



ADMINISTRATIVE RULES OF MONTANA



6.6.1102 LIMITATION ON PRESUMPTION OF REASONABLENESS

- (1) The rates provided by ARM 6.6.1101 are presumed to produce reasonable benefits in relation to premium only if:
 - (a) The credit life insurance contract contains no exclusion other than for suicide committed within two years of the effective date of the insurance; and
 - (b) The contract contains no age restrictions more severe than those making ineligible for coverage debtors older than the applicable age limit, which must 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 if such limit applies to the age on the scheduled maturity date of the debt.
 - (i) If the insurer used ages 70 and 71, or higher ages, instead of ages 65 or 66, the prima facie rates in-ARM 6.6.1101(1) may be increased by 5%.
 - (ii) If the insurer imposes no age limit, the prima facie rates may be increased by 10%.
- (2) If a debtor exceeds the eligibility age, has correctly stated his age in writing, or otherwise, and a certificate or policy is issued to him in error, the insurer has the right within 60 days from the date of the loan or extension of credit to terminate coverage and refund any premiums paid. Failure on the part of the insurer to act in a timely manner will subject it to the full risk regardless of the age.
 - (a) If the debtor dies within the 60 day period before the insurer terminates coverage, the insurer will be liable for the amount of the debtor's insurance at death.
- (3) If the policy is issued beyond the age limits established in the policy due to misstatement of age of the debtor, an equitable adjustment of premiums or of benefits must be made as provided by the policy.
- (4) The contract may require submission of evidence of insurability.

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

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

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