

January 29, 1951.
Insurance.

House File 238
By SCHWENGEL.

Passed House, Date
Vote: Ayes..... Nays.....
Passed Senate, Date.....
Vote: Ayes..... Nays.....
Approved

A BILL FOR

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
2 policy. The term "policy of accident and sickness insurance" as
3 used herein includes any policy or contract covering insurance
4 against loss resulting from sickness or from bodily injury or
5 death by accident, or both. For the purpose of this Act the
6 words "policy of accident and sickness insurance" are inter-
7 changeable without deviation of meaning with the words "policy
8 of accident and health insurance" or the words "policy of accident
9 or health insurance". The provisions of this Act shall apply
10 to all individual policies of such accident and sickness insurance
11 as are written by Iowa or non-Iowa companies or associations duly
12 licensed under the provisions of either chapter five hundred eight
13 (508), five hundred ten (510), five hundred fifteen (515) or five
14 hundred twenty (520) of the Code 1950, also, societies, orders or
15 associations licensed under the provisions of chapter five hundred

16 twelve (512) of the Code 1950 writing sickness and accident policies
17 providing benefits for loss of time.

1 Sec. 2. Form of policy.

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

5 (1) the entire money and other considerations therefor are
6 expressed therein; and

7 (2) the time at which the insurance takes effect and ter-
8 minates is expressed therein; and

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

16 (4) the style, arrangement and over-all appearance of the
17 policy give no undue prominence to any portion of the text, and
18 unless every printed portion of the text of the policy and of any
19 endorsements or attached papers is plainly printed in light-faced
20 type of a style in general use, the size of which shall be uniform
21 and not less than ten-point with a lower-case unspaced alphabet
22 length not less than one hundred and twenty-point (the "text"
23 shall include all printed matter except the name and address
24 of the insurer, name or title of the policy, the brief description

25 if any, and captions and subcaptions) ; and

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

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

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

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

51 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
3 (C) of this section each such policy delivered or issued for
4 delivery to any person in this state shall contain the provisions
5 specified in this subsection in the words in which the same appear
6 in this section; provided, however, that the insurer may, at its
7 option, substitute for one or more of such provisions corres-
8 ponding provisions of different wording approved by the
9 commissioner which are in each instance not less favorable in
10 any respect to the insured or the beneficiary. Such provisions
11 shall be preceded individually by the caption appearing in this
12 subsection or, at the option of the insurer, by such appropriate
13 individual or group captions or subcaptions as the commissioner
14 may approve.

15 (1) A provision as follows:

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

23 (2) A provision as follows:

24 Time limit on certain defenses: (a) After three years from
25 the date of issue of this policy no misstatements, except

26 fraudulent misstatements, made by the applicant in the appli-
27 cation for such policy shall be used to void the policy or to
28 deny a claim for loss incurred or disability (as defined in the
29 policy) commencing after the expiration of such three year period.

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

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

43 After this policy has been in force for a period of three
44 years during the lifetime of the insured (excluding any period
45 during which the insured is disabled), it shall become incon-
46 testable as to the statements contained in the application.)

47 (b) No claim for loss incurred or disability (as defined
48 in the policy) commencing after three years from the date of
49 issue of this policy shall be reduced or denied on the ground
50 that a disease or physical condition not excluded from coverage
51 by name or specific description effective on the date of loss had

52 existed prior to the effective date of coverage of this policy.

53 (3) A provision as follows:

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

59 (A policy which contains a cancellation provision may add,
60 at the end of the above provision, subject to the right of the
61 insurer to cancel in accordance with the cancellation provision
62 hereof.

