
41 the insured is disabled) it shall become incontestable as to the state-
42 ments contained in the application.)

43 (b) No claim for loss incurred or disability (as defined in the
44 policy) commencing after three years from the date of issue of this
45 policy shall be reduced or denied on the ground that a disease or
46 physical condition not excluded from coverage by name or specific
47 description effective on the date of loss had existed prior to the effec-
48 tive date of coverage of this policy.

49 (3) A provision as follows:

50 Grace period: A grace period of (insert a number not less than
51 "7" for weekly premium policies, "10" for monthly premium policies
52 and "31" for all other policies) days will be granted for the payment
53 of each premium falling due after the first premium, during which
54 grace period the policy shall continue in force.

55 (A policy which contains a cancellation provision may add, at the
56 end of the above provision, subject to the right of the insurer to
57 cancel in accordance with the cancellation provision hereof.

58 A policy in which the insurer reserves the right to refuse any re-
59 newal shall have, at the beginning of the above provision,

60 Unless not less than five days prior to the premium due date the
61 insurer has delivered to the insured or has mailed to his last address
62 as shown by the records of the insurer written notice of its intention
63 not to renew this policy beyond the period for which the premium
64 has been accepted,).

65 (4) A provision as follows:

66 Reinstatement: If any renewal premium be not paid within the
67 time granted the insured for payment, a subsequent acceptance of
68 premium by the insurer or by any agent duly authorized by the in-
69 surer to accept such premium, without requiring in connection there-
70 with an application for reinstatement, shall reinstate the policy;
71 provided, however, that if the insurer or such agent requires an appli-
72 cation for reinstatement and issues a conditional receipt for the pre-
73 mium tendered, the policy will be reinstated upon approval of such
74 application by the insurer or, lacking such approval, upon the forty-
75 fifth day following the date of such conditional receipt unless the in-

76 surer has previously notified the insured in writing of its disapproval
 77 of such application. The reinstated policy shall cover only loss result-
 78 ing from such accidental injury as may be sustained after the date
 79 of reinstatement and loss due to such sickness as may begin more
 80 than ten days after such date. In all other respects the insured and
 81 insurer shall have the same rights thereunder as they had under the
 82 policy immediately before the due date of the defaulted premium,
 83 subject to any provisions endorsed hereon or attached hereto in con-
 84 nection with the reinstatement. Any premium accepted in connection
 85 with a reinstatement shall be applied to a period for which premium
 86 has not been previously paid, but not to any period more than sixty
 87 days prior to the date of reinstatement.

88 (The last sentence of the above provision may be omitted from any
 89 policy which the insured has the right to continue in force subject
 90 to its terms by the timely payment of premiums (1) until at least age
 91 50 or, (2) in the case of a policy issued after age 44, for at least five
 92 years from its date of issue.)

93 (5) A provision as follows:

94 Notice of claim: Written notice of claim must be given to the in-
 95 surer within twenty days after the occurrence or commencement of
 96 any loss covered by the policy, or as soon thereafter as is reasonably
 97 possible. Notice given by or on behalf of the insured or the bene-
 98 ficiary to the insurer at (insert the location
 99 of such office as the insurer may designate for the purpose), or to any
 100 authorized agent of the insurer, with information sufficient to identify
 101 the insured, shall be deemed notice to the insurer.

102 (In a policy providing a loss-of-time benefit which may be payable
 103 for at least two years, an insurer may at its option insert the follow-
 104 ing between the first and second sentences of the above provision:

105 Subject to the qualifications set forth below, if the insured suffers
 106 loss of time on account of disability for which indemnity may be pay-
 107 able for at least two years, he shall, at least once in every six months
 108 after having given notice of claim, give to the insurer notice of con-
 109 tinuance of said disability, except in the event of legal incapacity. The
 110 period of six months following any filing of proof by the insured or
 111 any payment by the insurer on account of such claim or any denial
 112 of liability in whole or in part by the insurer shall be excluded in ap-
 113 plying this provision. Delay in the giving of such notice shall not
 114 impair the insured's right to any indemnity which would otherwise
 115 have accrued during the period of six months preceding the date on
 116 which such notice is actually given.)

