

THE INCONTESTABILITY PROVISION DESCRIBED IN SUBSECTION (A) OF THIS SECTION DOES NOT APPLY TO POLICY PROVISIONS THAT RELATE TO DISABILITY BENEFITS OR TO ADDITIONAL BENEFITS FOR DEATH BY ACCIDENT OR ACCIDENTAL MEANS.

(C) EFFECT.

A PROVISION IN A POLICY OF LIFE INSURANCE THAT PROVIDES THAT THE POLICY IS INCONTESTABLE AFTER A SPECIFIED PERIOD:

(1) PRECLUDES ONLY A CONTEST OF THE VALIDITY OF THE POLICY;
AND

(2) DOES NOT PRECLUDE THE ASSERTION OF DEFENSES BASED ON PROVISIONS IN THE POLICY THAT EXCLUDE OR RESTRICT COVERAGE, WHETHER OR NOT THE RESTRICTIONS OR EXCLUSIONS ARE EXCEPTED IN THE PROVISION.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, §§ 390 and 400.

In subsection (c)(2) of this section, the former phrase "at any time" is deleted as surplusage.

Defined terms: "Life insurance" § 1-101

"Policy" § 1-101

"Premium" § 1-101

16-204. CONTRACT BETWEEN PARTIES; EFFECT OF STATEMENTS IN APPLICATION.

(A) CONTRACT BETWEEN PARTIES.

EACH POLICY OF LIFE INSURANCE SHALL CONTAIN A PROVISION THAT THE POLICY, OR THE POLICY AND THE APPLICATION FOR THE POLICY IF A COPY OF THE APPLICATION IS ENDORSED ON OR ATTACHED TO THE POLICY WHEN ISSUED, CONSTITUTE THE ENTIRE CONTRACT BETWEEN THE PARTIES.

(B) EFFECT OF STATEMENTS IN APPLICATION.

IF THE APPLICATION IS MADE PART OF THE POLICY, THE POLICY SHALL CONTAIN A PROVISION THAT THE STATEMENTS IN THE APPLICATION, IN THE ABSENCE OF FRAUD, ARE CONSIDERED REPRESENTATIONS AND NOT WARRANTIES.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 391.

Defined terms: "Life insurance" § 1-101

"Policy" § 1-101

16-205. MISSTATEMENT OF AGE.

(A) IN GENERAL.

EACH POLICY OF LIFE INSURANCE SHALL CONTAIN A PROVISION THAT IF THE AGE OF THE INSURED OR OF ANY OTHER INDIVIDUAL WHOSE AGE IS CONSIDERED