

40-2210. Blanket sickness and accident insurance; payments, when blanket disability income policy is integrated with social security benefits. (A) Blanket sickness and accident insurance is hereby declared to be that form of sickness and accident insurance covering special groups of persons as enumerated in one of the following paragraphs (1) to (8) inclusive: (1) Under a policy or contract issued to any common carrier, or to any operator, owner or lessee of a means of transportation, who or which shall be deemed the policyholder, covering a group defined as all persons who may become passengers on such common carrier or such means of transportation.

(2) Under a policy or contract issued to a college, school or other institutions of learning, a school district or districts, or school jurisdictional unit, or to the head, or principal; or governing board of any such educational unit, who or which shall be deemed the policyholder, covering students, teachers or other employees.

(3) Under a policy or contract issued to any volunteer fire department, first aid, civil defense, or other such volunteer organization, which shall be deemed the policyholder, covering all the members of such department or group, defined by reference to specified hazards incident to an activity or activities or operations sponsored or supervised by such policyholder.

(4) Under a policy or contract issued to a sports team, camp or sponsor thereof, which shall be deemed the policyholder, covering ten (10) or more members, campers, employees, officials or supervisors.

(5) Under a policy or contract issued to an employer, who shall be deemed the policyholder, covering any group of employees, dependents or guests, defined by reference to specified hazards incident to an activity or activities or operations of the policyholder.

(6) Under a policy or contract issued to any religious, charitable, recreational, educational, or civic organization, or branch thereof, which shall be deemed the policyholder, covering any group of members or participants defined by reference to specified hazards incident to an activity or activities or operations sponsored or supervised by such policyholder.

(7) Under a policy or contract issued to a newspaper or other publisher, which shall be deemed the policyholder, covering its carriers.

(8) Under a policy or contract issued to any other type of group which the commissioner of insurance may find properly subject to the issuance of blanket sickness and accident policy or contract.

(B) Every such blanket policy shall contain provisions which in the opinion of the commissioner are not less favorable to the policyholder and the individual insured than the following:

(1) A provision that the policy, including endorsements and a copy of the application, if any, of the policyholder and the persons insured shall constitute the entire contract between the parties, and that any statement made by the policyholder or by a person insured shall in absence of fraud, be deemed a representation and not a warranty, and that no such statements shall be used in defense to a claim under the policy, unless contained in a written application. Such person, his or her beneficiary, or assignee, shall have the right to make written request to the insurer for a copy of such application and the insurer shall, within fifteen (15) days after the receipt of such request at its home office or any branch office of the insurer, deliver or mail to the person making such request a copy of such application. If such copy shall not be so delivered or mailed, the insurer shall be precluded from introducing such application as evidence in any action based upon or involving any statements contained therein.

(2) A provision that written notice of sickness or of injury must be given to the insurer within twenty (20) days after the date when such a sickness or injury occurred. Failure to give notice within such time shall not invalidate nor reduce any claim if it shall be shown not to have been reasonably possible to give such notice and that notice was given as was reasonably possible.

(3) A provision that the insurer will furnish either to the claimant or to the policyholder for delivery to the claimant such forms as are usually furnished by it for filing proof of loss. If such forms are not furnished before the expiration of fifteen (15) days after giving of such notice, the claimant shall be deemed to have complied with the requirements of the policy as to proof of loss upon submitting, within the time fixed in the policy for filing proof of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made.

(4) A provision that in the case of claim for loss of time for disability, written proof of such loss must be furnished to the insurer within ninety (90) days after the commencement of the period for which the insurer is liable, and that subsequent written proofs of the continuance of such disability must be furnished to the insurer at such intervals as the insurer may reasonably require, and that in the case of claim for any other loss, written proof of such loss must be furnished to the insurer within ninety (90) days after the date of such loss. Failure to furnish such proof within such time shall not invalidate nor reduce any claim if it shall be shown not to have been reasonably possible to furnish such proof and that such proof was furnished as soon as was reasonably possible.

(5) A provision that all benefits payable under the policy other than benefits for loss of time will be payable immediately upon receipt of due written proof of such loss, and that, subject to due proof of loss, all accrued benefits payable under the policy for loss of time will be paid not less frequently than monthly during the continuance of the period for which the insurer is liable, and that any balance remaining unpaid at the termination of such period will be paid immediately upon receipt of such proof.

(6) A provision that the insurer at its own expense, shall have the right and opportunity to examine the person of the insured when and so often as it may reasonably require during the pendency of claim under the policy and also the right and opportunity to make an autopsy where it is not prohibited by law.

(7) A provision that no action at law or in equity shall be brought to recover under the policy prior to the expiration of sixty (60) days after written proof of loss has been furnished in accordance with the requirements of the policy and that no action shall be brought after the expiration of five (5) years after the time written proof of loss is required to be furnished.

(C) Each person insured under such blanket sickness and accident policy or contract shall, except where authorization is otherwise given by the commissioner of insurance, be furnished a memorandum approved by the commissioner of insurance setting forth the essential coverages of the contract, including the conditions under which an individual's coverage may be terminated under the policy and the age, if any, to which the coverage shall be limited, reduced, or restricted; the procedure to be followed in making claim under the policy; and, to whom benefits under the policy are payable. Such certificates shall also contain a summary of the provisions set forth in (B) of this subsection.

(D) All benefits under any blanket sickness and accident policy shall be payable to the person insured, or to his or her designated beneficiary or beneficiaries, or to his or her estate, except that if the person insured be a minor, such benefits may be made payable to his or her parents, guardian, or other person actually supporting him or her.

(E) No blanket disability income policy which integrates benefits with social security benefits, shall provide that the amount of any disability benefit actually being paid to the disabled person shall be reduced by changes in the level of social security benefits resulting either from changes in the social security law or due to cost of living adjustments which become effective after the first day for which disability benefits become payable.

History: L. 1951, ch. 296, § 10; L. 1965, ch. 306, § 2; L. 1977, ch. 162, § 2; July 1.