

Figure: 28 TAC §4.1613(b)

**NOTICE REGARDING REINSTATEMENT OF A LAPSED POLICY  
DUE TO THE MENTAL INCAPACITY OF THE INSURED**

(Insurance Company's Name)

(Address)

**YOUR POLICY HAS LAPSED**

ELIGIBILITY	Your policy has lapsed. It may be eligible for reinstatement if all of the following conditions are met:
	(1) The policy has been in force continuously for at least five years immediately prior to the date of lapse;
	(2) All premiums have been paid in a timely manner during this period;
	(3) The lapse resulted from an unintentional default in premium payments caused by the mental incapacity of the insured; and
	(4) We receive a request for reinstatement and proof of the insured's mental incapacity within one year from the date of the lapse.
PROOF AND REQUEST	To establish proof of the insured's mental incapacity, we must be provided with a clinical diagnosis by a physician licensed in this state and qualified to make the diagnosis. We will accept the proof and request for reinstatement from:
	(1) you;
	(2) the insured, if you are not the insured;
	(3) the legal guardian of the insured;
	(4) any other legal representative of the insured;
	(5) the legal representative of the estate of the insured.
MENTAL INCAPACITY	Mental incapacity means lacking the ability, based on reasonable medical judgment, to understand and appreciate the nature and consequences of a decision regarding failure to pay a premium when due and the ability to reach an informed decision in the matter.
REINSTATEMENT	We will reinstate an eligible policy within a period of one year after the date of lapse. We will require payment of all unpaid premiums, plus { up to 6% } interest, from the date of lapse to the date of reinstatement. After reinstatement:
	(1) your policy will be treated as if it had been in force continuously since the lapse;
	(2) the policy provisions will apply as if there had been no lapse; and
	(3) you will be required to make any and all future premium payments required by the policy provisions to keep the policy in force.
REDUCED BENEFITS	We will pay the death benefit under an eligible policy if the insured dies within one year from the date of lapse, provided that the requirements for submitting proof of mental incapacity and request for reinstatement are met. We may reduce the death benefit by any unpaid premiums due, plus { up to 6% } interest from the date of lapse to the date of death.
EXCEPTIONS	We are not required to reinstate the policy or pay the death benefit if the insured becomes mentally incapacitated after the grace period contained in the policy expires.
DEFINITIONS	You and Your – The owner of the policy.
	We - { The Name of the Insurer }
	Lapse – The due date of the last premium that remains unpaid after the expiration of the grace period defined in the policy.