

CHAPTER 62

ACCIDENT AND HEALTH INSURANCE

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62.01 POLICY, FORM, APPROVAL. Subdivision 1. **Form filed with commissioner.** On and after the effective date of Laws 1947, Chapter 4, no policy of insurance against loss, expense or damage from the sickness, or from the bodily injury or death of the insured by accident, shall be issued or delivered to any person in this state nor shall any application, rider or endorsement be used in connection therewith until a copy of the form thereof and of the classification of risks and the premium rates pertaining thereto, have been filed with the commissioner.

Subd. 2. **30 days' stay before issue.** No such policy shall be issued, nor shall any application, rider or endorsement be used in connection therewith, until the expiration of 30 days after it has been so filed unless the commissioner shall sooner give his written approval thereto.

Subd. 3. **Commissioner may disapprove form.** The commissioner may, within 30 days after the filing of any such form, disapprove such form (1) if the benefits provided therein are unreasonable in relation to the premium charged, or (2) if it contains a provision or provisions which are unjust, unfair, inequitable, misleading, deceptive or encourage misrepresentation of such policy. If the commissioner shall notify the insurer which has filed any such form that it does not comply with the provisions of this section or sections 62.02, 62.03, 62.04, 62.05 and 62.11 it shall be unlawful thereafter for such insurer to issue such form or use it in connection with any policy. In such notice the commissioner shall specify the reasons for his disapproval and state that a hearing will be granted within 20 days after request in writing by the insurer. The commissioner shall hear the party or parties within 20 days after receipt of the request and shall give not less than ten days written notice of the time and place of the hearing. Within 15 days after the hearing the commissioner shall affirm, reverse or modify his previous action, specifying his reasons therefor. Pending the hearing and decision thereon the commissioner may suspend or postpone the effective date of his previous action.

Subd. 4. **Commissioner may withdraw approval.** The commissioner may at any time, after a hearing of which not less than 20 days written notice shall have been given to the insurer, withdraw his approval of any such form on any of the grounds stated in this section. It shall be unlawful for the insurer to issue such form or use it in connection with any policy after the effective date of such withdrawal of approval. The notice of any hearing called under this paragraph shall specify the matters to be considered at such hearing and any decision affirming disapproval or directing withdrawal of approval under this section shall be in writing and shall specify the reasons therefor.

Subd. 5. **Certiorari to review.** Any order or decision of the commissioner under this section shall be subject to review by writ of certiorari at the instance of any party in interest. In the case of disapproval or withdrawal of approval of a form previously in use the court shall determine whether the petition for such writ shall operate as a stay of any such order or decision. The court may, in disposing of the issue before it, modify, affirm, or reverse the order or decision of the commissioner in whole or in part.

Subd. 6. **Group insurance.** Group accident and health insurance is hereby declared to be that form of accident and health insurance covering not less than 25 employees or members, and which may include the employee's or member's dependents, consisting of husband, wife, children, and actual dependents residing

in the household, written under a master policy issued to any governmental corporation, unit, agency, or department thereof, or to any corporation, copartnership, individual, employer, or to any association having a constitution or by-laws and formed in good faith for purposes other than that of obtaining insurance under the provisions of this chapter, where officers, members, employees, or classes or divisions thereof, may be insured for their individual benefit.

Any insurance company authorized to write accident and health insurance in this state shall have power to issue group accident and health policies. No policy of group accident and health insurance may be issued or delivered in this state unless the same has been approved by the commissioner in accordance with subdivisions 1, 2, 3, 4 and 5 of this section. These forms shall contain the standard provisions relating and applicable to health and accident insurance in so far as they may be applicable to group accident and health insurance, and also the following provisions:

(1) A provision that the policy and the application of the employer, or executive officer or trustee of any association, and the individual applications, if any, of the employees or members insured, shall constitute the entire contract between the parties, and that all statements made by the employer or any executive officer or trustee in behalf of the group to be insured, or by the individual employees or members to be insured, shall, in the absence of fraud, be deemed representations and not warranties, and that no such statement shall be used in defense to a claim under the policy, unless it is contained in the written application;

