

**40-423. Same; contents of industrial life insurance policy; exceptions; surrender.** From and after the first day of July, 1947, no policy of industrial life insurance shall be delivered or issued for delivery in this state, unless the same shall contain, in substance, the following provisions, and shall be subject to the provisions of this act:

(1) A provision that the insured is entitled to a grace period of four weeks within which the payment of any premium after the first may be made, during which period of grace the policy shall continue in full force, but in case the policy becomes a claim during said grace period before the overdue premiums are paid, the amount of overdue premiums may be deducted in any settlement under the policy.

(2) A provision that all premiums shall be payable in advance, either at the office of the company or to a duly authorized agent of the company.

(3) A provision that, except as otherwise expressly provided by law, the policy together with the application, if a copy thereof be endorsed thereupon or attached to the policy, shall constitute the entire contract between the parties.

(4) A provision that the policy shall be incontestable after it has been in force during the lifetime of the insured for a period of not more than two years from its date, except for nonpayment of premiums and except for violations of conditions, if any, relating to naval or military service in time of war or to aeronautics and, except also at the option of the company, with respect to provisions relative to benefits in the event of total and permanent disability and provisions which grant additional insurance specifically against death by accident or accidental means.

(5) A provision that if it shall be found at any time before final settlement under the policy, that the age of the insured or the age of any other person considered in determining the premium has been misstated, the amount payable under the policy shall be such as the premium would have purchased at the correct age or ages, according to the company's published rate at date of issue.

(6) If a participating policy, a provision indicating the conditions under which the company shall annually ascertain and apportion any divisible surplus accruing on the policy.

(7) A provision for nonforfeiture benefits (which may be a stipulated form of insurance) in accordance with the requirements of subsection (b) of K.S.A. 40-427 or 40-428.

(8) If more than one option is provided, a provision as to which of such options shall apply in the event of the insured's failure to notify the company of his selection of an option.

(9) A provision for cash surrender values in accordance with the requirements of subsection (b) of K.S.A. 40-427 or 40-428.

(10) A table showing in figures the nonforfeiture options available under the policy every year upon default in payment of premiums during at least the first twenty years of the policy, or during the premium-paying period if less than twenty years, and a provision that the company will furnish upon request an extension of such table beyond the years shown in the policy.

(11) A provision that if in event of default in premium payments the value of the policy shall have been applied to the purchase of other insurance as provided in this section, and if such insurance shall be in force and the original policy shall not have been surrendered to the company and canceled, the policy may be reinstated within two years from such default, upon evidence of insurability satisfactory to the company and payment of arrears of premiums and the payment or reinstatement of any other indebtedness to the company upon said policy, with interest on said premiums and indebtedness at a rate of not exceeding six percentum per annum payable annually, and that such reinstated policy may be contestable on account of fraud or misrepresentations of material facts pertaining to the reinstatement only for the same period of time after reinstatement as provided in the policy with respect to original issue.

(12) A provision that when a policy shall become a claim by the death of the insured, settlement shall be made upon receipt of due proof of death.

(13) A title on the face and on the back of the policy, briefly describing its form.

Any of the foregoing provisions or portions thereof, not applicable to single-premium or nonparticipating or term policies, shall to that extent not be incorporated therein. The provisions of this section shall not apply to policies issued or granted in exchange for lapsed or surrendered policies: Provided, That any stipulated form of insurance provided for under subsection (7) of this section, may be surrendered for a cash surrender value, in an amount and under the conditions specified in subsection (b) of K.S.A. 40-427 or 40-428 (the standard nonforfeiture law).

**History:** L. 1941, ch. 258, § 2; L. 1947, ch. 277, § 6; July 1.