

TITLE 41
INSURANCE

CHAPTER 20
GROUP LIFE INSURANCE

41-2001. SCOPE OF CHAPTER -- SHORT TITLE. (1) This chapter applies only to group life insurance.

(2) This chapter may be known and cited as the "group life insurance law".

[41-2001, added 1961, ch. 330, sec. 466, p. 645.]

41-2002. GROUP CONTRACTS MUST MEET GROUP REQUIREMENTS. (1) Unless as otherwise provided in subsection (3) of this section, no life insurance policy shall be delivered or issued for delivery in this state insuring the lives of more than one (1) individual unless to one (1) of the groups as provided for in sections [41-2003](#) through [41-2007](#) of this chapter, and unless in compliance with the other applicable provisions of this chapter.

(2) Subsection (1) above, shall not apply to life insurance policies:

(a) Insuring only individuals related by blood, marriage or legal adoption; or

(b) Insuring only individuals having a common interest through ownership of a business enterprise, or a substantial legal interest or equity therein, and who are actively engaged in the management thereof; or

(c) Insuring only individuals otherwise having an insurable interest in each other's lives.

(3) Group life insurance offered to a resident of this state under a group life insurance policy issued to a group other than one described in subsection (1) of this section shall be subject to the following requirements:

(a) No such group life insurance policy shall be delivered in this state unless the director finds that:

(i) The issuance of such group life insurance policy is not contrary to the best interest of the public;

(ii) The issuance of such group life insurance policy would result in economies of acquisition or administration; and

(iii) The benefits of such group life insurance policy are reasonable in relation to the premiums charged.

(b) No such group life insurance coverage may be offered in this state by an insurer under a policy issued in another state unless this state or another state, having requirements substantially similar to those contained in subsection (3)(a)(i), (ii) and (iii), has made a determination that such requirements have been met.

(c) The premium for the policy shall be paid either from the policyholder's funds or from funds contributed by the covered persons, or from both.

(d) An insurer may exclude or limit the coverage on any person as to whom evidence of individual insurability is not satisfactory to the insurer.

[41-2002, added 1961, ch. 330, sec. 467, p. 645; am. 2009, ch. 151, sec. 1, p. 440.]

41-2003. EMPLOYEE GROUPS. The lives of a group of individuals may be insured under a policy issued to an employer, or to the trustees of a fund established by an employer, which employer or trustees shall be deemed the policyholder, to insure employees of the employer for the benefit of persons other than the employer, subject to the following requirements:

(1) The employees eligible for insurance under the policy shall be all of the employees of the employer, or all of any class or classes thereof determined by conditions pertaining to their employment. The policy may provide that the term "employees" shall include the employees of one (1) or more subsidiary corporations, and the employees, individual proprietors, and partners of one (1) or more affiliated corporations, proprietors or partnerships if the business of the employer and of such affiliated corporations, proprietors or partnerships is under common control through stock ownership, contract or otherwise. The policy may provide that the term "employees" shall include the individual proprietor or partners if the employer is an individual proprietor or a partnership. The policy may provide that the term "employees" shall include retired employees. No director of a corporate employer shall be eligible for insurance under the policy unless such person is otherwise eligible as a bona fide employee of the corporation, by performing services other than the usual duties of a director. No individual proprietor or partner shall be eligible for insurance under the policy unless he is actively engaged in and devotes a substantial part of his time to the conduct of the business of the proprietor or partnership. A policy issued to insure the employees of a public body may provide that the term "employees" shall include elected or appointed officials.

(2) The premium for the policy shall be paid from the employer's funds or funds contributed by him, from funds contributed by the insured employees, or from both. A policy on which no part of the premium is to be derived from funds contributed by the insured employees must insure all eligible employees, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer, or who have rejected the coverage in writing.

[41-2003, added 1961, ch. 330, sec. 468, p. 645; am. 1971, ch. 122, sec. 9, p. 408; am. 2004, ch. 256, sec. 1, p. 728.]

41-2004. LABOR UNION GROUPS. The lives of a group of individuals may be insured under a policy issued to a labor union, which shall be deemed the policyholder, to insure members of such union for the benefit of persons other than the union or any of its officials, representatives or agents, subject to the following requirements:

(1) The members eligible for insurance under the policy shall be all of the members of the union, or all of any class or classes thereof determined by conditions pertaining to their employment, or to membership in the union, or both.