63 A policy in which the insurer reserves the right to refuse
64 any renewal shall have, at the beginning of the above provision,

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

70 (4) A provision as follows:

71 Reinstatement: If any renewal premium be not paid within
72 the time granted the insured for payment, a subsequent accep-
73 tance of premium by the insurer or by any agent duly authorized
74 by the insurer to accept such premium, without requiring in
75 connection therewith an application for reinstatement, shall
76 reinstate the policy; provided, however, that if the insurer
77 or such agent requires an application for reinstatement and

78 issues a conditional receipt for the premium tendered, the
79 policy will be reinstated upon approval of such application by
80 the insurer or, lacking such approval, upon the forty-fifth day
81 following the date of such conditional receipt unless the insurer
82 has previously notified the insured in writing of its disapproval
83 of such application. The reinstated policy shall cover only loss
84 resulting from such accidental injury as may be sustained after
85 the date of reinstatement and loss due to such sickness as may
86 begin more than ten days after such date. In all other respects
87 the insured and insurer shall have the same rights thereunder as
88 they had under the policy immediately before the due date of the
89 defaulted premium, subject to any provisions endorsed hereon
90 or attached hereto in connection with the reinstatement. Any
91 premium accepted in connection with a reinstatement shall be
92 applied to a period for which premium has not been previously
93 paid, but not to any period more than sixty days prior to the date
94 of reinstatement.

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

100 (5) A provision as follows:

101 Notice of claim: Written notice of claim must be given to
102 the insurer within twenty days after the occurrence or commence-
103 ment of any loss covered by the policy, or as soon thereafter as

104 is reasonably possible. Notice is given by or on behalf of the
 105 insured or the beneficiary to the insurer at
 106 (insert the location of such office as the insurer may designate
 107 for the purpose), or to any authorized agent of the insurer,
 108 with information sufficient to identify the insured, shall be
 109 deemed notice to the insurer.

110 (In a policy providing a loss-of-time benefit which may be
 111 payable for at least two years, an insurer may at its option
 112 insert the following between the first and second sentences of
 113 the above provision:

114 Subject to the qualifications set forth below, if the in-
 115 sured suffers loss of time on account of disability for which
 116 indemnity may be payable for at least two years, he shall, at
 117 least once in every six months after having given notice of
 118 claim, give to the insurer notice of continuance of said dis-
 119 ability, except in the event of legal incapacity. The period
 120 of six months following any filing of proof by the insured or
 121 any payment by the insurer on account of such claim or any
 122 denial of liability in whole or in part by the insurer shall
 123 be excluded in applying this provision. Delay in the giving of
 124 such notice shall not impair the insured's right to any indemnity
 125 which would otherwise have accrued during the period of six
 126 months preceding the date on which such notice is actually given.)

127 (6) A provision as follows:

128 Claim Forms: The insurer, upon receipt of a notice of
 129 claim, will furnish to the claimant such forms as are usually

130 furnished by it for one filing proofs of loss. If such forms are
131 not furnished within fifteen days after the giving of such notice
132 the claimant shall be deemed to have complied with the require-
133 ments of this policy as to proof of loss upon submitting, within
134 the time fixed in the policy for filing proofs of loss, written
135 proof covering the occurrence, the character and the extent of
136 the loss for which claim is made.

137 (7) A provision as follows:

138 Proofs of loss: Written proof of loss must be furnished to
139 the insurer at its said office in case of claim for loss for
140 which this policy provides any periodic payment contingent upon
141 continuing loss within ninety days after the termination of the
142 period for which the insurer is liable and in case of claim for
143 any other loss within ninety days after the date of such loss.
144 Failure to furnish such proof within the time required shall not
145 invalidate nor reduce any claim if it was not reasonably possible
146 to give proof within such time, provided such proof is furnished
147 as soon as reasonably possible and in no event, except in the
148 absence of legal capacity, later than one year from the time
149 proof is otherwise required.

150 (8) A provision as follows:

151 Time of payment of claims: Indemnities payable under this
152 policy for any loss other than loss for which this policy provides
153 any periodic payment will be paid immediately upon receipt of
154 due written proof of such loss. Subject to due written proof of
155 loss, all accrued indemnities for loss for which this policy

156 provides periodic payment will be paid (insert period
157 for payment which must not be less frequently than monthly) and
158 any balance remaining unpaid upon the termination of liability
159 will be paid immediately upon receipt of due written proof.