117 (6) A provision as follows:

118 Claim Forms: The insurer, upon receipt of a notice of claim, will
 119 furnish to the claimant such forms as are usually furnished by it for
 120 filing proofs of loss. If such forms are not furnished within fifteen
 121 days after the giving of such notice the claimant shall be deemed to
 122 have complied with the requirements of this policy as to proof of loss
 123 upon submitting, within the time fixed in the policy for filing proofs
 124 of loss, written proof covering the occurrence, the character and the
 125 extent of the loss for which claim is made.

126 (7) A provision as follows:

127 Proofs of loss: Written proof of loss must be furnished to the

128 insurer at its said office in case of claim for loss for which this policy
129 provides any periodic payment contingent upon continuing loss within
130 ninety days after the termination of the period for which the insurer
131 is liable and in case of claim for any other loss within ninety days
132 after the date of such loss. Failure to furnish such proof within the
133 time required shall not invalidate nor reduce any claim if it was not
134 reasonably possible to give proof within such time, provided such
135 proof is furnished as soon as reasonably possible and in no event,
136 except in the absence of legal capacity, later than one year from the
137 time proof is otherwise required.

138 (8) A provision as follows:

139 Time of payment of claims: Indemnities payable under this policy
140 for any loss other than loss for which this policy provides any periodic
141 payment will be paid immediately upon receipt of due written proof of
142 such loss. Subject to due written proof of loss, all accrued indemnities
143 for loss for which this policy provides periodic payment will be paid
144 (insert period for payment which must not be less
145 frequently than monthly) and any balance remaining unpaid upon the
146 termination of liability will be paid immediately upon receipt of due
147 written proof.

148 (9) A provision as follows:

149 Payment of claims: Indemnity for loss of life will be payable in
150 accordance with the beneficiary designation and the provisions re-
151 specting such payment which may be prescribed herein and effective
152 at the time of payment. If no such designation or provision is then
153 effective, such indemnity shall be payable to the estate of the insured.
154 Any other accrued indemnities unpaid at the insured's death may, at
155 the option of the insurer, be paid either to such beneficiary or to such
156 estate. All other indemnities will be payable to the insured.

157 (The following provisions, or either of them, may be included with
158 the foregoing provision at the option of the insurer:

159 If any indemnity of this policy shall be payable to the estate of the
160 insured, or to an insured or beneficiary who is a minor or otherwise
161 not competent to give a valid release, the insurer may pay such in-
162 demnity, up to an amount not exceeding \$..... (insert an
163 amount which shall not exceed \$1000), to any relative by blood or
164 connection by marriage of the insured or beneficiary who is deemed
165 by the insurer to be equitably entitled thereto. Any payment made
166 by the insurer in good faith pursuant to this provision shall fully dis-
167 charge the insurer to the extent of such payment.

168 Subject to any written direction of the insured in the application
169 or otherwise all or a portion of any indemnities provided by this
170 policy on account of hospital, nursing, medical, or surgical services
171 may, at the insurer's option and unless the insured requests other-
172 wise in writing not later than the time of filing proofs of such loss,
173 be paid directly to the hospital or person rendering such services;
174 but it is not required that the service be rendered by a particular
175 hospital or person.)

176 (10) A provision as follows:

177 Physical examinations and autopsy: The insurer at its own ex-
178 pense shall have the right and opportunity to examine the person of
179 the insured when and as often as it may reasonably require during

180 the pendency of a claim hereunder and to make an autopsy in case of
181 death where it is not forbidden by law.