(2) The premium for the policy shall be paid by the policyholder, from the union's funds, from funds contributed by the insured members specifically for their insurance, or from both. A policy on which no part of the premium is to be derived from funds contributed by the insured members specifically for their insurance must insure all eligible members, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer, or who have rejected the coverage in writing.

[41-2004, added 1961, ch. 330, sec. 469, p. 645; am. 2004, ch. 256, sec. 2, p. 729.]

41-2005. DEBTOR GROUPS. The lives of a group of individuals may be insured under a policy issued to a creditor, or to a trustee or trustees or agent designated by two (2) or more creditors, who shall be deemed the policyholder, to insure debtors of the creditor, subject to the following requirements:

(1) The debtors eligible for insurance under the policy shall be all of the debtors of the creditor, or all of any class or classes thereof determined by conditions pertaining to the indebtedness or to the purchase giving rise to the indebtedness. The policy may provide that the term "debtors" shall include the debtors of one (1) or more subsidiary corporations, and the debtors of one (1) or more affiliated corporations, proprietors or partnerships if the business of the policyholder and of such affiliated corporations, proprietors or partnerships is under common control through stock ownership, contract, or otherwise.

(2) The premium for the policy shall be paid by the policyholder, either from the creditor's funds, or from charges collected from the insured debtors, or from both. A policy on which part or all of the premium is to be derived from the collection from the insured debtors of identifiable charges not required of uninsured debtors shall not include, in the class or classes of debtors eligible for insurance, debtors under obligations outstanding at its date of issue without evidence of individual insurability unless at least seventy-five percent (75%) of the then eligible debtors elect to pay the required charges. A policy on which no part of the premium is to be derived from the collection of such identifiable charges must insure all eligible debtors, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

(3) The policy may be issued only if the group of eligible debtors is then receiving new entrants at the rate of at least one hundred (100) persons yearly, or may reasonably be expected to receive at least one hundred (100) new entrants during the first policy year, and only if the policy reserves to the insurer the right to require evidence of individual insurability if less than seventy-five percent (75%) of the new entrants become insured. The policy may exclude from the classes eligible for insurance classes of debtors determined by age.

(4) The amount of insurance on the life of a debtor shall at no time exceed the amount owed by him to the creditor, or one hundred fifty thousand dollars (\$150,000), whichever is less.

(5) The insurance shall be payable to the policyholder. Such payment shall reduce or extinguish the unpaid indebtedness of the debtor to the extent of such payment.

[41-2005, added 1961, ch. 330, sec. 470, p. 645; am. 1967, ch. 395, sec. 1, p. 1166; am. 1974, ch. 152, sec. 2, p. 1375; am. 1983, ch. 119, sec. 4, p. 312; am. 2005, ch. 67, sec. 1, p. 232.]

41-2006. PUBLIC EMPLOYEE GROUPS. The lives of a group of individuals may be insured under a policy issued to the departmental head or to an association of public employees formed for purposes other than obtaining insurance and having, when the policy is placed in force, a membership in the classes eligible for insurance of not less than seventy-five per cent (75%) of the number of employees eligible for membership in such classes, which associ-

ation or departmental head shall be deemed the policyholder, to insure members of such association or public employees for the benefit of persons other than the departmental head, the association or any of its officials, subject to the following requirements:

(1) The persons eligible for insurance under the policy shall be all of the members of the association or employees of the department, or all of any class or classes thereof determined by conditions pertaining to their employment, or to membership in the association, or both.

(2) The premium for the policy shall be paid by the policyholder, either from the association's own funds, or from charges collected from the insured members or employees specifically for the insurance, or from both. Any charges collected from the insured members or employees specifically for the insurance, and the dues of the association if they include the cost of insurance, shall be collected through deductions by the employer from salaries of the members or employees. Such deductions from salary may be paid by the employer to the association or directly to the insurer. No policy may be placed in force unless and until at least seventy-five per cent (75%) of the then eligible members of the association or employees of the department, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, have elected to be covered and have authorized their employer to make the required deductions from salary.

(3) Charges collected from the insured members or employees specifically for the insurance, and the dues of the association if they include the cost of insurance, shall be determined according to each attained age or in not less than four (4) reasonably spaced attained age groups. In no event shall the rate of such dues or charges be level for all members or employees regardless of attained age.

(4) The policy must cover at least five (5) persons at the date of issue.

(5) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the members, employees, or by the association. Such amounts shall in no event exceed three thousand dollars (\$3,000) in the case of any member or employee, and shall not exceed five hundred dollars (\$500) in the case of retired members or employees and members or employees over age sixty-five (65).

