

**THE INSURANCE CODE OF 1956 (EXCERPT)**  
**Act 218 of 1956**

**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.

**History:** 1956, Act 218, Eff. Jan. 1, 1957

**Popular Name:** Act 218