

1937, ch. 196, sec. 98B.

128. No policy of industrial life insurance, excepting policies under which more than one-half the net premium is charged for weekly disability benefits, shall be issued or delivered in the State of Maryland, or shall be issued by a life insurance company organized under the laws of Maryland, after the first day of January, 1938, unless the same shall contain in substance the following:

(A) 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.

(B) A provision that the insured is entitled to a grace period of at least thirty days, or one month, or twenty-eight days, or four weeks of 28 days, in which payment of any premium after the first weekly or monthly premiums may be made, during which period of grace the policy shall continue in force, but in case the policy becomes a claim during the said period of grace before the overdue premium or deferred premium of the current premium period, if any, is paid, the amount of such premium or any overdue premiums, may be deducted from the amount payable under the policy in settlement.

(C) A provision that the policy shall constitute the entire contract between the parties, or a provision that the policy and the application therefor shall constitute the entire contract between the parties; and in the latter case, copy of the application must be attached to or endorsed on the policy, and the policy must contain a provision that all statements made by the insured shall, in the absence of fraud, be deemed to be representations and not warranties.

(D) 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 non-payment of premiums and, at the option of the Company, except for suicide, death incurred in the commission of a felony, violation of the conditions of the policy relating to military or naval service in time of war, and as to provisions relative to the benefits in the event of permanent and total disability and provisions which grant additional insurance specifically against death by accident. Nothing contained in this sub-section shall operate to prevent a Company from adjusting the amount of insurance and non-forfeiture benefits in the event of misstatement of age of the insured, nor shall anything contained in this sub-section apply to an application for reinstatement of a lapsed policy, and a reinstated policy shall be contestable on account of fraud or misrepresentation of material facts pertaining to the reinstatement for the same period after reinstatement as provided in the policy with respect to the original issue.

(E) A provision that if the age of the insured has been misstated, the amount payable under the policy shall be such as the premium paid would have purchased at the correct age.

(F) A provision that in event of default in premium payments, after premium shall have been paid for five full years, the insured shall be automatically entitled to a stipulated form of insurance effective from the due date of the defaulted premium, the net value of which stipulated form of insurance shall not be less than the reserve on the policy at the end of the last completed quarter of the policy year for which premiums have been paid, and on dividend additions thereto, if any, exclusive of any reserve on total and permanent disability and additional accidental death benefits (the