§ 3211. Notice of premium due under life or disability insurance policy; notice to assignees of non-payment of premium.

(a) (1) No policy of life insurance or non-cancellable disability insurance delivered or issued for delivery in this state, and no life insurance certificate delivered or issued for delivery in this state by a fraternal benefit society, shall terminate or lapse by reason of default in payment of any premium, installment, or interest on any policy loan in less than one year after such default, unless, for scheduled premium policies, a notice shall have been duly mailed at least fifteen and not more than forty-five days prior to the day when such payment becomes due, or for life insurance policies in which the amount and frequency of premiums may vary, no earlier than and within thirty days after the day when the insurer determines that the net cash surrender value under the policy is insufficient to pay the total charges that are necessary to keep the policy in force. A separate notice shall not be required for insurance that is supplemental to a policy of life insurance.

(2) If a life insurance policy or life insurance certificate provides that the policyholder or certificate holder may vary the amount and frequency of premiums to be paid to the insurer, premiums, installments and interest on loans will be considered due on the day when the failure of the insurer or fraternal benefit society to receive an amount of premium, installment or interest on loan would cause such policy or certificate to terminate or lapse, and the failure to pay such amount shall be considered a default.

(b) The notice required by paragraph one of subsection (a) hereof shall:

(1) be duly mailed to the last known address of the policyowner, or if any other person shall have been designated in writing to receive such notice, then to such other person;

(2) state the amount of such payment, the date when due, the place where and the person to whom it is payable; and shall also state that unless such payment is made on or before the date when due or within the specified grace period thereafter, the policy shall terminate or lapse except as to the right to any cash surrender value or nonforfeiture benefit.

(c) If the payment demanded by such notice shall be made within the

time limited therefor, it shall be taken to be in full compliance with the requirements of the policy in respect to the time of such payment. The statement of any officer, employee or agent of such insurer, or of any one authorized to mail such notice, subscribed and affirmed by him as true under the penalties of perjury, stating facts which show that the notice required by this section has been duly addressed and mailed shall be presumptive evidence that such notice has been duly given.

(d) No action shall be maintained to recover on any life insurance policy, or on any such non-cancellable contract of permanent and total disability insurance, which has lapsed because of default in making such payment (except an action to recover the cash surrender value or nonforfeiture benefit) unless the action is instituted within two years from the date of such default.

(e) (1) An assignee of a policy of life insurance under an assignment made in this state may request the insurer to give such assignee notice of non-payment of any premium due on such policy.

(2) The request must be made before default in payment of premium, and must be in writing, mailed to the home office of the insurer and specify the name and address of the assignee, the name of the insured and the policy number.

(3) When the request is made as provided herein the right of such assignee to the cash surrender value or other nonforfeiture benefit under the policy shall continue as it existed on the date of default until the expiration of ten days after the mailing of notice of such default to the last known address of the assignee.

(4) Upon termination of the assignee's rights under the assignment, the assignee shall promptly mail a release thereof to the insurer.

(5) This subsection shall not be construed to affect the contractual rights of assignees.

(f) This section shall not apply to:

(1) Any policy of group insurance.

(2) Any policy of insurance requiring the payment of premiums monthly or at shorter intervals, provided in the case of policies of life insurance the insurer issuing such policy elects with respect to all such policies to mail a written notice within six months after termination or lapse to the insured or to any other person who shall have been designated in writing to receive such notice, stating the type

and amount of any automatic nonforfeiture benefit in force.

(g) In the case of life insurance policies to which this section is applicable and which contain a cash surrender value, the insurer must provide an annual notification that the policy contains a cash surrender value and that further information, including the amount thereof, is available from the insurer upon written request from the policyowner. Such notification shall include a statement that the insured has the right to request an updated policy illustration based, in respect to a participating policy, on the then current dividend scale, and in respect to a policy subject to subsection (a) of section four thousand two hundred thirty-two of this chapter, on the then current mortality, interest and expense assumptions. The notification pertaining to the cash surrender value shall be set out in a conspicuous manner and shall include the address to which the policyowner may make a written inquiry. Any notice or statement which informs a policyowner of the policy's cash surrender value at least annually shall be deemed to comply with the requirements of this subsection.

(h) In the case of life insurance policies described in paragraph two of subsection (f) of this section and which contain a cash surrender value, the notification requirement of subsection (g) of this section will apply in cases where the insurer voluntarily sends a notice of the premium due.