

Bulletin 11

GROUP LIFE DEPENDENTS COVERAGE -- PROHIBITED

February 1, 1964

The 1953 Opinion of the Attorney General, No. 32, appeared to have clearly resolved "that the writing of Dependency Coverage in Group Life Insurance was and is now prohibited by the statute authorizing the writing of Group Life Insurance Coverage."

In recent years, however, there have been conflicting understandings as to whether or not Dependency Coverage written before the 1953 Opinion, No. 32, may continue in force under an implied "Grandfather's Clause" provision. Because of these conflicting understandings the Department requested an opinion to clarify the status of Group Life Dependency Coverage and the O.A.G. No. 32, 1953. A copy of our request and a copy of O.A.G. No. 64, 1963 in response to that request are appended.

We particularly wish to draw your attention to the concluding paragraph of O.A.G. No. 64, 1963:

"It is my opinion, as it was in 1953, that dependency coverage in group life insurance contracts were and are prohibited and should be treated by your department as being void." (Our emphasis.)

In accordance with the Attorney General's Opinion, the Department rules: --

- (1) that group dependency coverage has never been and is not now authorized by the Indiana Group Life Insurance Laws, and
- (2) that any group life insurance contracts not now in compliance with the Group Life Insurance Laws, in this respect, shall be made to comply on the next annual renewal anniversary date after March 1, 1964.

Harry E. McClain
Insurance Commissioner