

Existing law lists standard provisions to be contained in individual life insurance policies.

New law adds a provision requiring that the insurer notify the policyholder of his option to convert his policy from term life insurance to permanent life insurance at least 31 days prior to the expiration of the conversion option, if such an option is applicable. Specifies that such notice shall be a separate notice or contained in either a premium notice or an annual premium summary. Provides that an insurer's practice of mailing the required notice to the policyholder at the policyholder's address shall be sufficient to prove that the required notice was provided. However, makes new law inapplicable to a policyholder covered under a child term rider.

Prior law provided that an individual no longer eligible for coverage under a group term life policy due to termination of employment or membership in the class eligible for coverage under the policy may convert to any individual life insurance policy issued by the insurer except a term life policy.

New law instead provides that such an individual may convert to an individual term life policy.

Effective Aug. 1, 2014.

(Amends R.S. 22:942(intro.para.) and (10)(a); Adds R.S. 22:931(A)(12))