160 (9) A provision as follows: .

161 Payment of claims: Indemnity for loss of life will be
162 payable in accordance with the beneficiary designation and the
163 provisions respecting such payment which may be prescribed herein
164 and effective at the time of payment. If no such designation or
165 provision is then effective, such indemnity shall be payable to
166 the estate of the insured. Any other accrued indemnities unpaid
167 at the insured's death may, at the option of the insurer, be
168 paid either to such beneficiary or to such estate. All other
169 indemnities will be payable to the insured.

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

172 If any indemnity of this policy shall be payable to the
173 estate of the insured, or to an insured or beneficiary who is
174 a minor or otherwise not competent to give a valid release, the
175 insurer may pay such indemnity, up to an amount not exceeding
176 \$..... (insert an amount which shall not exceed \$1,000), to
177 any relative by blood or connection by marriage of the insured or
178 beneficiary who is deemed by the insurer to be equitably entitled
179 thereto. Any payment made by the insurer in good faith pursuant
180 to this provision shall fully discharge the insurer to the extent
181 of such payment.

182 Subject to any written direction of the insured in the
183 application or otherwise all or a portion of any indemnities
184 provided by this policy on account of hospital, nursing, medical,
185 or surgical services may, at the insurer's option and unless
186 the insured requests otherwise in writing not later than the time
187 of filing proofs of such loss, be paid directly to the hospital
188 or person rendering such services; but it is not required that
189 the service be rendered by a particular hospital or person.)

190 (10) A provision as follows:

191 Physical examinations and autopsy: The insurer at its own
192 expense shall have the right and opportunity to examine the
193 person of the insured when and as often as it may reasonably
194 require during the pendency of a claim hereunder and to make an
195 autopsy in case of death where it is not forbidden by law.

196 (11) A provision as follows:

197 Legal actions: No action at law or in equity shall be
198 brought to recover on this policy prior to the expiration of
199 sixty days after written proof of loss has been furnished in
200 accordance with the requirements of this policy. No such action
201 shall be brought after the expiration of three years after the
202 time written proof of loss is required to be furnished.

203 (12) A provision as follows:

204 Change of beneficiary: Unless the insured makes an irre-
205 vocable designation of beneficiary, the right to change of
206 beneficiary is reserved to the insured and the consent of the
207 beneficiary or beneficiaries shall not be requisite to surrender

208 or assignment of this policy or to any change of beneficiary or
209 beneficiaries, or to any other changes in this policy.

210 (The first clause of this provision, relating to the irre-
211 vocable designation of beneficiary, may be omitted at the in-
212 surer's option.)

213 (B) Other provisions. Except as provided in paragraph

214 (C) of this section, no such policy delivered or issued for
215 delivery to any person in this state shall contain provisions
216 respecting the matters set forth below unless such provisions
217 are in the words in which the same appear in this section ;
218 provided, however, that the insurer may, at its option, use in
219 lieu of any such provision a corresponding provision of different
220 wording approved by the commissioner which is not less favorable
221 in any respect to the insured or the beneficiary. Any such
222 provision contained in the policy shall be preceded individually
223 by the appropriate caption appearing in this subsection or, at
224 the option of the insurer, by such appropriate individual or
225 group captions or subcaptions as the commissioner may approve.

