

**31A-22-403 Incontestability.**

- (1) This section does not apply to group policies.
- (2)
  - (a) Except as provided in Subsection (3), a life insurance policy is incontestable after the policy has been in force for a period of two years from the policy's date of issue:
    - (i) during the lifetime of the insured; or
    - (ii) for a survivorship life insurance policy, during the lifetime of the surviving insured.
  - (b) A life insurance policy shall state that the life insurance policy is incontestable after the time period described in Subsection (2)(a).
- (3)
  - (a) A life insurance policy described in Subsection (2) may be contested for nonpayment of premiums.
  - (b) A life insurance policy described in Subsection (2) may be contested as to:
    - (i) provisions relating to accident and health benefits allowed under Section 31A-22-609; and
    - (ii) additional benefits in the event of death by accident.
  - (c) If a life insurance policy described in Subsection (2) allows the insured, after the policy's issuance and for an additional premium, to obtain a death benefit that is larger than when the policy was originally issued, the payment of the additional increment of benefit is contestable:
    - (i) until two years after the incremental increase of benefits; and
    - (ii) based only on a ground that may arise in connection with the incremental increase.
- (4)
  - (a) A reinstated life insurance policy may be contested:
    - (i) for two years following reinstatement on the same basis as at original issuance; and
    - (ii) only as to matters arising in connection with the reinstatement.
  - (b) Any grounds for contest available at original issuance continue to be available for contest until the policy has been in force for a total of two years:
    - (i) during the lifetime of the insured; and
    - (ii) for a survivorship life insurance policy, during the lifetime of the surviving insured.
- (5)
  - (a) The limitations on incontestability under this section:
    - (i) preclude only a contest of the validity of the policy; and
    - (ii) do not preclude the good faith assertion at any time of defenses based upon provisions in the policy that exclude or qualify coverage, whether or not those qualifications or exclusions are specifically excepted in the policy's incontestability clause.
  - (b) A provision on which the contestable period would normally run may not be reformulated as a coverage exclusion or restriction to take advantage of this Subsection (5).
- (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commissioner may make rules to implement this section.

Amended by Chapter 382, 2008 General Session