182 (11) A provision as follows:

183 Legal actions: No action at law or in equity shall be brought to
184 recover on this policy prior to the expiration of sixty days after writ-
185 ten proof of loss has been furnished in accordance with the require-
186 ments of this policy. No such action shall be brought after the
187 expiration of three years after the time written proof of loss is re-
188 quired to be furnished.

189 (12) A provision as follows:

190 Change of beneficiary: Unless the insured makes an irrevocable
191 designation of beneficiary, the right to change of beneficiary is re-
192 served to the insured and the consent of the beneficiary or benefici-
193 aries shall not be requisite to surrender or assignment of this policy
194 or to any change of beneficiary or beneficiaries, or to any other
195 changes in this policy.

196 (The first clause of this provision, relating to the irrevocable desig-
197 nation of beneficiary, may be omitted at the insurer's option.)

198 (B) Other provisions. Except as provided in paragraph (C) of
199 this section, no such policy delivered or issued for delivery to any
200 person in this state shall contain provisions respecting the matters set
201 forth below unless such provisions are in the words in which the same
202 appear in this section; provided, however, that the insurer may, at
203 its option, use in lieu of any such provision a corresponding provision
204 of different wording approved by the commissioner which is not less
205 favorable in any respect to the insured or the beneficiary. Any such
206 provision contained in the policy shall be preceded individually by
207 the appropriate caption appearing in this subsection or, at the option
208 of the insurer, by such appropriate individual or group captions or
209 subcaptions as the commissioner may approve.

210 (1) A provision as follows:

211 Change of occupation: If the insured be injured or contract sick-
212 ness after having changed his occupation to one classified by the
213 insurer as more hazardous than that stated in this policy or while
214 doing for compensation anything pertaining to an occupation so
215 classified, the insurer will pay only such portion of the indemnities
216 provided in this policy as the premium paid would have purchased
217 at the rates and within the limits fixed by the insurer for such more
218 hazardous occupation. If the insured changes his occupation to one
219 classified by the insurer as less hazardous than that stated in this
220 policy, the insurer, upon receipt of proof of such change of occupa-
221 tion, will reduce the premium rate accordingly, and will return the
222 excess pro-rata unearned premium from the date of change of occupa-
223 tion or from the policy anniversary date immediately preceding
224 receipt of such proof, whichever is the more recent. In applying this
225 provision, the classification of occupational risk and the premium
226 rates shall be such as have been last filed by the insurer prior to the
227 occurrence of the loss for which the insurer is liable or prior to date
228 of proof of change in occupation with the state official having super-
229 vision of insurance in the state where the insured resided at the time
230 this policy was issued; but if such filing was not required, then the
231 classification of occupational risk and the premium rates shall be

232 those last made effective by the insurer in such state prior to the oc-
233 currence of the loss or prior to the date of proof of change in occu-
234 pation.

235 (2) A provision as follows:

236 Misstatement of age: If the age of the insured has been misstated,
237 all amounts payable under this policy shall be such as the premium
238 paid would have purchased at the correct age.

239 (3) A provision as follows:

240 Other insurance in this insurer: If an accident or sickness or ac-
241 cident and sickness policy or policies previously issued by the insurer
242 to the insured be in force concurrently herewith, making the aggre-
243 gate indemnity for (insert type of coverage or coverages)
244 in excess of \$..... (insert maximum limit of indemnity or
245 indemnities) the excess insurance shall be void and all premiums paid
246 for such excess shall be returned to the insured or to his estate.

247 or, in lieu thereof:

248 Insurance effective at any one time on the insured under a like
249 policy or policies in this insurer is limited to the one such policy
250 elected by the insured, his beneficiary or his estate, as the case may
251 be, and the insurer will return all premiums paid for all other such
252 policies.

