

TITLE 50: INSURANCE
PART 1405 CONSTRUCTION AND FILING OF LIFE INSURANCE AND ANNUITY FORMS
CHAPTER I: DEPARTMENT OF INSURANCE

Section 1405.40 Policy Forms

- a) Payment of Premiums
 - 1) Receipt - Section 224(1)(a) of the Illinois Insurance Code requires that a policy of life insurance shall contain in substance the following: *A provision that all premiums after the first shall be payable in advance either at the home office of the company or to an agent of the company, upon delivery of a receipt signed by one or more of the officers who shall be designated in the policy, when such receipt is requested by the policyholder.*
 - 2) Premium Deposits – Contractual premiums under individual policy forms may be captioned as "Premium deposits" (50 Ill. Adm. Code 909).
 - 3) Prepayment of Premiums – Specific premiums may be paid in advance, subject to discount.
 - 4) Advance Premium Deposits – A fund or account for payment of unspecified premiums (whether by policy or by rider) must conform to the requirements of Section 240 of the Illinois Insurance Code (Ill. Rev. Stat. 1987, ch. 73, pars. 852).
 - 5) Grace Period – Policy must provide for continuance in force during the grace period and deduction (not necessarily payment) of any unpaid premium in settlement under the policy pursuant to Section 224(1)(b) of the Illinois Insurance Code.