

Sec. 38a-546-3. Effective date of discontinuance for nonpayment of premium or subscription charges

(a) If a group insurance policy provides for automatic discontinuance of the policy or contract after a premium or subscription charge has remained unpaid through the grace period allowed for such payment, the carrier shall be liable for valid claims for covered losses incurred prior to the end of the grace period.

(b) If the actions of the carrier after the end of the grace period indicate that it considered the policy or contract as continuing in force beyond the end of the grace period (such as by not denying claims for losses beginning after the end of the grace period), the carrier shall be liable for valid claims for losses beginning prior to the effective date of written notice of discontinuance to the policyholder or other entity responsible for making payments or submitting subscription charges to the carrier. The effective date of discontinuance shall not be prior to midnight at the end of the third scheduled work day after the date upon which the notice is delivered.

(Adopted effective September 25, 1992; Amended August 30, 2004)