(6) As used herein "employees" means employees of the United States government, or of any state, or any political subdivision or instrumentality of any of them.

(7) Groups heretofore or hereafter written under section [59-1201](#), Idaho Code, are not subject to this section.

[41-2006, added 1961, ch. 330, sec. 471, p. 645; am. 1969, ch. 214, sec. 55, p. 625; am. 1971, ch. 122, sec. 10, p. 408.]

41-2007. TRUSTEE GROUPS. The lives of a group of individuals may be insured under a policy issued to the trustees of a fund established in this state by two (2) or more employers in the same industry or to the trustees of a fund established by one (1) or more labor unions, or by one (1) or more employers and one (1) or more labor unions, which trustees shall be deemed the policyholder, to insure employees of the employers or members of the unions for the benefit of persons other than the employers or the unions, subject to the following requirements:

(1) The persons eligible for insurance shall be all of the employees of the employers or all of the members of the unions, or all of any class or classes thereof determined by conditions pertaining to their employment, or

to membership in the unions, or to both. The policy may provide that the term "employees" shall include retired employees, and the individual proprietor or partners if an employer is an individual proprietor or a partnership. No director of a corporate employer shall be eligible for insurance under the policy unless such person is otherwise eligible as a bona fide employee of the corporation by performing services other than the usual duties of a director. No individual proprietor or partner shall be eligible for insurance under the policy unless he is actively engaged in and devotes a substantial part of his time to the conduct of the business of the proprietor or partnership. The policy may provide that the term "employees" shall include the trustees, or their employees, or both, if their duties are principally connected with such trusteeship.

(2) The premium for the policy shall be paid by the trustees from funds contributed by the employer or employers of the insured persons, or by the union or unions, or from funds contributed by the insured persons, or from any combination of these. A policy on which no part of the premium is to be derived from funds contributed by the insured persons specifically for their insurance must insure all eligible persons, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer, or who have rejected the coverage in writing.

(3) The policy shall not require that, if a participating employer discontinues membership in the association, the insurance of his employees shall cease solely by reason of such discontinuance.

[41-2007, added 1961, ch. 330, sec. 472, p. 645; am. 1971, ch. 122, sec. 11, p. 408; am. 1974, ch. 196, sec. 1, p. 1504; am. 2004, ch. 256, sec. 3, p. 729.]

41-2008. CREDIT UNION GROUPS. The lives of a group of individuals may be insured under a policy issued to a credit union, which shall be deemed the policyholder, to insure eligible members of the credit union for the benefit of persons other than the credit union or its officials, subject to the following requirements:

(1) The members eligible for insurance under the policy shall be all of the members of the credit union, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer, or all of any class or classes thereof determined by conditions pertaining to their age or membership in the credit union or both.

(2) The premium for the policy shall be paid by the policyholder, either wholly from the credit union's funds, or partly from such funds and partly from funds contributed by the insured members, specifically for their insurance. No policy shall be issued for which the entire premium is to be derived from funds contributed by the insured members specifically for their insurance.

(3) The policy must cover at least twenty-five (25) members at the date of issue.

(4) The amount of insurance under the policy shall not exceed the amount of the total shares and deposits of the member in or with the credit union.

[I.C., sec. 41-2008, as added by 1969, ch. 214, sec. 56, p. 625.]

41-2009. DEPENDENTS' COVERAGE. Any group life policy issued under section [41-2003](#) (employee groups), or [41-2004](#) (labor union groups), or 41-2006 (public employee groups), or 41-2007 (trustee groups) may be extended to in-

sure the employees or members against loss due to the death of their spouses and minor children, or any class or classes thereof, subject to the following requirements:

(1) The premium for the insurance shall be paid by the policyholder, either from the employer's or union's funds or funds contributed by the employer or union, or from funds contributed by the insured employees or members, or from both. If no part of the premium is to be derived from funds contributed by the employees or members, all eligible employees or members, excluding any as to whose family members evidence of insurability is not satisfactory to the insurer, must be insured with respect to their spouses and children.