(2) A provision that the insurer will issue a master policy to the employer, or to the executive officer or trustee of the association; and the insurer shall also issue to the employer or to the executive officer or trustee of the association, for delivery to the employee or member who is insured under the policy, an individual certificate setting forth a statement as to the insurance protection to which he is entitled and to whom payable, together with a statement as to when and where the master policy, or a copy thereof, may be seen for inspection by the individual insured; this individual certificate may contain the names of, and insure the dependents of, the employee or member, as provided for herein;

(3) A provision that to the group or class thereof originally insured may be added, from time to time, all new employees of the employer or members of the association eligible to and applying for insurance in that group or class and covered or to be covered by the master policy.

Subd. 7. Family group insurance. Family group accident and health insurance is hereby declared to be that form of accident and health insurance covering members of any one family, including husband, wife, children, and dependents residing in the household, written under a master or single policy issued to the head of such family. Any insurance company authorized to write accident and health insurance in this state shall have the power to issue family group accident and health insurance. No policy of family group accident and health insurance may be issued or delivered in this state unless the same has been approved by the commissioner in accordance with subdivisions 1, 2, 3, 4 and 5. These forms shall contain the standard provisions relating to and applicable to accident and health insurance and the following provisions:

(1) A provision that the policy and the application of the head of the family shall constitute the entire contract between the parties, and that all statements made by the head of the family shall, in the absence of fraud, be deemed representations and not warranties, and that no statement of the insured in connection with the application shall be used in defense to a claim under the policy, unless it is contained in the written application;

(2) A provision that to the family group originally insured may be added, from time to time, all new members of the family eligible for insurance in the family group.

[1913 c 156 s 1; 1939 c 146 s 1; 1947 c 440 s 1] (3415)

62.02 PROVISIONS OF POLICY. No such policy shall be so issued or delivered (1) unless the entire money and other considerations therefor are expressed in the policy; nor (2) unless the time at which the insurance thereunder takes effect and terminates is stated in a portion of the policy preceding its execution by the insurer; nor (3) if the policy purports to insure more than one person, except as provided by section 62.01, subdivision 2; nor (4) unless every printed portion thereof and of any endorsements or attached papers shall be plainly printed in type of which the face shall be not smaller than ten-point; nor (5) unless a brief description

thereof be printed on its first page and on its filing back in type of which the face shall be not smaller than 14-point; nor (6) unless the exceptions of the policy be printed with the same prominence as the benefits to which they apply; provided, however, that any portion of such policy which purports, by reason of the circumstances under which a loss is incurred, to reduce any indemnity promised therein to an amount less than that provided for the same loss occurring under ordinary circumstances, shall be printed in bold-faced type and with greater prominence than any other portion of the text of the policy.

[1913 c. 156 s. 2; 1939 c. 146 s. 2] (3416)

62.03 STANDARD PROVISIONS. Every policy so issued shall contain certain standard provisions, which shall be in the words and in the order hereinafter set forth and be preceded in every policy by the caption "Standard Provision." In each such provision wherever the word "insurer" is used, there shall be substituted therefor "company" or "corporation" or "association" or "society" or such other word as will properly designate the insurer. The standard provisions shall be:

(1) A standard provision relative to the contract, which may be in either of the following two forms: Form (A) to be used in policies which do not provide for reduction of indemnity on account of change of occupation, and Form (B) to be used in policies which do so provide. If Form (B) is used and the policy provides indemnity against loss from sickness, the words "or contracts sickness" may be inserted therein immediately after the words "in the event that the insured is injured":

(A) 1. This policy includes the endorsements and attached papers, if any, and contains the entire contract of insurance. No reduction shall be made in any indemnity herein provided by reason of change in the occupation of the insured or by reason of his doing any act or thing pertaining to any other occupation.

