WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1955

ENROLLED

SENATE BILL NO. 88

(By Mr. )

PASSED 1955

In Effect Passage

Filed in the Office of the Secretary of State of West Virginia MAR 3 1955

D. PITT O'BRIEN
SECRETARY OF STATE
AN ACT to amend article eleven, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by repealing sections ten, eleven, twelve, thirteen, fourteen, fifteen, sixteen, seventeen, eighteen, nineteen, twenty, twenty-one, and twenty-two, and to enact eighteen new sections, to be designated sections ten, eleven, twelve, thirteen, fourteen, fifteen, sixteen, seventeen, eighteen, nineteen, twenty, twenty-one, twenty-two, twenty-three, twenty-four, twenty-five, twenty-six and twenty-seven, of said article, and to amend and reenact
section five, article thirteen, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, all relating to provisions to be contained in accident and health insurance policies.

Be it enacted by the Legislature of West Virginia:

That article eleven, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by repealing sections ten, eleven, twelve, thirteen, fourteen, fifteen, sixteen, seventeen, eighteen, nineteen, twenty, twenty-one and twenty-two, and by enacting eighteen new sections, to be designated sections ten, eleven, twelve, thirteen, fourteen, fifteen, sixteen, seventeen, eighteen, nineteen, twenty, twenty-one, twenty-two, twenty-three, twenty-four, twenty-five, twenty-six and twenty-seven, of said article, and that section five, article thirteen, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted, all to read as follows:

Article 11. Accident and Health Insurance.

Section 10. Definition of Accident and Sickness Insurance Policy.—The term “policy of accident and sickness insurance” as used herein includes any policy or contract
covering the kind or kinds of insurance described in section nine of this article.

Sec. 11. Statement to be Contained in, and Form of Policy.—No policy of accident and sickness insurance shall be delivered or issued for delivery to any person in this state unless:

(a) the entire money and other considerations therefor are expressed therein; and

(b) the time at which the insurance takes effect and terminates is expressed therein; and

(c) it purports to insure only one person, except that a policy may insure, originally or by subsequent amendment, upon the application of an adult member of a family who shall be deemed the policyholder, any two or more eligible members of that family, including husband, wife, dependent children or any children under a specified age which shall not exceed nineteen years and any other person dependent upon the policyholder; and

(d) the style, arrangement and over-all appearance of the policy give no undue prominence to any portion of the text, and unless every printed portion of the text of
the policy and of any endorsements or attached papers is
plainly printed in light-faced type of a style in general
use, the size of which shall be uniform and not less than
ten-point with a lower-case unspaced alphabet length not
less than one hundred and twenty-point (the "text" shall
include all printed matter except the name and address
of the insurer, name or title of the policy, the brief de-
scription, if any, and captions and subcaptions), the policy
shall clearly indicate on the first page its cancellable or
optionally renewable nature; and

(e) the exceptions and reductions of indemnity are set
forth in the policy and, except those which are set forth
in sections thirteen and fourteen of this article, are
printed, at the insurer's option, either included with
the benefit provision to which they apply, or under an
appropriate caption such as "EXCEPTIONS", or "EXCEP-
TIONS AND REDUCTIONS": Provided, That if an ex-
ception or reduction specifically applies only to a par-
ticular benefit of the policy, a statement of such exception
or reduction shall be included with the benefit provision
to which it applies; and
(f) each such form, including riders and endorsements, shall be identified by a form number in the lower left-hand corner of the first part thereof; and

(g) it contains no provision purporting to make any portion of the charter, rules, constitution, or by-laws of the insurer a part of the policy unless such portion is set forth in full in the policy, except in the case of the incorporation of, or reference to, a statement of rates or classification of risks, or short-rate table filed with the commissioner.

