

December 7, 1950
Op. No. 50-271

Mr. N. F. Morris
Actuary, Insurance Division
Arizona Corporation Commission
Phoenix, Arizona

LAW LIBRARY
ARIZONA ATTORNEY GENERAL

Re: Forms of family group and individual hospital policies proposed by Charter Oak Insurance Company

Dear Mr. Morris:

We have your letter of November 27 and have examined for legality the proposed forms to which reference is made.

The family group policy is objectionable in that:

1. Part IV of the policy is not sufficient to satisfy the incontestable provision required by Section 61-1017(a)3 ACA 1939.
2. Standard Provision (3) of the policy does not measure up to the provision for reinstatement required by Section 61-1017(a)2 ACA 1939.
3. Additional Provision (8) is inconsistent with Part II of the policy and with Section 61-1017(a)1.
4. Additional Provision (9) violates the Corporation Commission order which prohibits any implication that a policy has been endorsed by the State or its agencies.
5. The policy contains no age-adjustment provision as required by Section 61-1017(a)4 ACA 1939.
6. The policy contains no provision specifying \$5,000.00 maximum coverage as required by Section 61-1017(d) ACA 1939.

The individual policy is objectionable in that:

1. While Part IV of the policy provides for limited incontestability, it is not sufficient to satisfy the requirement of Section 61-1017(a)3 ACA 1939.
2. The policy provision immediately preceding the signatures of the company officers is inconsistent with Part II of the policy and with Section 61-1017(a)1 ACA 1939.

3. The policy contains no provision which satisfies the requirement of Section 61-1017(a)2 ACA 1939; Standard Provision (3) is contrary to said requirement.
4. Additional Provision (5) is inconsistent with Part II of the policy and with Section 61-1017(a)1 ACA 1939.
5. Additional Provision (6) violates the Corporation Commission order which prohibits any implication that a policy has been endorsed by the State or its agencies.
6. The policy contains no provision specifying \$5,000.00 maximum coverage as required by Section 61-1017(d) ACA 1939.
7. The policy contains no age-adjustment provision as required by Section 61-1017(a)4 ACA 1939.

With kindest personal regards, we are

Very truly yours,

FRED O. WILSON
Attorney General

WILBERT E. DOLPH, JR.
Assistant Attorney General

WED:mw
Encl.