226 (1) A provision as follows:

227 Change of occupation: If the insured be injured or contract
228 sickness after having changed his occupation to one classified
229 by the insurer as more hazardous than that stated in this policy
230 or while doing for compensation anything pertaining to an occu-
231 pation so classified, the insurer will pay only such portion of
232 the indemnities provided in this policy as the premium paid would
233 have purchased at the rates and within the limits fixed by the

234 insurer for such more hazardous occupation. If the insured
235 changes his occupation to one classified by the insurer as less
236 hazardous than that stated in this policy, the insurer, upon
237 receipt of proof of such change of occupation, will reduce the
238 premium rate accordingly, and will return the excess pro-rata
239 unearned premium from the date of change of occupation or from
240 the policy anniversary date immediately preceding receipt of such
241 proof, whichever is the more recent. In applying this provision,
242 the classification of occupational risk and the premium rates
243 shall be such as have been last filed by the insurer prior to the
244 occurrence of the loss for which the insurer is liable or prior
245 to date of proof of change in occupation with the state official
246 having supervision of insurance in the state where the insured
247 resided at the time this policy was issued; but if such filing
248 was not required, then the classification of occupational risk
249 and the premium rates shall be those last made effective by the
250 insurer in such state prior to the occurrence of the loss or
251 prior to the date of proof of change of occupation.

252 (2) A provision as follows:

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

256 (3) A provision as follows:

257 Other insurance in this insurer: If an accident or sickness
258 or accident and sickness policy or policies previously issued by
259 the insurer to the insured be in force concurrently herewith,

260 making the aggregate indemnity for (insert type of
 261 coverage or coverages) in excess of \$...... (insert
 262 maximum limit of indemnity or indemnities) the excess insurance
 263 shall be void and all premiums paid for such excess shall be
 264 returned to the insured or to his estate.

265 or, in lieu thereof:

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

271 (4) A provision as follows:

272 Insurance with other insurers: If there be other valid
 273 coverage, not with this insurer, providing benefits for the same
 274 loss on a provision of service basis or on an expense incurred
 275 basis and of which this insurer has not been given written
 276 notice prior to the occurrence or commencement of loss, the only
 277 liability under any expense incurred coverage of this policy shall
 278 be for such proportion of the loss as the amount which would
 279 otherwise have been payable hereunder plus the total of the like
 280 amounts under all such other valid coverages for the same loss
 281 of which this insurer had notice bears to the total like amounts
 282 under all valid coverages for such loss, and for the return of
 283 such portion of the premiums paid as shall exceed the pro-rata
 284 portion for the amount so determined. For the purpose of apply-
 285 ing this provision when other coverage is on a provision of

286 service basis the “like amount” of such other coverage shall
287 be taken as the amount which the services rendered would have
288 cost in the absence of such coverage.

289 (If the foregoing policy provision is included in a policy
290 which also contains the next following policy provision there
291 shall be added to the caption of the foregoing provision the
292 phrase “—expense incurred benefits”. The insurer may, at its
293 option, include in this provision a definition of “other valid
294 coverage”, approved as to form by the commissioner, which defini-
295 tion shall be limited in subject matter to coverage provided by
296 organizations subject to regulation by insurance law or by
297 insurance authorities of this or any other state of the United
298 States or any province of Canada, and by hospital or medical
299 service organizations, and to any other coverage the inclusion
300 of which may be approved by the commissioner. In the absence
301 of such definition such term shall not include group insurance,
302 automobile medical payments insurance, or coverage provided by
303 hospital or medical service organizations or by union welfare
304 plans or employer or employee benefit organizations. For the
305 purpose of applying the foregoing policy provision with respect
306 to any insured, any amount of benefit provided for such insured
307 pursuant to any compulsory benefit statute (including any work-
308 men’s compensation or employer’s liability statute) whether
309 provided by a governmental agency or otherwise shall in all
310 cases be deemed to be “other valid coverage” of which the insurer
311 has had notice. In applying the foregoing policy provision no

312 third party liability coverage shall be included as “other valid
313 coverage”.)

314 (5) A provision as follows:

315 Insurance with other insurers: If there by other valid
316 coverage, not with this insurer, providing benefits for the
317 same loss on other than an expense incurred basis and of which
318 this insurer has not been given written notice prior to the
319 occurrence or commencement of loss, the only liability for such
320 benefits under this policy shall be for such proportion of the
321 indemnities otherwise provided hereunder for such loss as the
322 like indemnities of which the insurer had notice (including the
323 indemnities under this policy) bear to the total amount of all
324 like indemnities for such loss, and for the return of such
325 portion of the premium paid as shall exceed the pro-rata portion
326 for the indemnities thus determined.