Sec. 12. Policies Delivered to Non-Residents; Approval by Insurance Commissioner.—If any policy is issued by an insurer domiciled in this state for delivery to a person residing in another state, and if the official having responsibility for the administration of the insurance laws of such other state shall have advised the commissioner that any such policy is not subject to approval or disapproval by such official, the commissioner may by ruling require that such policy meets the standards set forth in this article.
Sec. 13. Required Accident and Sickness Policy Provisions.—Except as provided in section fifteen of this article, each such policy delivered or issued for delivery to any person in this state shall contain the provisions specified in this section in the words in which the same appear in this section: Provided, however, That the insurer may, at its option, substitute for one or more of such provisions corresponding provisions of the different wording approved by the commissioner which are in each instance not less favorable in any respect to the insured or the beneficiary. Such provisions shall be preceded individually by the caption appearing in this section or, at the option of the insurer, by such appropriate individual or group captions or subcaptions as the commissioner may approve.

(a) A provision as follows:

“ENTIRE CONTRACT; CHANGES: This policy, including the endorsements and the attached papers, if any, constitutes the entire contract of insurance. No change in this policy shall be valid until approved by an executive officer of the insurer and unless such approval be
endorsed hereon or attached hereto. No agent has authority to change this policy or to waive any of its provisions."

(b) A provision as follows:

"TIME LIMIT ON CERTAIN DEFENSES"; (1) "After two 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 two 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 two year period, nor to limit the application of clauses (a), (b), (c), (d) and (e) of section fourteen of this article 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 (i) until at least age fifty, or (ii) in the case of a policy issued after age forty-four, 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 two 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."

(2) "No claim for loss incurred or disability (as defined in the policy) commencing after two 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."

(c) A provision as follows:

"GRACE PERIOD: A grace period of . . . (insert a number not less than "7" for weekly premium policies, "10" for monthly premium policies and "31" for all other policies) days will be granted for the payment of each premium falling due after the first premium, during
which grace period the policy shall continue in force."

A policy which contains a cancellation provision may add, at the end of the above provision, "subject to the right of the insurer to cancel in accordance with the cancellation provision hereof."

A policy in which the insurer reserves the right to refuse any renewal shall have at the beginning of the above provision, "Unless not less than five days prior to the premium due date the insurer has delivered to the insured or has mailed to his last address as shown by the records of the insurer written notice of its intention not to renew this policy beyond the period for which the premium has been accepted,"—.

(d) A provision as follows:

"REINSTATEMENT: If any renewal premium be not paid within the time granted the insured for payment, a subsequent acceptance of premium by the insurer or by any agent duly authorized by the insurer to accept such premium, without requiring in connection therewith an application for reinstatement, shall reinstate the policy:

Provided, however, That if the insurer or such agent
requires an application for reinstatement and issues a conditional receipt for the premium tendered, the policy will be reinstated upon approval of such application by the insurer or, lacking such approval, upon the forty-fifth day following the date of such conditional receipt unless the insurer has previously notified the insured in writing of its disapproval of such application. The reinstated policy shall cover only loss resulting from such accidental injury as may be sustained after the date of reinstatement and loss due to such sickness as may begin more than ten days after such date. In all other respects the insured and insurer shall have the same rights thereunder as they had under the policy immediately before the due date of the defaulted premium, subject to any provisions endorsed hereon or attached hereto in connection with the reinstatement. Any premium accepted in connection with a reinstatement shall be applied to a period for which premium has not been previously paid, but not to any period more than sixty days prior to the date of reinstatement."

The last sentence of the above provision may be omitted
from any policy which the insured has the right to con-
tinue in force subject to its terms by the timely payment
of premiums (1) until at least age fifty, or, (2) in the case
of a policy issued after age forty-four, for at least five
years from its date of issue.

(e) A provision as follows:

"NOTICE OF CLAIM: Written notice of claim must be
given to the insurer within twenty days after the occur-
rence or commencement of any loss covered by the policy,
or as soon thereafter as is reasonably possible. Notice
given by or on behalf of the insured or the beneficiary to
the insurer at . . . (insert the location of such office as
the insurer may designate for the purpose), or to any
authorized agent of the insurer, with information suffi-
cient to identify the insured, shall be deemed notice to the
insurer."

