

**31A-22-407 Reinstatement.**

- (1) Except as provided under Subsection (2), life insurance policies, other than group policies, shall be reinstated upon written application made within three years, or within two years in the case of policies with face amounts under \$5,000, from the date of premium default. The applicant shall produce evidence of insurability satisfactory to the insurer, pay all premiums in arrears, and pay or reinstate any other indebtedness to the insurer upon the policy, all with interest, compounded annually, at a rate not exceeding the rate set by the policy for policy loans compounded annually. If no rate is set in the policy, the commissioner shall adopt a rule which sets the rate the same as under Section 31A-22-402.
- (2) Subsection (1) does not apply if any of these conditions exist:
- (a) The policy has been surrendered for its cash surrender value.
  - (b) The policy's cash surrender value has been exhausted.
  - (c) The paid-up term insurance, if any, has expired.

Enacted by Chapter 242, 1985 General Session