

## Article - Insurance

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§12–207.

(a) Each statement by or on behalf of the insured or annuitant in an application for the issuance, renewal, or reinstatement of a life insurance or health insurance policy or annuity contract is considered to be a representation and not a warranty.

(b) A misrepresentation, omission, concealment of facts, or incorrect statement does not prevent a recovery under the policy or contract unless:

(1) the misrepresentation, omission, concealment, or statement is fraudulent or material to the acceptance of the risk or to the hazard that the insurer assumes; or

(2) if the correct facts had been made known to the insurer, as required by the application for the policy or contract or otherwise, the insurer in good faith would not have:

- (i) issued, reinstated, or renewed the policy or contract;
- (ii) issued the policy or contract in as large an amount or at the same premium or rate; or
- (iii) provided coverage with respect to the hazard resulting in the loss.

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