In a policy providing a loss-of-time benefit which may
be payable for at least two years, an insurer may at its
option insert the following between the first and second
sentences of the above provision;

"Subject to the qualifications set forth below, if the
Enr. S. B. No. 88] 12

127 insured suffers loss of time on account of disability for
128 which indemnity may be payable for at least two years,
129 he shall, at least once in every six months after having
130 given notice of claim give to the insurer notice of con-
131 tinuance of said disability, except in the event of legal
132 incapacity. The period of six months following any filing
133 of proof by the insured or any payment by the insurer
134 on account of such claim or any denial of liability in whole
135 or in part by the insurer shall be excluded in applying
136 this provision. Delay in the giving of such notice shall
137 not impair the insured's right to any indemnity which
138 would otherwise have accrued during the period of six
139 months preceding the date on which such notice is ac-
140 tually given."

141 (f) A provision as follows:

142 "CLAIM FORMS: The insurer, upon receipt of a no-
143 tice of claim, will furnish to the claimant such forms as
144 are usually furnished by it for filing proofs of loss. If
145 such forms are not furnished within fifteen days after
146 the giving of such notice the claimant shall be deemed
147 to have complied with the requirements of this policy as
to proof of loss upon submitting, within the time fixed in the policy for filing proofs of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made.”

(g) A provision as follows:

“PROOF OF LOSS: Written proof of loss must be furnished to the insurer at its said office in case of claim for loss for which this policy provides any periodic payment contingent upon continuing loss within ninety days after the termination of the period for which the insurer is liable and in case of claim for any other loss within ninety days after the date of such loss. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity, later than one year from the time proof is otherwise required.”

(h) A provision as follows:

“TIME OF PAYMENT OF CLAIMS: Indemnities payable under this policy for any loss other than loss for
which this policy provides any periodic payment will be paid immediately upon receipt of due written proof of such loss. Subject to due written proof of loss, all accrued indemnities for loss for which this policy provides periodic payment will be paid . . . (insert period for payment which must not be less frequently than monthly) and any balance remaining unpaid upon the termination of liability will be paid immediately upon receipt of due written proof."

(i) A provision as follows:

"PAYMENT OF CLAIMS: Indemnity for loss of life will be payable in accordance with the beneficiary designation and the provisions respecting such payment which may be prescribed herein and effective at the time of payment. If no such designation or provision is then effective, such indemnity shall be payable to the estate of the insured. Any other accrued indemnities unpaid at the insured's death may, at the option of the insurer, be paid either to such beneficiary or to such estate. All other indemnities will be payable to the insured."

The following provisions, or either of them, may be
included with the foregoing provisions at the option of the insurer:

"If any indemnity of this policy shall be payable to the estate of the insured, or to an insured or beneficiary who is a minor or otherwise not competent to give a valid release, the insurer may pay such indemnity, up to an amount not exceeding $\ldots$ (insert an amount which shall not exceed $1000$), to any relative by blood or connection by marriage of the insured or beneficiary who is deemed by the insurer to be equitably entitled thereto. Any payment made by the insurer in good faith pursuant to this provision shall fully discharge the insurer to the extent of such payment.

"Subject to any written direction of the insured in the application or otherwise all or a portion of any indemnities provided by this policy on account of hospital, nursing, medical, or surgical services may, at the insurer's option and unless the insured requests otherwise in writing not later than the time of filing proofs of such loss, be paid directly to the hospital or person rendering such
(j) A provision as follows:

"PHYSICAL EXAMINATIONS AND AUTOPSY: The insurer at its own expense shall have the right and opportunity to examine the person of the insured when and as often as it may reasonably require during the pendency of a claim hereunder and to make an autopsy in case of death where it is not forbidden by law."

(k) A provision as follows:

"LEGAL ACTIONS: No action at law or in equity shall be brought to recover on this policy prior to the expiration of sixty days after written proof of loss has been furnished in accordance with the requirements of this policy. No such action shall be brought after the expiration of three years after the time written proof of loss is required to be furnished."

(l) A provision as follows:

"CHANGE OF BENEFICIARY: Unless the insured makes an irrevocable designation of beneficiary, the right to change of beneficiary is reserved to the insured and
the consent of the beneficiary or beneficiaries shall not
be requisite to surrender or assignment of this policy or
to any change of beneficiary or beneficiaries, or to any
other changes in this policy.”

The first clause of this provision, relating to the irre-
vocable designation of beneficiary, may be omitted at the
insurer's option.

