

31A-22-402 Grace period.

- (1)
 - (a) Every life insurance policy other than a group policy shall contain a provision entitling the policyholder to a grace period within which the payment of any premium may be made after the first payment of any premium.
 - (b) During the grace period described in Subsection (1)(a), the policy continues in full force.
- (2) The grace period required by Subsection (1) may not be less than:
 - (a) 31 days; or
 - (b) four weeks for policies whose premiums are payable more frequently than monthly.
- (3) The insurer may impose an interest charge during the grace period not in excess of the interest rate:
 - (a) set by the policy for policy loans; or
 - (b) in the absence of a provision described in Subsection (3)(a), a rate set by the commissioner by rule.
- (4) If a claim arises under the policy during the grace period, an insurer may deduct from the policy proceeds:
 - (a) the amount of any premium due or overdue;
 - (b) interest at the rate provided in this section; and
 - (c) any deferred installment of the annual premium.
- (5) The insurer shall send written notice of termination of coverage:
 - (a) to the policyholder's last-known address; and
 - (b) at least 30 days before the date that the coverage is terminated.

Amended by Chapter 308, 2002 General Session