327 (If the foregoing policy provision is included in a policy
328 which also contains the next preceding policy provision there
329 shall be added to the caption of the foregoing provision the
330 phrase “—other benefits”. The insurer may, at its option,
331 include in this provision a definition of “other valid coverage”,
332 approved as to form by the commissioner, which definition shall
333 be limited in subject matter to coverage provided by organizations
334 subject to regulation by insurance law or by insurance authorities
335 of this or any other state of the United States or any province
336 of Canada, and to any other coverage the inclusion of which may
337 be approved by the commissioner. In the absence of such defini-

338 tion such term shall not include group insurance, or benefits
339 provided by union welfare plans or by employer or employee
340 benefit organizations. For the purpose of applying the foregoing
341 policy provision with respect to any insured, any amount of
342 benefit provided for such insured pursuant to any compulsory
343 benefit statute (including any workmen's compensation or em-
344 ployer's liability statute) whether provided by a governmental
345 agency or otherwise shall in all cases be deemed to be "other
346 valid insurance" of which the insurer has had notice. In applying
347 the foregoing policy provision no third party liability coverage
348 shall be included as "other valid coverage".)

349 (6) A provision as follows:

350 Relation of earnings to insurance: If the total monthly
351 amount of loss of time benefits promised for the same loss under
352 all valid loss of time coverage upon the insured, whether payable
353 on a weekly or monthly basis, shall exceed the monthly earnings
354 of the insured at the time disability commenced or his average
355 monthly earnings for the period of two years immediately preceding
356 a disability for which claim is made, whichever is the greater,
357 the insurer will be liable only for such proportionate amount of
358 such benefits under this policy as the amount of such monthly
359 earnings or such average monthly earnings of the insured bears
360 to the total amount of monthly benefits for the same loss under
361 all such coverage upon the insured at the time such disability
362 commences and for the return of such part of the premiums paid
363 during such two years as shall exceed the pro-rata amount of the

364 premiums for the benefits actually paid hereunder; but this shall
365 not operate to reduce the total monthly amount of benefits
366 payable under all such coverages upon the insured below the sum
367 of two hundred dollars or the sum of the monthly benefits speci-
368 fied in such coverages, whichever is the lesser, nor shall it
369 operate to reduce benefits other than those payable for loss of
370 time.

371 (The foregoing policy provision may be inserted only in a
372 policy which the insured has the right to continue in force
373 subject to its terms by the timely payment of premiums (1) until
374 at least age 50 or, (2) in the case of a policy issued after age
375 44, for at least five years from its date of issue. The insurer
376 may, at its option, include in this provision a definition of
377 "valid loss of time coverage", approved as to form by the
378 commissioner, which definition shall be limited in subject matter
379 to coverage provided by governmental agencies or by organizations
380 subject to regulation by insurance law or by insurance authorities
381 of this or any other state of the United States or any province
382 of Canada, or to any other coverage the inclusion of which may be
383 approved by the commissioner or any combination of such coverages.
384 In the absence of such definition such term shall not include
385 any coverage provided for such insured pursuant to any compulsory
386 benefit statute (including any workmen's compensation or em-
387 ployer's liability statute), or benefits provided by union
388 welfare plans or by employer or employee benefit organizations.)
389 (7) A provision as follows:

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

393 (8) A provision as follows:

394 Cancellation: The insurer may cancel this policy at any
395 time by written notice delivered to the insured, or mailed to
396 his last address as shown by the records of the insurer, stating
397 when, not less than five days thereafter, such cancellation
398 shall be effective; and after the policy has been continued beyond
399 its original term the insured may cancel this policy at any time
400 by written notice delivered or mailed to the insurer, effective
401 upon receipt or on such later date as may be specified in such
402 notice. In the event of cancellation, the insurer will return
403 promptly the unearned portion of any premium paid. If the insured
404 cancels, the earned premium shall be computed by the use of the
405 short-rate table last filed with the state official having
406 supervision of insurance in the state where the insured resided
407 when the policy was issued. If the insurer cancels, the earned
408 premium shall be computed pro-rata. Cancellation shall be without
409 prejudice to any claim originating prior to the effective date of
500 cancellation.