253 (4) A provision as follows:

254 Insurance with other insurers: If there be other valid coverage,
255 not with this insurer, providing benefits for the same loss on a provi-
256 sion of service basis or on an expense incurred basis and of which this
257 insurer has not been given written notice prior to the occurrence or
258 commencement of loss, the only liability under any expense incurred
259 coverage of this policy shall be for such proportion of the loss as the
260 amount which would otherwise have been payable hereunder plus the
261 total of the like amounts under all such other valid coverages for the
262 same loss of which this insurer had notice bears to the total like
263 amounts under all valid coverages for such loss, and for the return of
264 such portion of the premiums paid as shall exceed the pro-rata portion
265 for the amount so determined. For the purpose of applying this provi-
266 sion when other coverage is on a provision of service basis, the "like
267 amount" of such other coverage shall be taken as the amount which
268 the services rendered would have cost in the absence of such coverage.

269 (If the foregoing policy provision is included in a policy which also
270 contains the next following policy provision there shall be added to
271 the caption of the foregoing provision the phrase "—expense incurred
272 benefits". The insurer may, at its option, include in this provision a
273 definition of "other valid coverage", approved as to form by the com-
274 missioner, which definition shall be limited in subject matter to cover-
275 age provided by organizations subject to regulation by insurance law
276 or by insurance authorities of this or any other state of the United
277 States or any province of Canada, and by hospital or medical service
278 organizations, and to any other coverage the inclusion of which may
279 be approved by the commissioner. In the absence of such definition
280 such term shall not include group insurance, automobile medical pay-
281 ments insurance, or coverage provided by hospital or medical service
282 organizations or by union welfare plans or employer or employee
283 benefit organizations. For the purpose of applying the foregoing

284 policy provision with respect to any insured, any amount of benefit
285 provided for such insured pursuant to any compulsory benefit statute
286 (including any workmen's compensation or employer's liability
287 statute) whether provided by a governmental agency or otherwise
288 shall in all cases be deemed to be "other valid coverage" of which the
289 insurer has had notice. In applying the foregoing policy provision no
290 third party liability coverage shall be included as "other valid cover-
291 age".)

292 (5) A provision as follows:

293 Insurance with other insurers: If there be other valid coverage,
294 not with this insurer, providing benefits for the same loss on other
295 than an expense incurred basis and of which this insurer has not been
296 given written notice prior to the occurrence or commencement of loss,
297 the only liability for such benefits under this policy shall be for such
298 proportion of the indemnities otherwise provided hereunder for such
299 loss as the like indemnities of which the insurer had notice (including
300 the indemnities under this policy) bear to the total amount of all like
301 indemnities for such loss, and for the return of such portion of the
302 premium paid as shall exceed the pro-rata portion for the indemnities
303 thus determined.

304 (If the foregoing policy provision is included in a policy which also
305 contains the next preceding policy provision there shall be added to
306 the caption of the foregoing provision the phrase "—other benefits".
307 The insurer may, at its option, include in this provision a definition of
308 "other valid coverage", approved as to form by the commissioner,
309 which definition shall be limited in subject matter to coverage pro-
310 vided by organizations subject to regulation by insurance law or by
311 insurance authorities of this or any other state of the United States or
312 any province of Canada, and to any other coverage the inclusion of
313 which may be approved by the commissioner. In the absence of such
314 definition such term shall not include group insurance, or benefits
315 provided by union welfare plans or by employer or employee benefit
316 organizations. For the purpose of applying the foregoing policy
317 provision with respect to any insured, any amount of benefit provided
318 for such insured pursuant to any compulsory benefit statute (in-
319 cluding any workmen's compensation or employer's liability statute)
320 whether provided by a governmental agency or otherwise shall in all
321 cases be deemed to be "other valid coverage" of which the insurer
322 has had notice. In applying the foregoing policy provision no third
323 party liability coverage shall be included as "other valid coverage".)

