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National Council of Insurance Legislators (NCOIL)

Secondary Addressee Model Act

**Adopted by the NCOIL Life Insurance Committee on November 17, 1996, and by the NCOIL Executive Committee on November 20, 1996. Readopted by the NCOIL Executive Committee on July 12, 2001, February 27, 2004, July 22, 2006, February 26, 2012, and March 4, 2017. Amended by the Life Insurance & Financial Planning Committee on July 15, 2017 and approved by the Executive Committee on July 15, 2017. Re-adopted on March 6, 2022.*

Section 1. Secondary notice.

A. Except as provided herein, no individual contract for life insurance issued or issued for delivery in this state (one year after the effective date of this Act) covering a natural person, which has been in force for at least 1 year, shall be lapsed for nonpayment of premium unless, after expiration of the grace period and at least 21 days prior to the effective date of any such lapse, the insurer has mailed or if agreed to by the applicant, e-mailed or texted, a notification of such impending lapse in coverage to the policyowner and to a specified secondary addressee if such addressee has been designated in writing by name and address by the policyowner.

B. An insurer issuing such a life insurance contract on or after (one year after the effective date of this Act) shall notify the applicant of the right to designate a secondary addressee at the time of application for the policy on a form provided by the insurer, and thereafter the policyowner has the right to designate a secondary addressee, in writing, by name and address, at any time the policy is in force, by submitting such written notice to the insurer.

C. For purposes of any life insurance policy which provides a grace period longer than 51 days for nonpayment of premiums, the notice of possible lapse in coverage as required by this section shall be mailed or if agreed to by the applicant, e-mailed or texted, at least 21 days prior to the expiration of the grace period provided in such policies to the policyowner and to the secondary addressee.

D. This section shall not apply to life insurance contracts under which premiums are payable monthly or more frequently and regularly collected by a licensed agent, or paid by a credit card or any pre-authorized check processing or automatic debit service of a financial institution.

Section 2.

This Act shall take effect upon becoming law.