Sec. 14. Optional Policy Provisions.—Except as pro-
vided in section fifteen of this article, no such policy de-
levered or issued for delivery to any person in this state
shall contain provisions respecting the matters set forth
below unless such provisions are in the words in which
the same appear in this section: Provided, however, That
the insurer may, at its option, use in lieu of any such
provision a corresponding provision of different wording
approved by the commissioner which is not less favorable
in any respect to the insured or the beneficiary. Any such
provision contained in the policy shall be preceded indi-
vidually by the appropriate caption appearing in this
section or, at the option of the insurer, by such appropri-
ate individual or group captions or subcaptions as the
commissioner may approve.
16 (a) A provision as follows:

17 "CHANGE OF OCCUPATION: If the insured be in-
18 jured or contract sickness after having changed his occu-
19 pation to one classified by the insurer as more hazardous
20 than that stated in this policy or while doing for com-
21 pensation anything pertaining to an occupation so classi-
22 fied, the insurer will pay only such portion of the in-
23 demnities provided in this policy as the premium paid
24 would have purchased at the rates and within the limits
25 fixed by the insurer for such more hazardous occupation.
26 If the insured changes his occupation to one classified by
27 the insurer as less hazardous than that stated in this
28 policy, the insurer, upon receipt of proof of such change
29 of occupation, will reduce the premium rate accordingly,
30 and will return the excess pro-rata unearned premium
31 from the date of change of occupation or from the policy
32 anniversary date immediately preceding receipt of such
33 proof, whichever is the more recent. In applying this
34 provision, the classification of occupational risk and the
35 premium rates shall be such as have been last filed by
36 the insurer prior to the occurrence of the loss for which
the insurer is liable or prior to date of proof of change
in occupation with the state official having supervision
of insurance in the state where the insured resided at the
time this policy was issued; but if such filing was not
required, then the classification of occupational risk and
the premium rates shall be those last made effective by
the insurer in such state prior to the occurrence of the
loss or prior to the date of proof of change in occupation.”

(b). A provision as follows:

“MISSTATEMENT OF AGE: If the age of the insured
has been misstated, all amounts payable under this policy
shall be such as the premium paid would have purchased
at the correct age.”

(c) A provision as follows:

“OTHER INSURANCE IN THIS INSURER: If an acci-
dent or sickness or accident and sickness policy or policies
previously issued by the insurer to the insured be in force
concurrently herewith, making the aggregate indemnity
for . . . (insert type of coverage or coverages) in excess
of $ . . . (insert maximum limit of indemnity or indemni-
ties) the excess insurance shall be void and all premiums
paid for such excess shall be returned to the insured or
to his estate.”
or, in lieu thereof:

“Insurance effective at any one time on the insured
under a like policy or policies in this insurer is limited
to the one such policy elected by the insured, his bene-
ficiary or his estate, as the case may be, and the insurer
will return all premiums paid for all other such policies.”

Provided that no policy hereafter issued for delivery
in this state which provides, with or without other bene-
fits, for the payment of benefits or reimbursement for
expenses with respect to hospitalization, nursing care,
medical or surgical examination or treatment, or ambu-
lance transportation shall contain any provision for a re-
duction of such benefits or reimbursement, or any pro-
vision for avoidance of the policy, on account of other
insurance of such nature carried by the same insured with
the same or another insurer.

(d) A provision as follows:

“INSURANCE WITH OTHER INSURERS: If there be
other valid coverage, not with this insurer, providing
benefits for the same loss on other than an expense incurred basis and of which this insurer has not been given written notice prior to the occurrence or commencement of loss, the only liability for such benefits under this policy shall be for such proportion of the indemnities otherwise provided hereunder for such loss as the like indemnities of which the insurer had notice (including the indemnities under this policy) bear to the total amount of all like indemnities for such loss, and for the return of such portion of the premium paid as shall exceed the pro-rata portion for the indemnities thus determined."

The insurer may, at its option, include in this provision a definition of "other valid coverage", approved as to form by the commissioner, which definition shall be limited in subject matter to coverage provided by organizations subject to regulation by insurance law or by insurance authorities of this or any other state of the United States or any province of Canada, and to any other coverage the inclusion of which may be approved by the commissioner.