(2) Upon termination of the insurance with respect to the members of the family of any employee or member by reason of the employee's or member's termination of employment, termination of membership in the class or classes eligible for coverage under the policy, or death, the spouse shall be entitled to have issued by the insurer, without evidence of insurability, an individual policy of life insurance, without disability or other supplementary benefits, providing application for the individual policy shall be made, and the first premium paid to the insurer, within thirty-one (31) days after such termination, subject to the requirements of subsections (1), (2) and (3) of section [41-2018](#), Idaho Code. If any group policy terminates or is amended so as to terminate the insurance of any class of employees or members and the employee or member is entitled to have issued an individual policy, under section [41-2019](#), Idaho Code, the spouse shall also be entitled to have issued by the insurer an individual policy, subject to the conditions and limitations provided above. If the spouse dies within the period during which he would have been entitled to have an individual policy issued in accordance with this provision, the amount of life insurance which he would have been entitled to have issued under such individual policy shall be payable as a claim under the group policy, whether or not application for the individual policy or the payment of the first premium therefor has been made.

(3) Notwithstanding section [41-2017](#), Idaho Code, only one (1) certificate need be issued for delivery to an insured person if a statement concerning any dependent's coverage is included in such certificate.

[41-2009, added 1961, ch. 330, sec. 474, p. 645; am. 1969, ch. 214, sec. 57, p. 625; am. 1976, ch. 114, sec. 1, p. 449; am. 2004, ch. 256, sec. 4, p. 730.]

41-2010. PROVISIONS REQUIRED IN GROUP CONTRACTS. No policy of group life insurance shall be delivered in this state unless it contains in substance the provisions set forth in sections [41-2011](#) through [41-2020](#) of this chapter or provisions which in the opinion of the director are more favorable to the persons insured, or at least as favorable to the persons insured and more favorable to the policyholder; except, however, that:

(1) Sections [41-2016](#) to [41-2020](#) inclusive shall not apply to policies issued to a creditor to insure debtors of such creditor;

(2) The standard provisions required for individual life insurance policies shall not apply to group life insurance policies; and

(3) If the group life insurance policy is on a plan of insurance other than the term plan, it shall contain a nonforfeiture provision or provisions which in the opinion of the director is or are equitable to the insured persons and to the policyholder, but nothing herein shall be construed to re-

quire that group life insurance policies contain the same nonforfeiture provisions as are required for individual life insurance policies.

[41-2010, added 1961, ch. 330, sec. 475, p. 645.]

41-2011. GRACE PERIOD. The group life insurance policy shall contain a provision that the policyholder is entitled to a grace period of thirty-one (31) days for the payment of any premium due except the first, during which grace period the death benefit coverage shall continue in force, unless the policyholder shall have given the insurer written notice of discontinuance in advance of the date of discontinuance and in accordance with the terms of the policy. The policy may provide that the policyholder shall be liable to the insurer for the payment of a pro rata premium for the time the policy was in force during such grace period.

[41-2011, added 1961, ch. 330, sec. 476, p. 645.]

41-2012. INCONTESTABILITY. The group life insurance policy shall contain a provision that the validity of the policy shall not be contested, except for nonpayment of premium, after it has been in force for two years from its date of issue; and that no statement made by any person insured under the policy relating to his insurability shall be used in contesting the validity of the insurance with respect to which such statement was made after such insurance has been in force prior to the contest for a period of two years during such person's lifetime nor unless it is contained in a written instrument signed by him.

[41-2012, added 1961, ch. 330, sec. 477, p. 645.]

41-2013. APPLICATION -- STATEMENTS DEEMED REPRESENTATIONS. The group life insurance policy shall contain a provision that a copy of the application, if any, of the policyholder shall be attached to the policy when issued and become a part of the contract; that all statements made by the policyholder or by the persons insured shall be deemed representations and not warranties, and that no statement made by any person insured shall be used in any contest unless a copy of the instrument containing the statement is or has been furnished to such person or to his beneficiary.

[41-2013, added 1961, ch. 330, sec. 478, p. 645.]

41-2014. INSURABILITY. The group life insurance policy shall contain a provision setting forth the conditions, if any, under which the insurer reserves the right to require a person eligible for insurance to furnish evidence of individual insurability satisfactory to the insurer as a condition to part or all of his coverage.

[41-2014, added 1961, ch. 330, sec. 479, p. 645.]

41-2015. MISSTATEMENT OF AGE. The group life insurance policy shall contain a provision specifying an equitable adjustment of premiums or of benefits or of both to be made in the event the age of a person insured has been misstated, such provision to contain a clear statement of the method of adjustment to be used.

[41-2015, added 1961, ch. 330, sec. 480, p. 645.]

