

CHAPTER 61A

LIFE INSURANCE

61A.072 Policies with accelerated benefits.

61A.072 POLICIES WITH ACCELERATED BENEFITS.

Subdivision 1. Disclosure. A life insurance contract or supplemental contract that contains a provision to permit the accelerated payment of benefits as authorized under section 60A.06, subdivision 1, clause (4), must contain the following disclosure: "This is a life insurance policy which pays accelerated death benefits at your option under conditions specified in the policy. This policy is not a long-term care policy meeting the requirements of sections 62A.46 to 62A.56 or chapter 62S."

[For text of subd 2, see M.S.1996]

Subd. 4. Long-term care expenses. If the right to receive accelerated benefits is contingent upon the insured receiving long-term care services, the contract or supplemental contract shall include the following provisions:

(1) the minimum accelerated benefit shall be \$1,200 per month if the insured is receiving nursing facility services and \$750 per month if the insured is receiving home services with a minimum lifetime benefit limit of \$50,000;

(2) coverage is effective immediately and benefits shall commence with the receipt of services as defined in section 62A.46, subdivision 3, 4, or 5, or 62S.01, subdivision 25, but may include a waiting period of not more than 90 days, provided that no more than one waiting period may be required per benefit period as defined in section 62A.46, subdivision 11;

(3) premium shall be waived during any period in which benefits are being paid to the insured during confinement to a nursing home facility;

(4) coverage may not be canceled or renewal refused except on the grounds of nonpayment of premium;

(5) coverage must include preexisting conditions during the first six months of coverage if the insured was not diagnosed or treated for the particular condition during the 90 days immediately preceding the effective date of coverage;

(6) coverage must include mental or nervous disorders which have a demonstrable organic cause such as Alzheimer's and related dementias;

(7) no prior hospitalization requirement shall be allowed unless a similar requirement is allowed by section 62A.48, subdivision 1, or 62S.06; and

(8) the contract shall include a cancellation provision that meets the requirements of section 62A.50, subdivision 2, or 62S.07.

[For text of subd 5, see M.S.1996]

History: 1997 c 71 art 2 s 1,2