In the absence of such definition such term shall not in-
clude group insurance, or benefits provided by union wel-
fare plans or by employer or employee benefit organi-
zations. For the purpose of applying the foregoing policy
 provision with respect to any insured any amount of
benefit provided for such insured pursuant to any com-
pulsory benefit statute (including any workmen's com-
pensation or employer's liability statute) whether pro-
vided by a governmental agency or otherwise shall in all
cases be deemed to be "other valid coverage" of which
the insurer has had notice. In applying the foregoing
policy provision no third party liability coverage shall be
included as "other valid coverage."
(e) A provision as follows:
"RELATION OF EARNINGS TO INSURANCE: If the
total monthly amount of loss of time benefits promised
for the same loss under all valid loss of time cover-
age upon the insured, whether payable on a weekly or
monthly basis, shall exceed the monthly earning of the
insured at the time disability commenced or his average
monthly earnings for the period of two years immediately
preceding a disability for which claim is made, whichever
is the greater, the insurer will be liable only for such proportionate amount of such benefits under this policy as the amount of such monthly earning or such average monthly earnings of the insured bears to the total amount of monthly benefits for the same loss under all such coverage upon the insured at the time such disability commences and for the return of such part of the premiums paid during such two years as shall exceed the pro-rata amount of the premiums for the benefits actually paid hereunder; but this shall not operate to reduce the total monthly amount of benefits payable under all such coverage upon the insured below the sum of two hundred dollars or the sum of the monthly benefits specified in such coverages, whichever is the lesser, nor shall it operate to reduce benefits other than those payable for loss of time."

The foregoing policy provision may be inserted only in a policy which the insured has the right to continue in force subject to its terms by the timely payment of premiums (1) until at least age fifty or, (2) in the case of a policy issued after age forty-four, for at least five
142 years from its date of issue. The insurer may, at its option, include in this provision a definition of "valid loss of time coverage", approved as to form by the commissioner, which definition shall be limited in subject matter to coverage provided by governmental agencies or by organizations subject to regulation by insurance law or by insurance authorities of this or any other state of the United States or any province of Canada, or to any other coverage the inclusion of which may be approved by the commissioner or any combination of such coverages. In the absence of such definition such term shall not include any coverage provided for such insured pursuant to any compulsory benefit statute (including any workmen's compensation or employer's liability statute), or benefits provided by union welfare plans or by employer or employee benefit organizations.

(f) A provision as follows:

"UNPAID PREMIUM: Upon the payment of a claim under this policy, any premiums then due and unpaid or covered by any note or written order may be deducted therefrom."
(g) A provision as follows:

"CANCELLATION: The insurer may cancel this policy at any time by written notice delivered to the insured or mailed to his last address as shown by the records of the insurer, stating when, not less than five days thereafter, such cancellation shall be effective; after the policy has been continued beyond its original term the insured may cancel this policy at any time by written notice delivered or mailed to the insurer, effective upon receipt or on such later date as may be specified in such notice.

In the event of cancellation, the insurer will return promptly the unearned portion of any premium paid. If the insured cancels, the earned premium shall be computed by the use of the short-rate table last filed with the state official having supervision of insurance in the state where the insured resided when the policy was issued.

If the insurer cancels, the earned premium shall be computed pro-rata. Cancellation shall be without prejudice to any claim originating prior to the effective date of cancellation."

(h) A provision as follows:
"CONFORMITY WITH STATE STATUTES: Any provision of this policy which, on its effective date, is in conflict with the statutes of the state in which the insured resides on such date is hereby amended to conform to the minimum requirements of such statutes."

(i) A provision as follows:

"ILLEGAL OCCUPATION: The insurer shall not be liable for any loss to which a contributing cause was the insured's commission of or attempt to commit a felony or to which a contributing cause was the insured's being engaged in an illegal occupation."

(j) A provision as follows:

"INTOXICANTS AND NARCOTICS: The insurer shall not be liable for any loss sustained or contracted in consequence of the insured's being intoxicated or under the influence of any narcotic unless administered on the advice of a physician."

Sec. 15. Inapplicable or Inconsistent Policy Provisions.

