



ADMINISTRATIVE RULES OF MONTANA



6.6.1104 LIMITATION OF PRESUMPTION OF REASONABLENESS

- (1) The rates provided by ARM 6.6.1103 are presumed to produce reasonable benefits in relation to premiums only if:
 - (a) The coverage contains no exclusions for pre-existing conditions except for those conditions which manifested themselves to the insured debtor by requiring medical diagnosis or treatment within 6 months prior to the application for insurance and which caused loss within the 6 months following the effective date of coverage. However, a disability commencing after the expiration of the first 6 months following the effective date of coverage and resulting from such conditions shall be covered.
 - (i) The policy shall provide that in event the indebtedness covered by the policy results from the refinancing in whole or part of a prior debt with the same creditor, any period of exclusion for pre-existing conditions shall be reduced by any period that creditor-debtor disability coverage was in force in connection with the prior indebtedness, provided however, that if the resulting period of exclusion for pre-existing conditions is less than the period that would normally be applicable and if as a result a claim for which disability benefits would not otherwise be allowed is payable, the benefits for such claim need not be greater than those which would have been paid under the prior policy if it had not terminated.
 - (b) Coverage is provided or offered to all debtors not older than the applicable age limit, which shall not be less than attained age 65 years if such limit applies to the age when the insurance attaches, or not less than attained age 66 years if such limit applies to the age on the scheduled maturity date of the debt.
 - (i) If the insurer uses ages 70 and 71, or higher ages, instead of ages 65 and 66, the prima facie rates in ARM 6.6.1103(2) may be increased by 5%.
 - (ii) If the insurer imposes no age limit, the prima facie rates may be increased by 10%.
 - (c) The contract may require submission of evidence of insurability; and
 - (d) The contract may require the debtor be gainfully employed (or unemployed solely because of seasonal lay-off) at the time the insurance becomes effective and meets other standards as provided in these rules.

Authorizing statute(s): 33-21-111, MCA

Implementing statute(s): 33-21-205, MCA



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History: NEW, Eff. 4/4/75; AMD, 1978 MAR p. 887, Eff. 10/15/78; AMD, 1996 MAR p. 1131, Eff. 3/22/96; AMD, 1996 MAR p. 1646, Eff. 6/21/96.