

House Proposal of Amendment

S. 30

An act relating to updating and reorganizing the health insurance statutes in 8 V.S.A. chapter 107

The House proposes to the Senate to amend the bill as follows:

First: In Sec. 2, 8 V.S.A. chapter 107, in section 4029, by striking out subdivision (2) in its entirety and inserting in lieu thereof a new subdivision (2) to read as follows:

(2) TIME LIMIT ON CERTAIN DEFENSES: (a) After three years from the date of issue of this policy no misstatements, except fraudulent misstatements, made by the applicant in the application for such policy, shall be used to void the policy or to deny a claim for loss incurred or disability (as defined in the policy) commencing after the expiration of such three-year period.

(The foregoing policy provision shall not be so construed as to affect any legal requirement for avoidance of a policy or denial of a claim during such initial three-year period, nor to limit the application of subdivisions 4030(1)–(5) of this title in the event of misstatement with respect to age or occupation or other insurance.) (A policy which the insured has the right to continue in force subject to its terms by the timely payment of premium (1) until at least age 50, or (2) in the case of a policy issued after age 44, for at least five years from its date of issue, may contain in lieu of the foregoing the following provision (from which the clause in parentheses may be omitted at the insurer's option) under the caption "INCONTESTABLE":

After this policy has been in force for a period of three years during the lifetime of the insured (excluding any period during which the insured is disabled), it shall become incontestable as to the statements contained in the application.)

(b) No claim for loss incurred or disability (as defined in the policy) commencing after three years from the date of issue of this policy shall be reduced or denied on the ground that a disease or physical condition not excluded from coverage by name or specific description effective on the date of loss had existed prior to the effective date of coverage of this policy.

Second: In Sec. 2, 8 V.S.A. chapter 107, in section 4030, in subdivision (3), following the first sentence, by inserting after the period, on a new line, "or, in lieu thereof."

Third: By striking out Sec. 33, effective date, in its entirety and inserting in lieu thereof a new Sec. 33 to read as follows:

Sec. 33. EFFECTIVE DATE

This act shall take effect on September 1, 2025.