

**31A-22-607 Grace period.**

- (1)
  - (a) An individual or franchise accident and health insurance policy shall contain one or more clauses providing for a grace period for premium payment only of:
    - (i) at least 15 days for a weekly or monthly premium policy; and
    - (ii) 30 days for a policy that is not a weekly or monthly premium policy, for each premium after the first premium payment.
  - (b) An insurer may elect to include a grace period that is longer than 15 days for a weekly or monthly policy.
  - (c) An individual or franchise accident and health insurance policy is not in force during a grace period.
  - (d) If an insurer receives payment before a grace period expires, the individual or franchise accident and health insurance policy continues in force with no gap in coverage.
  - (e) If an insurer does not receive payment before a grace period expires, the individual or franchise accident and health insurance policy is terminated as of the last date for which the premium is paid in full.
  - (f) A grace period is not required if the policyholder has requested that the individual or franchise accident and health insurance policy be discontinued.
- (2)
  - (a) A group or blanket accident and health insurance policy shall provide for a grace period of at least 30 days, unless the policyholder gives written notice of discontinuance before the date of discontinuance, in accordance with the policy terms.
  - (b) A group or blanket accident and health insurance policy is in force during a grace period.
  - (c) If an insurer does not receive payment before a grace period expires, the group or blanket accident and health insurance policy is terminated as of the last day of the grace period.
  - (d) A group or blanket accident and health insurance policy may provide for payment of a pro rata premium for the period the group or blanket accident and health insurance policy is in effect during a grace period under this Subsection (2).
- (3) If an insurer has not guaranteed the insured a right to renew an accident and health insurance policy, a grace period beyond the expiration or anniversary date may, if provided in the accident and health insurance policy, be cut off by compliance with the notice provision under Subsection 31A-21-303(4)(b).

Amended by Chapter 284, 2011 General Session