

**THE INSURANCE CODE OF 1956 (EXCERPT)**  
**Act 218 of 1956**

**500.3411 Reinstatement; provision required.**

Sec. 3411. (1) Subject to subsection (2), an insurer shall include the following provision in a disability insurance policy other than a health insurance policy:

**REINSTATEMENT:** If any renewal premium is not paid within the time granted the insured for payment, a subsequent acceptance of premium by the insurer or by an agent duly authorized by the insurer to accept the premium, without requiring in connection with the acceptance of the premium an application for reinstatement, is a reinstatement of the policy. However, if the insurer or its agent requires an application for reinstatement and issues a conditional receipt for the premium tendered, the policy is reinstated upon approval of the application by the insurer or, if not approved by the insurer, on the forty-fifth day after the date of the conditional receipt unless the insurer has previously notified the insured in writing of its disapproval of the application. Under the reinstated policy, the insurer will cover only loss resulting from accidental injury that is sustained after the date of reinstatement and loss due to sickness that begins more than 10 days after that date. In all other respects, the insured and insurer have the same rights under the policy as they had under the policy immediately before the due date of the defaulted premium, subject to any provisions endorsed on the policy or attached to the policy in connection with the reinstatement. The insurer will apply any premium accepted in connection with a reinstatement to a period for which premium has not been previously paid, but not to any period more than 60 days before the date of reinstatement.

(2) An insurer may omit the last sentence of the provision required under subsection (1) from a policy that the insured has the right to continue in force subject to its terms by the timely payment of premium until at least age 50 or, for a policy issued after age 44, for at least 5 years after its date of issue.

**History:** 1956, Act 218, Eff. Jan. 1, 1957;—Am. 2016, Act 276, Imd. Eff. July 1, 2016.

**Popular name:** Act 218