41-2016. PAYMENT OF BENEFITS. The group life insurance policy shall contain a provision that any sum becoming due by reason of the death of the person insured shall be payable to the beneficiary designated by the person insured, subject to the provisions of the policy in the event there is no designated beneficiary as to all or any part of such sum living at the death of the person insured, and subject to any right reserved by the insurer in the policy and set forth in the certificate to pay at its option a part of such sum not exceeding five hundred dollars (\$500) to any person appearing to the insurer to be equitably entitled thereto by reason of having incurred funeral or other expenses incident to the last illness or death of the person insured.

[41-2016, added 1961, ch. 330, sec. 481, p. 645.]

41-2017. CERTIFICATE. The group life insurance policy shall contain a provision that the insurer will issue to the policyholder for delivery to each person insured an individual certificate setting forth a statement as to the insurance protection to which he is entitled, to whom the insurance benefits are payable, and the rights and conditions set forth in sections [41-2018](#), [41-2019](#) and [41-2020](#) following.

[41-2017, added 1961, ch. 330, sec. 482, p. 645.]

41-2018. CONVERSION ON TERMINATION OF ELIGIBILITY. There shall be a provision that if the insurance, or any portion of it, on a person covered under the policy ceases because of termination of employment or of membership in the class or classes eligible for coverage under the policy, such person shall be entitled to have issued to him by the insurer, without evidence of insurability, an individual policy of life insurance without disability or other supplementary benefits, provided application for the individual policy shall be made, and the first premium paid to the insurer, within thirty-one (31) days after such termination, and provided further that:

(1) The individual policy shall, at the option of such person, be on any one of the forms, except term insurance, then customarily issued by the insurer at the age and for the amount applied for;

(2) The individual policy shall be in an amount not in excess of the amount of life insurance which ceases because of such termination less the amount of any life insurance for which such person is or becomes eligible under the same or any other group policy within thirty-one (31) days after such termination, provided that any amount of insurance which shall have matured on or before the date of such termination as an endowment payable to the person insured, whether in one sum or in instalments or in the form of an annuity, shall not, for the purposes of this provision, be included in the amount which is considered to cease because of such termination; and

(3) The premium on the individual policy shall be at the insurer's then customary rate applicable to the form and amount of the individual policy, to the class of risk to which such person then belongs, and to his age attained on the effective date of the individual policy.

[41-2018, added 1961, ch. 330, sec. 483, p. 645.]

41-2019. CONVERSION ON TERMINATION OF POLICY. The group life insurance policy shall contain a provision that if the group policy terminates or is amended so as to terminate the insurance of any class of insured persons, ev-

ery person insured thereunder at the date of such termination whose insurance terminates and who has been so insured for at least five (5) years prior to such termination date shall be entitled to have issued to him by the insurer an individual policy of life insurance, subject to the same conditions and limitations as are provided by section [41-2018](#), except that the group policy may provide that the amount of such individual policy shall not exceed the smaller of:

(1) The amount of the person's life insurance protection ceasing because of the termination or amendment of the group policy, less the amount of any life insurance for which he is or becomes eligible under any group policy issued or reinstated by the same or another insurer within thirty-one (31) days after such termination, and

(2) Two thousand dollars (\$2,000).

[41-2019, added 1961, ch. 330, sec. 484, p. 645.]

41-2020. DEATH PENDING CONVERSION. The group life insurance policy shall contain a provision that if a person insured under the policy dies during the period within which he would have been entitled to have an individual policy issued to him in accordance with sections [41-2018](#) and [41-2019](#) and before such an individual policy shall have become effective, the amount of life insurance which he would have been entitled to have issued to him under such individual policy shall be payable as a claim under the group policy, whether or not application for the individual policy or the payment of the first premium therefor has been made.

[41-2020, added 1961, ch. 330, sec. 485, p. 645.]

41-2021. NOTICE AS TO CONVERSION RIGHT. If any individual insured under a group life insurance policy hereafter delivered in this state becomes entitled under the terms of such policy to have an individual policy of life insurance issued to him without evidence of insurability, subject to making of application and payment of the first premium within the period specified in such policy, and if such individual is not given notice of the existence of such right at least fifteen (15) days prior to the expiration date of such period, then, in such event the individual shall have an additional period within which to exercise such right, but nothing herein contained shall be construed to continue any insurance beyond the period provided in such policy. This additional period shall expire fifteen (15) days next after the individual is given such notice but in no event shall such additional period extend beyond sixty (60) days next after the expiration date of the period provided in such policy. Written notice presented to the individual or mailed by the policyholder to the last known address of the individual or mailed by the insurer to the last known address of the individual as furnished by the policyholder shall constitute notice for the purpose of this section.