(B) 1. This policy includes the endorsements and attached papers, if any, and contains the entire contract of insurance except as it may be modified by the insurer's classification of risks and premium rates in the event that the insured is injured after having changed his occupation to one classified by the insurer as more hazardous than that stated in the policy, or while he is doing any act or thing pertaining to any occupation so classified, except ordinary duties about his residence or while engaged in recreation, in which event the insurer will pay only such portion of the indemnities provided in the policy as the premium paid would have purchased at the rate but within the limits so fixed by the insurer for such more hazardous occupation.

If the law of the state in which the insured resides at the time this policy is issued requires that prior to its issue a statement of the premium rates and classification of risks pertaining to it shall be filed with the state official having supervision of insurance in such state, then the premium rates and classification of risks mentioned in this policy shall mean only such as have been last filed by the insurer in accordance with such law, but if such filing is not required by such law, then they shall mean the insurer's premium rates and classification of risks last made effective by it in such state prior to the occurrence of the loss for which the insurer is liable.

(2) A standard provision relative to changes in the contract, which shall be in the following form:

2. No statement made by the applicant for insurance not included herein shall avoid the policy or be used in any legal proceeding hereunder. No agent has authority to change this policy or to waive any of its provisions. No change in this policy shall be valid unless approved by an executive officer of the insurer and such approval be endorsed hereon.

(3) A standard provision relative to reinstatement of policy after lapse, which may be in either of the three following forms: Form (A) to be used in policies which insure only against loss from accident; Form (B) to be used in policies which insure only against loss from sickness; and Form (C) to be used in policies which insure against loss from both accident and sickness.

(A) 3. If default be made in the payment of the agreed premium for this policy, the subsequent acceptance of a premium by the insurer or by any of its duly authorized agents shall reinstate the policy, but only to cover loss resulting from accidental injury thereafter sustained.

(B) 3. If default be made in the payment of the agreed premium for this policy, the subsequent acceptance of a premium by the insurer or by any of its duly

authorized agents shall reinstate the policy, but only to cover such sickness as may begin more than ten days after the date of such acceptance.

(C) 3. If default be made in the payment of the agreed premium for this policy, the subsequent acceptance of a premium by the insurer or by any of its duly authorized agents shall reinstate the policy, but only to cover accidental injury thereafter sustained and such sickness as may begin more than ten days after the date of such acceptance.

(4) A standard provision relative to time of notice of claim, which may be in either of the three following forms: Form (A) to be used in policies which insure only against loss from accident; Form (B) to be used in policies which insure only against loss from sickness, and Form (C) to be used in policies which insure against loss from both accident and sickness. If Form (A) or Form (C) is used, the insurer may, at its option, add thereto the following sentence: "In event of accidental death immediate notice thereof must be given to the insurer."

(A) 4. Written notice of injury on which claim may be based must be given to the insurer within 20 days after the date of the accident causing such injury.

(B) 4. Written notice of sickness on which claim may be based must be given to the insurer within ten days after the commencement of the disability from such sickness.

(C) 4. Written notice of injury or of sickness on which claim may be based must be given to the insurer within 20 days after the date of the accident causing such injury or within ten days after the commencement of disability from such sickness.

(5) A standard provision relative to sufficiency of notice of claim, which shall be in the following form and in which the insurer shall insert in the blank space such office and its location as it may desire to designate for such purpose of notice:

5. Such notice given by or in behalf of the insured or beneficiary, as the case may be, to the insurer at....., or to any authorized agent of the insurer, with particulars sufficient to identify the insured, shall be deemed to be notice to the insurer. Failure to give notice within the time provided in this policy shall not invalidate any claim if it shall be shown not to have been reasonably possible to give such notice and that notice was given as soon as was reasonably possible.

