

**Kansas Administrative Regulations
Agency 40. Insurance Department
Article 2. Life Insurance**

40-2-7 Life insurance companies and fraternal benefit associations; lapse of policies providing for automatic term insurance or fractional paid-up insurance; notice to policyholders required.

(a) Each life insurance company and fraternal benefit association writing contracts of insurance on Kansas citizens shall give written notice to its insureds upon the lapse of any insurance policy which provides for either automatic term insurance or fractional paid-up insurance.

(b) The following rules of notice shall be observed:

(1) The notice shall be sent to residents of Kansas only.

(2) The notice shall be sent within six months after the due date of the premium in default.

(3) The notice shall be sent only if paid-up or extended insurance value was available at date of lapse.

(4) A notice regarding lapse of industrial insurance shall be sent only if the premiums have been paid for three years or more.

(5) The notice shall show the amount of fractional paid-up insurance.

(6) A notice regarding lapse of extended term insurance need not show the amount of insurance. However, the notice shall show:

(A) The date of expiration; or

(B) the date of lapse and period of extension.

(Authorized by K.S.A. 40-103; implementing K.S.A. 40-410, 40-411; effective Jan. 1, 1966; amended May 1, 1986.)