500.4244 Industrial life insurance; provisions prohibited; right to declare policy void for
disease or ailment; rejection; payment of proceeds to other than beneficiary; limitation;
settlement at maturity for less than full value; accidental death.

Sec. 4244. (1) No policy of industrial life insurance issued on or after January 1, 1944, shall be issued or
delivered in this state if it contains any of the following provisions:

(a) A provision giving the insurer the right to declare the policy void because the insured has had any
  disease or ailment, whether specified or not, or because the insured has received institutional, hospital,
  medical or surgical treatment or attention, except a provision which gives the insurer the right to declare the
  policy void if the insured has, within 2 years prior to the issuance of the policy, received institutional,
  hospital, medical or surgical treatment or attention and if the insured or the claimant under the policy fails to
  show that the condition occasioning such treatment or attention was not of a serious nature or was not
  material to the risk.

(b) A provision giving the insurer the right to declare the policy void because the insured had been rejected
  for insurance, unless such right be conditioned upon a showing by the insurer that knowledge of such
  rejection would have led to a refusal by the insurer to make such contract.

(c) A provision by which the company may pay the proceeds of the policy at the death of the insured to
  any person other than the named beneficiary, except in accordance with a standard provision as specified in
  section 4238.

(d) A provision limiting the time within which any action at law or in equity may be commenced to less
  than 6 years after the cause of action shall accrue.

(e) A provision for any mode of settlement at maturity of less value than the amount insured by the policy
  plus dividend additions, if any, less any indebtedness to the company on the policy and less any premium that
  may by the terms of the policy be deducted, payments to be made in accordance with the terms of the policy.

(2) Nothing contained herein shall apply to any provision in an industrial life insurance policy for
additional benefits in the event of death by accident or accidental means.


Popular name: Act 218