(6) A standard provision relative to furnishing forms for the convenience of the insured in submitting proof of loss, as follows:

6. The insurer, upon receipt of such notice, will furnish to the claimant such forms as are usually furnished by it for filing proofs of loss. If such forms are not so furnished within 15 days after the receipt of such notice, the claimant shall be deemed 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, character and extent of the loss for which claim is made.

(7) A standard provision relative to filing proof of loss, which shall be in such one of the following forms as may be appropriate to the indemnities provided:

(A) 7. Affirmative proof of loss must be furnished to the insurer, at its said office, within 90 days after the date of the loss for which claim is made.

(B) 7. Affirmative proof of loss must be furnished to the insurer, at its said office, within 90 days after the termination of the period of disability for which the company is liable.

(C) 7. Affirmative proof of loss must be furnished to the insurer, at its said office, in case of claim for loss of time from disability, within 90 days after the termination of the period for which the insurer is liable, and in case of claim for any other loss, within 90 days after the date of such loss.

(8) A standard provision relative to examination of the person of the insured and relative to autopsy, which shall be in the following form:

8. The insurer shall have the right and opportunity to examine the person of the insured when and so often as it may reasonably require during the pendency of claim hereunder, and also the right and opportunity to make an autopsy in case of death where it is not forbidden by law.

(9) A standard provision relative to the time within which payments other than those for loss of time on account of disability shall be made, which provision may be in either of the following two forms, and which may be omitted from any policy providing only indemnity for loss of time on account of disability. The

insurer shall insert in the blank space either the word "immediately" or appropriate language to designate such period of time, not more than 60 days, as it may desire; Form (A) to be used in policies which do not provide indemnity for loss of time on account of disability, and Form (B) to be used in policies which do so provide.

(A) 9. All indemnities provided in this policy will be paid..... after receipt of due proof.

(B) 9. All indemnities provided in this policy for loss other than that of time on account of disability will be paid.....after receipt of due proof.

(10) A standard provision relative to periodical payments of indemnity for loss of time on account of disability, which provision shall be in the following form, and which may be omitted from any policy not providing for such indemnity. The insurer shall insert in the first blank space of the form appropriate language to designate the proportion of accrued indemnity it may desire to pay, which proportion may be all or any part not less than one-half, and in the second blank space shall insert any period of time not exceeding 60 days:

10. Upon request of the insured and subject to due proof of loss,..... accrued indemnity for loss of time on account of disability will be paid at the expiration of each.....during the continuance of the period for which the insurer is liable, and any balance remaining unpaid at the termination of such period will be paid immediately upon receipt of due proof.

(11) A standard provision relative to indemnity payments, which may be in either of the two following forms: Form (A) to be used in policies which designate a beneficiary, and Form (B) to be used in policies which do not designate any

(A) 11. Indemnity for loss of life of the insured is payable to the beneficiary if surviving the insured, and otherwise to the estate of the insured. All other indemnities of this policy are payable to the insured.

(B) 11. All the indemnities of this policy are payable to the insured.

(12) A standard provision providing for cancellation of the policy at the instance of the insured, which shall be in the following form:

12. If the insured shall at any time change his occupation to one classified by the insurer as less hazardous than that stated in the policy, the insurer, upon written request of the insured, and surrender of the policy, will cancel the same and will return to the insured the unearned premium.

(13) A standard provision relative to the rights of the beneficiary under the policy, which shall be in the following form, and which may be omitted from any policy not having a beneficiary:

13. Consent of the beneficiary shall not be requisite to surrender or assignment of this policy, or to change the beneficiary, or to any other changes in the policy.

(14) A standard provision limiting the time within which suit may be brought upon the policy, as follows:

14. No action at law or in equity shall be brought to recover on this policy prior to the expiration of 60 days after proof of loss has been filed in accordance with the requirements of this policy, nor shall such action be brought at all unless brought within two years from the expiration of the time within which proof of loss is required by the policy.