[41-2021, added 1961, ch. 330, sec. 486, p. 645.]

41-2022. READJUSTMENT OF PREMIUM. Any group life insurance contract may provide for a readjustment of the premium rate based upon the experience thereunder.

[41-2022, added 1961, ch. 330, sec. 487, p. 645.]

41-2023. APPLICATION OF DIVIDENDS -- RATE REDUCTIONS. If a policy dividend is hereafter declared or a reduction in rate is hereafter made or continued for the first or any subsequent year of insurance under any policy of group life insurance heretofore or hereafter issued to any policyholder, the excess, if any, of the aggregate dividends or rate reductions under such policy and all other group insurance policies of the policyholder over the aggregate expenditure for insurance under such policies made from funds contributed by the policyholder, or by an employer of insured persons, or by a union or association to which the insured persons belong, including expenditures made in connection with administration of such policies, shall be applied by the policyholder for the sole benefit of insured employees or members.

[41-2023, added 1961, ch. 330, sec. 488, p. 645.]

41-2024. "EMPLOYEE LIFE INSURANCE" DEFINED. (1) "Employee life insurance" is that plan of life insurance, other than salary savings life insurance or pension trust insurance and annuities, under which individual policies are issued to the employees of any employer and the employer, or to the members of a professional association or its employees and where such policies are issued on the lives of not less than four (4) persons at date of issue. Premiums for such policies shall be paid either wholly from the employer's or member's funds, or funds contributed by him, or partly from such funds and partly from funds contributed by the insured employees.

(2) Any group which is eligible for "group disability insurance" under section [41-2202](#), Idaho Code, will be eligible for employee life insurance under section [41-2024](#), Idaho Code.

[41-2024, added 1961, ch. 330, sec. 489, p. 645; am. 1974, ch. 85, sec. 1, p. 1176; am. 1975, ch. 207, sec. 3, p. 575.]

41-2025. ASSIGNMENT OF INCIDENTS OF OWNERSHIP IN GROUP LIFE INSURANCE POLICIES, INCLUDING CONVERSION PRIVILEGES. Nothing in this insurance code or in any other law shall be construed to prohibit any person insured under a group life insurance policy from making an assignment of all or any part of his incidents of ownership under such policy, including but not limited to the privilege to have issued to him an individual policy of life insurance pursuant and subject to the provisions of sections [41-2018](#), [41-2019](#) and [41-2021](#), Idaho Code, and the right to name a beneficiary. Subject to the terms of the policy or agreement between the insured, the group policyholder and the insurer relating to assignment of incidents of ownership thereunder, such an assignment by an insured, made either before or after the effective date [February 25, 1970] of this act, is valid for the purpose of vesting in the assignee, in accordance with any provisions included therein as to the time at which it is to be effective, all of such incidents of ownership so assigned, but without prejudice to the insurer on account of any payment it may make or individual policy it may issue in accordance with sections [41-2018](#) and [41-2019](#), Idaho Code, prior to receipt of notice of the assignment.

[I.C., sec. 41-2025, as added by 1970, ch. 50, sec. 1, p. 102.]

41-2026. POLICY STANDARDS -- REPLACEMENT CONTRACTS. (1) Any insurer providing replacement coverage with respect to group life insurance benefits within a period of sixty (60) days from the date of discontinuance of

the prior policy providing such benefits shall immediately cover all members of the group and dependents validly covered under the previous policy at the date of discontinuance who are within the definitions of eligibility and who would otherwise be eligible for coverage under the succeeding insurer's policy, regardless of any limitations or exclusions relating to active employment or nonconfinement.

(2) Any member of the group or dependent entitled to coverage under a succeeding insurer's policy pursuant to subsection (1) of this section shall continue to be covered by the succeeding insurer until the date coverage would terminate for a member of the group or dependent in accordance with the provisions of the succeeding insurer's policy.

(3) No provision in the succeeding insurer's policy of replacement coverage which would operate to reduce or exclude benefits on the basis that the condition giving rise to benefits preexisted the effective date of the succeeding insurer's policy shall be applied with respect to those members of the group and dependents validly insured under the prior insurer's policy on the date of discontinuance, if benefits would have been payable under the prior insurer's policy.

(4) In a situation where a determination of the prior insurer's benefit is required by the succeeding insurer, at the succeeding insurer's request, the prior insurer shall furnish a statement of benefits available or pertinent information, sufficient to permit verification of the benefit determination by the succeeding insurer.

[41-2026, added 1981, ch. 67, sec. 1, p. 97.]