324 (6) A provision as follows:

325 Relation of earnings to insurance: If the total monthly amount of
326 loss of time benefits promised for the same loss under all valid loss
327 of time coverage upon the insured, whether payable on a weekly or
328 monthly basis, shall exceed the monthly earnings of the insured at
329 the time disability commenced or his average monthly earnings for
330 the period of two years immediately preceding a disability for which
331 claim is made, whichever is the greater, the insurer will be liable only
332 for such proportionate amount of such benefits under this policy as
333 the amount of such monthly earnings or such average monthly earn-
334 ings of the insured bears to the total amount of monthly benefits for
335 the same loss under all such coverage upon the insured at the time
336 such disability commences and for the return of such part of the

337 premiums paid during such two years as shall exceed the pro-rata
338 amount of the premiums for the benefits actually paid hereunder;
339 but this shall not operate to reduce the total monthly amount of
340 benefits payable under all such coverage upon the insured below the
341 sum of two hundred dollars or the sum of the monthly benefits speci-
342 fied in such coverages, whichever is the lesser, nor shall it operate to
343 reduce benefits other than those payable for loss of time.

344 (The foregoing policy provision may be inserted only in a policy
345 which the insured has the right to continue in force subject to its
346 terms by the timely payment of premiums (1) until at least age 50 or,
347 (2) in the case of a policy issued after age 44, for at least five years
348 from its date of issue. The insurer may, at its option, include in this
349 provision a definition of "valid loss of time coverage", approved as to
350 form by the commissioner, which definition shall be limited in subject
351 matter to coverage provided by governmental agencies or by organ-
352 izations subject to regulation by insurance law or by insurance au-
353 thorities of this or any other state of the United States or any
354 province of Canada, or to any other coverage the inclusion of which
355 may be approved by the commissioner or any combination of such
356 coverages. In the absence of such definition such term shall not
357 include any coverage provided for such insured pursuant to any com-
358 pulsory benefit statute (including any workmen's compensation or
359 employer's liability statute), or benefits provided by union welfare
360 plans or by employer or employee benefit organizations.)

361 (7) A provision as follows:

362 Unpaid premium: Upon the payment of a claim under this policy,
363 any premium then due and unpaid or covered by any note or written
364 order may be deducted therefrom.

365 (8) A provision as follows:

366 Cancellation: The insurer may cancel this policy at any time by
367 written notice delivered to the insured, or mailed to his last address
368 as shown by the records of the insurer, stating when, not less than
369 five days thereafter, such cancellation shall be effective; and after
370 the policy has been continued beyond its original term the insured
371 may cancel this policy at any time by written notice delivered or
372 mailed to the insurer, effective upon receipt or on such later date as
373 may be specified in such notice. In the event of cancellation, the in-
374 surer will return promptly the unearned portion of any premium
375 paid. If the insured cancels, the earned premium shall be computed
376 by the use of the short-rate table last filed with the state official having
377 supervision of insurance in the state where the insured resided when
378 the policy was issued. If the insurer cancels, the earned premium
379 shall be computed pro-rata. Cancellation shall be without prejudice to
380 any claim originating prior to the effective date of cancellation.

381 (9) A provision as follows:

382 Conformity with state statutes: Any provision of this policy
383 which, on its effective date, is in conflict with the statutes of the
384 state in which the insured resides on such date is hereby amended
385 to conform to the minimum requirements of such statutes.

386 (10) A provision as follows:

387 Illegal occupation: The insurer shall not be liable for any loss to
388 which a contributing cause was the insured's commission of or

389 attempt to commit a felony or to which a contributing cause was the
390 insured's being engaged in an illegal occupation.

391 (11) A provision as follows:

392 Intoxicants and narcotics: The insurer shall not be liable for any
393 loss sustained or contracted in consequence of the insured's being
394 intoxicated or under the influence of any narcotic unless administered
395 on the advice of a physician.