(15) A standard provision relative to time limitations of the policy, as follows:

15. If any time limitation of this policy with respect to giving notice of claim or furnishing proof of loss is less than that permitted by the law of the state in which the insured resides at the time this policy is issued, such limitation is hereby extended to agree with the minimum period permitted by such law.

[1913 c. 156 s. 3] (3417)

62.04 PROVISIONS FORBIDDEN; OPTIONAL FEATURES. No such policy shall be so issued or delivered which contains any provision: (1) relative to cancellation at the instance of the insurer; or (2) limiting the amount of indemnity to a sum less than the amount stated in the policy and for which the premium has been paid; or (3) providing for the deduction of any premium from the amount paid in settlement of claim; or (4) relative to other insurance by the same insurer; or (5) relative to the age limits of the policy; unless such provisions, which are hereby designated as optional standard provisions, shall be in the words and in the order in which they are hereinafter set forth, but the insurer may, at its option, omit from the policy any such optional standard provision. Such optional standard provisions, if inserted in the policy, shall immediately succeed the standard provisions named in section 62.03.

(1) An optional standard provision relative to cancelation of the policy at the instance of the insurer, as follows:

16. 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, together with cash or the insurer's check for the unearned portion of the premiums actually paid by the insured, and such cancelation shall be without prejudice to any claim originating prior thereto.

(2) An optional standard provision relative to reduction of the amount of indemnity to a sum less than that stated in the policy, as follows:

17. If the insured shall carry with another company, corporation, association, or society other insurance covering the same loss without giving written notice to the insurer, then in that case the insurer shall be liable only for such portion of the indemnity promised as the indemnity bears to the total amount of like indemnity in all policies covering such loss, and for the return of such part of the premium paid as shall exceed the pro rata for the indemnity thus determined.

(3) An optional standard provision relative to reduction of premium upon settlement of claim, as follows:

18. Upon the payment of claim hereunder, any premium then due and unpaid or covered by any note or written order may be deducted therefrom.

(4) An optional standard provision relative to other insurance by the same insurer, which shall be in such one of the following forms as may be appropriate to the indemnities provided, and in the blank spaces of which the insurer shall insert such upward limits of indemnity as are specified by the insurer's classification of risks, filed as required by this chapter.

(A) 19. If a like policy or policies, previously issued by the insurer to the insured, be in force concurrently herewith, making the aggregate indemnity in excess of \$....., the excess insurance shall be void and all premiums paid for such excess shall be returned to the insured.

(B) 19. If a like policy or policies, previously issued by the insurer to the insured, be in force concurrently herewith, making the aggregate indemnity for loss of time on account of disability in excess of \$.....weekly (or substitute the word "monthly"), the excess insurance shall be void and all premiums paid for such excess shall be returned to the insured.

(C) 19. If a like policy or policies, previously issued by the insurer to the insured, be in force concurrently herewith, making the aggregate indemnity for loss other than that of time on account of disability in excess of \$....., or the aggregate indemnity for loss of time on account of disability in excess of \$.....weekly (or substitute the word "monthly"), the excess insurance of either kind shall be void and all premiums paid for such excess shall be returned to the insured.

(5) An optional standard provision relative to the age limits of the policy, which shall be in the following form, and in the blank spaces of which the insured shall insert such number of years as it may elect:

20. The insurance under this policy shall not cover any person under the age of.....years, nor over the age of.....years. Any premium paid to the insurer for any period not covered by this policy will be returned upon request.

[1913 c. 156 s. 4] (3418)

62.05 CONTRADICTIONARY PROVISIONS PROHIBITED. No policy shall be so issued or delivered if it contains any provision contradictory, in whole or in part, to any of the provisions hereinbefore in this chapter designated as "standard provisions" or as "optional standard provisions"; nor shall any endorsements or attached papers vary, alter, extend, be used as a substitute for, or in any way conflict with, any of the "standard provisions" or the "optional standard provisions"; nor shall the policy be so issued or delivered if it contains any provision purporting to make any portion of the charter, constitution, or by-laws of the insurer a part of the policy unless that portion of the charter, constitution, or by-laws be set forth in full in the policy, but this prohibition shall not be deemed to apply to any statement of rates or classification of risks filed with the commissioner in accordance with the provisions of this chapter.

