

# State of South Dakota

EIGHTY-FIFTH SESSION  
LEGISLATIVE ASSEMBLY, 2010

337R0633

## HOUSE BILL NO. 1206

Introduced by: Representatives Schlekeway and Engels and Senators Gant, Abdallah, and Gillespie

1 FOR AN ACT ENTITLED, An Act to provide that incontestability provisions in certain life  
2 insurance policies do not apply in cases of fraud.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 58-16-35 be amended to read as follows:

5 58-16-35. A policy of group life insurance shall contain a provision that the validity of the  
6 policy ~~shall~~ may not be contested, except for nonpayment of premiums, after it has been in force  
7 for two years from its date of issue; and that no statement made by any person insured under the  
8 policy relating to ~~his~~ the person's insurability ~~shall~~ may be used in contesting the validity of the  
9 insurance with respect to which such statement was made, after such insurance has been in force  
10 prior to the contest for a period of two years during such person's lifetime ~~nor~~. No statement  
11 made by the group policyholder or any person insured under the group policy may be contested  
12 unless it is contained in a written instrument signed by him that person. The two-year limitation  
13 for contesting the validity of the insurance for any person insured under the policy does not  
14 apply to fraud on the part of the applicant or insured.

15 Section 2. That § 58-15-10 be amended to read as follows:



1        58-15-10. There shall be a provision that the policy, exclusive of provisions relating to  
2 health benefits or to additional benefits in the event of death by accident or accidental means,  
3 ~~shall be~~ is incontestable, except for nonpayment of premiums or fraud on the part of the  
4 applicant or insured, after it has been in force during the lifetime of the insured for a period of  
5 two years from its date of issue.