396 (C) Inapplicable or inconsistent provisions. If any provision
397 of this section is in whole or in part inapplicable to or inconsistent
398 with the coverage provided by a particular form of policy the insurer,
399 with the approval of the commissioner, shall omit from such policy
400 any inapplicable provision or part of a provision, and shall modify
401 any inconsistent provision or part of the provision in such manner as
402 to make the provision as contained in the policy consistent with the
403 coverage provided by the policy.

404 (D) Order of certain policy provisions. The provisions which
405 are the subject of subsections (A) and (B) of this section, or any cor-
406 responding provisions which are used in lieu thereof in accordance
407 with such subsections, shall be printed in the consecutive order of
408 the provisions in such subsections or, at the option of the insurer, any
409 such provision may appear as a unit in any part of the policy, with
410 other provisions to which it may be logically related, provided the
411 resulting policy shall not be in whole or in part unintelligible, un-
412 certain, ambiguous, abstruse, or likely to mislead a person to whom
413 the policy is offered, delivered or issued.

414 (E) Third party ownership. The word "insured", as used in this
415 act, shall not be construed as preventing a person other than the in-
416 sured with a proper insurable interest from making application for
417 and owning a policy covering the insured or from being entitled
418 under such a policy to any indemnities, benefits and rights provided
419 therein.

420 (F) Requirements of other jurisdictions.

421 (1) Any policy of a foreign or alien insurer, when delivered or
422 issued for delivery to any person in this state, may contain any pro-
423 vision which is not less favorable to the insured or the beneficiary
424 than the provisions of this Act and which is prescribed or required
425 by the law of the state under which the insurer is organized.

426 (2) Any policy of a domestic insurer may, when issued for de-
427 livery in any other state or country, contain any provision permitted
428 or required by the laws of such other state or country.

429 (G) Filing procedure. The commissioner may make such reason-
430 able rules and regulations concerning the procedure for the filing or
431 submission of policies subject to this Act as are necessary, proper
432 or advisable to the administration of this Act. This provision shall
433 not abridge any other authority granted the commissioner by law.

1 SEC. 4. Conforming to statute.

2 (A) Other policy provisions. No policy provision which is not
3 subject to section 3 of this Act shall make a policy, or any portion

4 thereof, less favorable in any respect to the insured or the beneficiary
5 than the provisions thereof which are subject to this Act.

6 (B) Policy conflicting with this Act. A policy delivered or issued
7 for delivery to any person in this state in violation of this Act shall
8 be held valid but shall be construed as provided in this Act. When
9 any provision in a policy subject to this Act is in conflict with any
10 provision of this Act, the rights, duties and obligations of the insurer,
11 the insured and the beneficiary shall be governed by the provisions
12 of this Act.

1 SEC. 5. Application.

2 (A) The insured shall not be bound by any statement made in an
3 application for a policy unless a copy of such application is attached
4 to or endorsed on the policy when issued as a part thereof. If any
5 such policy delivered or issued for delivery to any person in this
6 state shall be reinstated or renewed, and the insured or the beneficiary
7 or assignee of such policy shall make written request to the insurer
8 for a copy of the application, if any, for such reinstatement or re-
9 newal, the insurer shall within fifteen days after the receipt of such
10 request at its home office or any branch office of the insurer, deliver
11 or mail to the person making such request, a copy of such application.
12 If such copy shall not be so delivered or mailed, the insurer shall be
13 precluded from introducing such application as evidence in any action
14 or proceeding based upon or involving such policy or its reinstatement
15 or renewal.

16 (B) No alteration of any written application for any such policy
17 shall be made by any person other than the applicant without his
18 written consent, except that insertions may be made by the insurer,
19 for administrative purposes only, in such manner as to indicate clear-
20 ly that such insertions are not to be ascribed to the applicant.

21 (C) The falsity of any statement in the application for any policy
22 covered by this Act may not bar the right to recovery thereunder
23 unless such false statement materially affected either the acceptance
24 of the risk or the hazard assumed by the insurer.

