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27 *Be it enacted by the Legislature of the state of Utah:*

28 Section 1. Section 31A-22-402 is amended to read:

29 **31A-22-402. Grace period.**30 (1) (a) Every life insurance policy other than a group policy shall contain a provision
31 entitling the policyholder to a grace period within which the payment of any premium may be
32 made after the first payment of any premium.33 (b) During the grace period described in Subsection (1)(a), the policy continues in full
34 force.

35 (2) The grace period required by Subsection (1) may not be less than:

36 (a) 31 days; or

37 (b) four weeks for policies whose premiums are payable more frequently than monthly.

38 (3) The insurer may impose an interest charge during the grace period not in excess of
39 the interest rate:

40 (a) set by the policy for policy loans; or

41 (b) in the absence of a provision described in Subsection (3)(a), a rate set by the
42 commissioner by rule.43 (4) If a claim arises under the policy during the grace period, an insurer may deduct
44 from the policy proceeds:

45 (a) the amount of any premium due or overdue;

46 (b) interest at the rate provided in this section; and

47 (c) any deferred installment of the annual premium.

48 (5) (a) ~~[(The)]~~ At least 30 days before the day on which the insurer terminates coverage,
49 the insurer shall send written notice of termination of coverage to:50 ~~[(a) to]~~ (i) the policyholder's last-known address; and51 ~~[(b) at least 30 days before the date that the coverage is terminated.]~~52 (ii) a third party designated in accordance with Section 31A-22-430.53 (b) An insurer shall obtain and, upon request, demonstrate proof of delivery for a
54 notice the insurer sends under Subsection (5)(a).54a ↔ (c) Proof of delivery described in Subsection (5)(b) may include a certified mail
54b receipt or, for electronic delivery, a read receipt. ↔

55 Section 2. Section 31A-22-430 is amended to read:

56 **31A-22-430. Policy notification.**