501 (9) A provision as follows:

502 Conformity with state statutes: Any provision of this
503 policy which, on its effective date, is in conflict with the
504 statutes of the state in which the insured resides on such
505 date is hereby amended to conform to the minimum requirements

506 of such statutes.

507 (10) A provision as follows:

508 Illegal occupation: The insurer shall not be liable for
509 any loss to which a contributing cause was the insured's
510 commission of or attempt to commit a felony or to which a con-
511 tributing cause was the insured's being engaged in an illegal
512 occupation.

513 (11) A provision as follows:

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

518 (C) Inapplicable or inconsistent provisions. If any
519 provision of this section is in whole or in part inapplicable to
520 or inconsistent with the coverage provided by a particular form
521 of policy the insurer, with the approval of the commissioner,
522 shall omit from such policy any inapplicable provision or part of
523 a provision, and shall modify any inconsistent provision or part
524 of this provision in such manner as to make the provision as con-
525 tained in the policy consistent with the coverage provided by
526 the policy.

527 (D) Order of certain policy provisions. The provisions
528 which are the subject of subsections (A) and (B) of this section,
529 or any corresponding provisions which are used in lieu thereof
530 in accordance with such subsections, shall be printed in the
531 consecutive order of the provisions in such subsections or, at

532 the option of the insurer, any such provision may appear as a unit
533 in any part of the policy, with other provisions to which it may
534 be logically related, provided the resulting policy shall not
535 be in whole or in part unintelligible, uncertain, ambiguous,
536 abstruse, or likely to mislead a person to whom the policy is
537 offered, delivered or issued.

538 (E) Third party ownership. The word "insured", as used
539 in this act, shall not be construed as preventing a person other
540 than the insured with a proper insurable interest from making
541 application for and owning a policy covering the insured or from
542 being entitled under such a policy to any indemnities, benefits
543 and rights provided therein.

544 (F) Requirements of other jurisdictions.

545 (1) Any policy of a foreign or alien insurer, when de-
546 livered or issued for delivery to any person in this state, may
547 contain any provision which is not less favorable to the insured
548 or the beneficiary than the provisions of this Act and which is
549 prescribed or required by the law of the state under which the
550 insurer is organized.

551 (2) Any policy of a domestic insurer may, when issued for
552 delivery in any other state or county, contain any provision
553 permitted or required by the laws of such other state or country.

554 (G) Filing procedure. The commissioner may make such
555 reasonable rules and regulations concerning the procedure for
556 the filing or submission of policies subject to this Act as are
557 necessary, proper or advisable to the administration of this Act.

558 This provision shall not abridge any other authority granted the
559 commissioner by law.

1 Sec. 4. Conforming to statute.

2 (A) Other policy provisions. No policy provision which is
3 not subject to section 3 of this Act shall make a policy, or any
4 portion thereof, less favorable in any respect to the insured
5 or the beneficiary than the provisions thereof which are subject
6 to this Act.