1 SEC. 6. Notice, waiver. The acknowledgement by any insurer of
2 the receipt of notice given under any policy covered by this Act, or
3 the furnishing of forms for filing proofs of loss, or the acceptance
4 of such proofs, or the investigation of any claim thereunder shall not
5 operate as a waiver of any of the rights of the insurer in defense of
6 any claim arising under such policy.

1 SEC. 7. Age limit. If any such policy contains a provision estab-
2 lishing, as an age limit or otherwise, a date after which the coverage
3 provided by the policy will not be effective, and if such date falls
4 within a period for which premium is accepted by the insurer or if
5 the insurer accepts a premium after such date, the coverage provided
6 by the policy will continue in force subject to any right of cancella-
7 tion until the end of the period for which premium has been accepted.
8 In the event the age of the insured has been misstated and if, accord-
9 ing to the correct age of the insured, the coverage provided by the
10 policy would not have become effective, or would have ceased prior to
11 the acceptance of such premium or premiums, then the liability of the

12 insurer shall be limited to the refund, upon request, of all premiums
13 paid for the period not covered by the policy.

1 SEC. 8. Non-application to certain policies. Nothing in this Act
2 shall apply to or affect (1) any policy of workmen's compensation
3 insurance or any policy of liability insurance with or without supple-
4 mentary expense coverage therein; or (2) any policy or contract of
5 reinsurance; or (3) any blanket or group policy of insurance; or (4)
6 life insurance, endowment or annuity contracts, or contracts supple-
7 mental thereto which contain only such provisions relating to accident
8 and sickness insurance as (a) provide additional benefits in case of
9 death or dismemberment or loss of sight by accident, or as (b) oper-
10 ate to safeguard such contracts against lapse, or to give a special
11 surrender value or special benefit or an annuity in the event that
12 the insured or annuitant shall become totally and permanently dis-
13 abled, as defined by the contract or supplemental contract.

1 SEC. 9. Violation. Any person, partnership or corporation will-
2 fully violating any provision of this Act or order of the commissioner
3 made in accordance with this Act, shall forfeit to the people of the
4 state a sum not to exceed \$100.00 for each such violation, which may
5 be recovered by a civil action. The commissioner may also suspend
6 or revoke the license of an insurer or agent for any such willful vio-
7 lation.

1 SEC. 10. Judicial review. Any order or decision of the commis-
2 sioner under this Act shall be subject to review by appeal (writ of
3 certiorari) to the District Court at the instance of any party in in-
4 terest. The filing of the appeal (petition for such writ) shall operate
5 as a stay of any such order or decision until the Court directs other-
6 wise. The Court may review all the facts and, in disposing of the
7 issue before it, may modify, affirm or reverse the order or decision
8 of the commissioner in whole or in part.

1 SEC. 11. Section five hundred eleven point thirty-six (511.36),
2 of the Code 1950, is hereby repealed.

1 SEC. 12. If any section, subsection, paragraph, sentence, clause
2 or phrase of this Act is for any reason held to be unconstitutional or
3 invalid, such unconstitutionality or invalidity shall not affect the con-
4 stitutionality or validity of the remaining portions of this Act.

1 SEC. 13. Inconsistent acts not applicable. Except as provided in
2 Section 12 of this Act, all acts or parts of acts inconsistent with this
3 Act shall not apply to the provisions hereof to the extent of said in-
4 consistency.

1 SEC. 14. Title and effective date of Act. This Act may be cited
2 as the Uniform Individual Accident and Sickness Act. This Act shall
3 take effect on the 4th day of July, 1951. A policy, rider or endorse-
4 ment, which could have been lawfully used or delivered or issued for
5 delivery to any person in this state immediately before the effective
6 date of this Act may be used or delivered or issued for delivery to any
7 such person during five years after the effective date of this Act with-
8 out being subject to the provisions of sections 2, 3 or 4 of this Act.

Approved April 6, 1951.