

SB 1517-5
(LC 178)
2/5/18 (TSB/ps)

Requested by SENATE COMMITTEE ON VETERANS AND EMERGENCY PREPAREDNESS

**PROPOSED AMENDMENTS TO
SENATE BILL 1517**

1 On page 1 of the printed bill, line 2, delete “496.146” and insert
2 “743.168”.

3 Delete lines 4 through 30 and delete pages 2 through 6 and insert:

4 **“SECTION 1.** ORS 743.168 is amended to read:

5 “743.168. (1) **Except as provided in subsection (3) of this section,** a life
6 insurance policy [*shall*] **must** contain a provision that the policy [*shall be*]
7 **is** incontestable after [*it*] **the policy** has been in force for two years [*from*
8 *its*] **after the policy’s** date of issue during the lifetime of the insured, except
9 for nonpayment of premiums. At the option of the insurer the two-year limit
10 within which the policy may be contested [*shall*] **does** not apply to the pro-
11 visions for benefits in the event of total and permanent disability and pro-
12 visions [*which*] **that** grant additional insurance specifically against death by
13 accident.

14 “(2) **Except as provided in subsection (3) of this section,** a provision
15 in a life insurance policy providing that [*such*] **the** policy [*shall be*] **is**
16 incontestable after a specified period [*shall preclude*] **precludes** only a con-
17 test of the validity of the policy, and [*shall*] **does** not preclude the assertion
18 at any time of defenses based upon provisions in the policy [*which*] **that**
19 exclude or restrict coverage, whether or not [*such*] **the** restrictions or ex-
20 clusions are excepted in [*such*] **the** provision.

21 **“(3)(a) As used in this subsection:**

1 **“(A) ‘Combat zone’ has the meaning given that term in ORS 408.225.**

2 **“(B) ‘Veteran’ means an individual who served on active duty with**
3 **the Armed Forces of the United States for a period of more than 178**
4 **consecutive days or for at least one day in a combat zone.**

5 **“(b) A life insurance policy that an insurer issues to a veteran is**
6 **incontestable after the policy has been in force for one year after the**
7 **policy’s date of issue during the lifetime of the insured, except for**
8 **nonpayment of premiums. The incontestability of the life insurance**
9 **policy precludes a contest of the validity of the policy and of any pro-**
10 **visions that provide, exclude or restrict coverage for suicide or the**
11 **death of an insured who dies during operations in a combat zone.**

12 **“(c) A life insurance policy that meets the requirements set forth**
13 **in paragraph (b) of this subsection remains incontestable after an**
14 **insurer renews or modifies the life insurance policy.**

15 **“SECTION 2. Section 3 of this 2018 Act is added to and made a part**
16 **of ORS chapter 748.**

17 **“SECTION 3. (1) As used in this section:**

18 **“(a) ‘Combat zone’ has the meaning given that term in ORS 408.225.**

19 **“(b) ‘Veteran’ means an individual who served on active duty with**
20 **the Armed Forces of the United States for a period of more than 178**
21 **consecutive days or for at least one day in a combat zone.**

22 **“(2) A benefit contract that a society issues to a veteran and that**
23 **provides death benefits, endowment benefits, annuity benefits or any**
24 **other benefits authorized for life insurers is incontestable after the**
25 **benefit contract has been in force for one year after the benefit**
26 **contract’s date of issue during the lifetime of the insured, except for**
27 **nonpayment of premiums. The incontestability of the benefit contract**
28 **precludes a contest of the validity of the benefit contract and of any**
29 **provisions that provide, exclude or restrict coverage for suicide or the**
30 **death of an insured who dies during operations in a combat zone.**

1 **“(3) A benefit contract that meets the requirements set forth in**
2 **subsection (2) of this section remains incontestable after a society re-**
3 **news or modifies the benefit contract.**

4 **“SECTION 4. Section 3 of this 2018 Act and the amendments to ORS**
5 **743.168 by section 1 of this 2018 Act apply to life insurance policies and**
6 **benefit contracts into which a person enters with another person or**
7 **that a person renews on or after the effective date of this 2018 Act.”.**

8