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

1 Sec. 5. Application.

2 (A) The insured shall not be bound by any statement made
3 in an application for a policy unless a copy of such application
4 is attached to or endorsed on the policy when issued as a part
5 thereof. If any such policy delivered or issued for delivery to
6 any person in this state shall be reinstated or renewed, and
7 the insured or the beneficiary or assignee of such policy shall
8 make written request to the insurer for a copy of the applica-
9 tion, if any, for such reinstatement or renewal, the insurer
10 shall within fifteen days after the receipt of such request at
11 its home office or any branch office of the insurer, deliver

12 or mail to the person making such request, a copy of such appli-
13 cation. If such copy shall not be so delivered or mailed, the
14 insurer shall be precluded from introducing such application
15 as evidence in any action or proceeding based upon or involving
16 such policy or its reinstatement or renewal.

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

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

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

1 Sec. 7. Age limit. If any such policy contains a provision
2 establishing, as an age limit or otherwise, a date after which
3 the coverage provided by the policy will not be effective, and
4 if such date falls within a period for which premium is accepted
5 by the insurer or if the insurer accepts a premium after such

6 date, the coverage provided by the policy will continue in force
7 subject to any right of cancellation until the end of the period
8 for which premium has been accepted. In the event the age of
9 the insured has been misstated and if, according to the correct
10 age of the insured, the coverage provided by the policy would not
11 have become effective, or would have ceased prior to the
12 acceptance of such premium or premiums, then the liability of
13 the insurer shall be limited to the refund, upon request, of all
14 premiums paid for the period not covered by the policy.

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

1 Sec. 9. Violation. Any person, partnership or corporation
2 willfully violating any provision of this Act or order of the
3 commissioner made in accordance with this Act, shall forfeit to

4 the people of the state a sum not to exceed \$———— for
5 each such violation, which may be recovered by a civil action.
6 The commissioner may also suspend or revoke the license of an
7 insurer or agent for any such willful violation.

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

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

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

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

1 Sec. 14. Title and effective date of Act. This Act may be
2 cited as the Uniform Individual Accident and Sickness Act. This

3 Act shall take effect on the 4th day of July, 1951. A policy,
4 rider or endorsement, which could have been lawfully used or
5 delivered or issued for delivery to any person in this state
6 immediately before the effective date of this Act may be used or
7 delivered or issued for delivery to any such person during five
8 years after the effective date of this Act without being subject
9 to the provisions of sections 2, 3 or 4 of this Act.

EXPLANATION OF H. F. 238

The Accident and Health Committee of the National Association of Insurance Commissioners labored for a number of years to complete a draft of uniform legislation regulating accident and sickness or accident and health policy provisions in the public interest. Insurance departments of every state in the United States, including the Department of Insurance of the State of Iowa, are active participating members in the association. On June 15, 1950, the National Association of Insurance Commissioners adopted the report of the Accident and Health Committee reading as follows:

"The Committee considered the draft of the Uniform Individual Accident and Sickness Policy Provisions Law dated December 5, 1949 which was approved in principle at the December meeting, 1949. Final action on that draft had been postponed to permit it to be thoroughly circulated among the Commissioners and those in the industry interested. Your Committee accepted this draft, a copy of which is attached hereto, as the final draft and recommends its adoption by this Association. It was resolved by this Committee that if the Association should adopt this law each individual Commissioner should be urged to support its passage in his own state if the standard provision law in his state conflicts or if he has no such law.

"Your Committee feels that it would be unfortunate if the adoption of this bill were followed by a failure to enact the legislation on a uniform basis in all of the states where laws do not now permit the approval of policies drawn in accordance with this law. Conflicts in the policy provision requirements of the various states would be a serious blot on the record of state regulation. Thus cooperation by company and department officials is essential to insure uniform adoption. The situation created by the failure to adopt this legislation uniformly would be so intolerable that rejection of the bill by this session would seem preferable."

It is to be noted that the provisions of the bill are not concerned with the insuring or specific benefits provisions of individual accident and sickness policies of insurance.

Numerous states have had on their statute books laws prescribing individual accident and sickness standard policy provisions. Iowa has had no standard policy provisions law relating to accident and sickness policies. The Insurance Department of the State of Iowa believes that it is in the public interest that such a standard provisions law be enacted and favors the adoption of the foregoing bill.