If any provision of this section is in whole or in part inapplicable to or inconsistent with the coverage provided by a particular form of policy the insurer, with the ap-
proval of the commissioner, shall omit from such policy any inapplicable provision or part of a provision, and shall modify any inconsistent provision or part of the provision in such manner as to make the provision as contained in the policy consistent with the coverage provided by the policy.

Sec. 16. Order of Certain Policy Provisions.—The provisions which are the subject of sections thirteen and fourteen of this article or any corresponding provisions which are used in lieu thereof in accordance with such sections, shall be printed in consecutive order of the provisions in such sections or, at the option of the insurer, any such provisions may appear as a unit in any part of the policy, with other provisions to which it may be logically related, provided the resulting policy shall not be in whole or in part unintelligible, uncertain, ambiguous, abstruse, or likely to mislead a person to whom the policy is offered, delivered or issued.

Sec. 17. Third Party Ownership.—The word “insured” as used in this act, shall not be construed as preventing a person other than the insured with a proper insurable
interest from making application for and owning a policy covering the insured or from being entitled under such a policy to any indemnities, benefits and rights provided therein.

Sec. 18. Requirements of Other Jurisdictions.—(a) Any policy of a foreign or alien insurer, when delivered or issued for delivery to any person in this state, may contain any provision which is not less favorable to the insured or the beneficiary than the provisions of this act and which is prescribed or required by the law of the state under which the insurer is organized.

(b) Any policy of a domestic insurer may, when issued for delivery in any other state or country, contain any provision permitted or required by the laws of such other state or country.

Sec. 19. Procedure in Filing Policies.—The commissioner may make such reasonable rules and regulations concerning the procedure for the filing or submission of policies subject to this act as are necessary, proper or advisable to the administration of this act. This provision shall not abridge any other authority granted the commissioner by law.
Sec. 20. Other Policy Provisions.—No policy provision which is not subject to sections thirteen, fourteen or fifteen of this act shall make a policy, or any portion thereof, less favorable in any respect to the insured or the beneficiary than the provisions thereof which are subject to this act.

Sec. 21. Policy Conflicting with this Act.—A policy delivered or issued for delivery to any person in this state in violation of this act shall be held valid but shall be construed as provided in this act. When any provision in a policy subject to this act is in conflict with any provision of this act, the rights, duties and obligations of the insurer, the insured and the beneficiary shall be governed by the provisions of this act.

Sec. 22. Application.—(a) The insured shall not be bound by any statement made in an application for a policy unless a copy of such application is attached to or endorsed on the policy when issued as a part thereof. If any such policy delivered or issued for delivery to any person in this state shall be reinstated or renewed, and the insured or the beneficiary or assignee of such policy
shall make written request to the insurer for a copy of the application, if any, for such reinstatement or renewal, the insurer shall within fifteen days after the receipt of such request at its home office or any branch office of the insurer, deliver or mail to the person making such request, a copy of such application. If such copy shall not be so delivered or mailed, the insurer shall be precluded from introducing such application as evidence in any action or proceeding based upon or involving such policy or its reinstatement or renewal.

(b) No alteration of any written application for any such policy shall be made by any person other than the applicant without his written consent, except that insertions may be made by the insurer, for administrative purposes only, in such manner as to indicate clearly that such insertions are not to be ascribed to the applicant. The making of any such alterations without the consent of the applicant shall be a misdemeanor. If such alteration shall be made by any officer of the insurer, or by any employee of the insurer with the insurer's knowledge or consent, then such act shall be deemed to have been
performed by the insurer thereafter issuing the policy upon such altered application. The commissioner may re-
voke the license of the insurer for any violation of this section.

(c) The falsity of any statement in the application for any policy covered by this act may not bar the right to recovery thereunder unless such false statement materially affected either the acceptance of the risk or the hazard assumed by the insurer.

Sec. 23. Notice, Waiver.—The acknowledgment by any insurer of the receipt of notice given under any policy covered by this act, or the furnishing of forms for filing proofs of loss, or the acceptance of such proofs, or the investigation of any claim thereunder shall not operate as a waiver of any of the rights of the insurer in defense of any claim arising under such policy.

