

(II) NEED NOT CONTAIN THE SAME NONFORFEITURE PROVISIONS REQUIRED FOR INDIVIDUAL LIFE INSURANCE POLICIES.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 426.

In subsection (b)(3) of this section, the former reference to a plan "of insurance" is deleted as implied in the word "plan".

Defined terms: "Commissioner" § 1-101  
"Life insurance" § 1-101  
"Policy" § 1-101

17-302. GRACE PERIOD.

(A) REQUIRED.

EACH POLICY OF GROUP LIFE INSURANCE SHALL CONTAIN A PROVISION THAT THE POLICYHOLDER IS ENTITLED TO A GRACE PERIOD OF 31 DAYS FOR PAYMENT OF ANY PREMIUM DUE EXCEPT THE FIRST PREMIUM.

(B) EFFECT.

THE DEATH BENEFIT COVERAGE CONTINUES IN FORCE DURING THE GRACE PERIOD UNLESS THE POLICYHOLDER HAS GIVEN THE INSURER WRITTEN NOTICE OF DISCONTINUANCE BEFORE THE DATE OF DISCONTINUANCE AND IN ACCORDANCE WITH THE TERMS OF THE POLICY.

(C) PRO RATA PREMIUM.

THE POLICY MAY PROVIDE THAT THE POLICYHOLDER IS LIABLE TO THE INSURER FOR PAYING A PRO RATA PREMIUM FOR THE TIME THE POLICY WAS IN FORCE DURING THE GRACE PERIOD.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 427.

Defined terms: "Insurer" § 1-101  
"Life insurance" § 1-101  
"Policy" § 1-101  
"Premium" § 1-101

17-303. INCONTESTABILITY.

EACH POLICY OF GROUP LIFE INSURANCE SHALL CONTAIN A PROVISION THAT:

(1) THE POLICY IS INCONTESTABLE, EXCEPT FOR NONPAYMENT OF PREMIUMS, AFTER THE POLICY HAS BEEN IN FORCE FOR 2 YEARS AFTER ITS DATE OF ISSUE; AND

(2) A STATEMENT MADE BY AN INSURED UNDER THE POLICY ABOUT INSURABILITY MAY NOT BE USED TO CONTEST THE VALIDITY OF THE INSURANCE AS TO WHICH THE STATEMENT WAS MADE UNLESS: