



ADMINISTRATIVE RULES OF MONTANA



6.6.1016 UNINTENTIONAL LAPSE

- (1) Each issuer offering funeral insurance with premium payable in installments shall, as a protection against unintentional lapse, comply with the following:
 - (a) No funeral insurance policy or certificate shall be issued until the issuer has received from the applicant either a written designation of at least one individual who is to receive notice of lapse or termination of the policy or certificate for nonpayment of premium, or a written waiver dated and signed by the applicant electing not to designate an additional individual to receive notice. The applicant has the right to designate at least one individual who is to receive the notice of termination in addition to the insured. Designation shall not constitute acceptance of any liability by the third party for any goods or services provided to the insured. The form used for the written designation must clearly and conspicuously provide space for listing at least one individual. The designation shall include each individual's full name and home address. In the case of an applicant who elects not to designate an additional individual, the waiver shall state:
 - (i) "Protection against unintended lapse. I understand that I have the right to designate at least one individual other than myself to receive notice of lapse, or termination of this funeral insurance policy or certificate for nonpayment of premium. I understand that notice will not be given until 30 days after a premium is due and unpaid. I do not elect to designate an individual to receive this notice."
 - (b) No funeral insurance policy or certificate shall lapse or be terminated for nonpayment of premium unless the issuer, at least 30 days before the effective date of the lapse or termination, has given notice to those individuals designated pursuant to (1) at the address provided for purposes of receiving notice of lapse or termination.

Authorizing statute(s): 33-1-313, 33-20-1503, MCA

Implementing statute(s): 33-1-501, 33-20-1501, 33-20-1502, MCA

History: NEW, 2008 MAR p. 118, Eff. 2/1/08.