Sec. 24. Age Limit.—If any such policy contains a provision establishing, as an age limit or otherwise, a date after which the coverage provided by the policy will not be effective, and if such date falls within a period for which premium is accepted by the insurer or if the in-

31 [Enr. S. B. No. 88]
surer accepts a premium after such date, the coverage
provided by the policy will continue in force subject to
any right of cancellation until the end of the period for
which premium has been accepted. In the event the age
of the insured has been misstated and if, according to the
correct age of the insured, the coverage provided by the
policy would not have become effective, or would have
ceased prior to the acceptance of such premium or pre-
miums, then the liability of the insurer shall be limited
to the refund, upon request, of all premiums paid for the
period not covered by the policy.

Sec. 25. Discriminations Prohibited.—Discrimination
between individuals of the same class in the amount of
premims or rates charged for any policy of insurance
covered by this article, or in the benefits payable thereon,
or in any of the terms or conditions of such policy, or in
any other manner whatsoever, is prohibited.

Sec. 26. Penalty for Issuing or Delivering Policy in
Violation of Article.—Any insurer, or any officer or agent
thereof, who issues or delivers to any person in this state
any policy, or alters any written application for insur-
ance, in wilful violation of the provisions of this article,
shall be guilty of a misdemeanor, and, upon conviction
thereof shall be sentenced to pay a fine of not more than
three hundred dollars for each offense. The insurance
commissioner may revoke the license of any company,
corporation, association or other insurer of another state
or country, or of the agent thereof, which or who wilfully
violates any of said provisions.

Sec. 27. Application of Article.—(a) Nothing in this
article, however, shall apply to or affect any policy of
liability or workmen's compensation insurance.
(b) Nothing in this article shall apply to or affect any
policy of insurance issued in accordance with article thir-
teen of this chapter, except as provided in said article
thirteen.
(c) Nothing in this article shall apply to nor in any
way affect life insurance, endowment or annuity con-
tracts or contracts supplemental thereto which contain no
provisions relating to accident or health insurance except
(i) such as provided additional benefits in case of death
by accidental means, and except (ii) such as operate to
safeguard such contracts against lapse, or to give a special
surrender value, or special benefit, or an annuity, in the
event that the insured or annuitant shall become totally
and permanently disabled as defined by the contract or
supplemental contract.
(d) Nothing in this article shall apply to or in any way
affect fraternal benefit societies.
(e) The provisions of this article contained in clauses
d and (j) of section thirteen may be omitted from
transportation ticket policies.
Any policy, rider or endorsement, which could have been
lawfully used or delivered or issued for delivery to any
person in this state immediately before the effective date
of this act may be used or delivered or issued for de-
livery to any such person until January first, one thou-
sand nine hundred fifty-seven without being subject to
the provisions of sections eleven through twenty-one, in-
cclusive, of this article.

Article 13. Group Accident and Health Insurance.

Section 5. Policies to Provide Expense Reimbursement

Permitted; Provision as to Proof of Loss and Time for
Suit Prescribed.—Any policy coming within the classification of subsection (a) or (b) of section one of this article may provide, in addition to such other indemnities, if any, as are provided in the policy on account of sickness or bodily injury or death of insured employees or members by accident, for the payment of benefits or reimbursement for expenses with respect to any one or more of the following contingencies: Hospitalization, nursing care, medical or surgical examination or treatment, or ambulance transportation of insured employees or members, or of their spouses or children, or of dependents living with them: Provided, That no such policy hereafter issued for delivery in this state shall contain any provision relative to notice or proof of loss or the time for paying benefits or the time within which suit may be brought upon the policy which is less favorable to the insured than would be permitted by the provisions of section thirteen of article eleven.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

[Signature]
Chairman Senate Committee

[Signature]
Chairman House Committee

Originated in the Senate.

Takes effect 90 days from passage.

[Signature]
Clerk of the Senate

[Signature]
Clerk of the House of Delegates

[Signature]
President of the Senate

[Signature]
Speaker House of Delegates

The within approved this the 1st day of March, 1955.

[Signature]
William C. March
Governor.

Filed in the Office of the Secretary of State of West Virginia on MAR 3 1955

D. PITT O'BRIEN
SECRETARY OF STATE