

090200320

SENATE BILL NO. 1480

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Commerce and Labor
on February 9, 2009)

(Patron Prior to Substitute—Senator Ruff)

A BILL to amend the Code of Virginia by adding a section numbered 38.2-3301.1, relating to delivery of individual life insurance policies.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 38.2-3301.1 as follows:

§ 38.2-3301.1. Delivery of individual life insurance policies.

A. For purposes of determining the commencement of the period during which the owner of an individual life insurance policy may exercise any statutory right to examine, surrender, or return the policy for cancellation, the date of delivery of the policy shall be:

1. The date of the signed receipt of delivery if the life insurance policy is (i) delivered by United States mail or other postal delivery system, or (ii) physically delivered to the owner by a representative of the insurer; or

2. The date of electronic transmission of the policy, provided the electronic transmission has been effected in accordance with this title and any other state or federal laws governing the electronic transmission of documents and information. The insurer shall retain evidence of electronic transmittal for the entire period of the life insurance policy.

B. If an insurer does not deliver a policy by the means set forth in subsection A, the burden of proof shall be on the insurer to establish that the policy was delivered, in the event of a dispute with the owner of the policy.

C. Notwithstanding subsections A and B, a policy shall be deemed to have been received by the owner of the policy as of the date of its issuance if six months have passed since its issuance and the owner of the policy has paid the premiums pursuant to the contract for those six months.

SENATE SUBSTITUTE

SB1480S1