[1913 c. 156 s. 5] (3419)

62.06 FALSE STATEMENTS. The falsity of any statement in the application for any policy covered by this chapter shall not bar the right to recovery there-

under unless such false statement was made with actual intent to deceive or unless it materially affected either the acceptance of the risk or the hazard assumed by the insurer.

[1913 c. 156 s. 6] (3420)

62.07 DEFENSES, WHEN NOT WAIVED. The acknowledgment by any insurer of the receipt of notice given under any policy covered by this chapter, 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.

[1913 c. 156 s. 7] (3421)

62.08 ALTERATION OF APPLICATION. No alteration of any written application for insurance, by erasure, insertion or otherwise, shall be made by any person other than the applicant without his written consent, and the making of any alteration without the consent of the applicant shall be a misdemeanor. If the 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 the act shall be deemed to have been performed by the insurer thereafter issuing the policy upon the altered application.

[1913 c. 156 s. 8] (3422)

62.09 POLICY ISSUED IN VIOLATION OF CHAPTER. A policy issued in violation of this chapter shall be held valid, but shall be construed as provided in this chapter, and when any provision in such a policy is in conflict with any provision of this chapter, the rights, duties, and obligations of the insurer, the policyholder, and the beneficiary shall be governed by the provisions of this chapter.

[1913 c. 156 s. 9] (3423)

62.10 RECIPROCAL PROVISIONS. The policies of insurance against accidental bodily injury or sickness issued by an insurer not organized under the laws of this state may contain, when issued in this state, any provision which the laws of the state, territory, or district of the United States under which the insurer is organized, prescribed for insertion in such policies, and the policies of insurance against accidental bodily injury or sickness issued by an insurer organized under the laws of this state may contain, when issued or delivered in any other state, territory, district, or country, any provision required by the laws of the state, territory, district, or country in which same are issued, anything in this chapter to the contrary notwithstanding.

[1913 c. 156 s. 10] (3424)

62.11 DISCRIMINATION PROHIBITED. Discrimination between individuals of the same class in the amount of premiums or rates charged for any policy of insurance covered by this chapter, or in the benefits payable thereon, or in any of the terms or conditions of the policy, or in any other manner, is prohibited.

[1913 c. 156 s. 11] (3425)

62.12 APPLICATION. Subdivision 1. **Not to affect workmen's compensation.** Nothing in this chapter shall apply to or affect any policy or liability of workmen's compensation insurance.

Subd. 2. **Life insurance.** Nothing in this chapter contained shall apply to life insurance, endowment or annuity contracts, or to any such contracts or contracts supplemental thereto, containing or providing for additional benefits of any kind in the event of death by accidental means or of the total and permanent disability of the insured, as defined by the contract.

Subd. 3. **Fraternal benefit societies.** Nothing in this chapter shall apply to or in any way affect fraternal benefit societies.

Subd. 4. **Railroad ticket policies.** The provisions of this chapter contained in section 62.02, clause (5), and section 62.03, clauses 2, 3, 8, and 12, may be omitted from railroad ticket policies sold only at railroad stations, or at railroad ticket offices by railroad employees.

[1913 c 156 s 12; 1935 c 74 s 1; 1947 c 440 s 2] (3426)

62.13 VIOLATIONS; PENALTIES. Any company, corporation, association, society, or other insurer, or any officer or agent thereof, which or who issues or delivers to any person in this state any policy in wilful violation of the provisions of this chapter, shall be punished by a fine of not more than \$100 for each offense, and the commissioner may revoke the license of any company, corporation, association, society, or other insurer of another state or country, or of the agent thereof, which or who wilfully violates any provision of this chapter.

[1913 c. 156 s. 13] (3427)