



**Section 4. Disclosure Requirements**

- A. An insurer issuing a small face amount policy, where over the term of the policy the cumulative policy premiums paid may exceed the face amount of the policy, shall clearly and prominently disclose, on or before policy delivery, the length of time until the cumulative policy premiums paid may exceed the face amount of the policy.
- B. If an insurer is required to provide a disclosure under Subsection A of this section, the insurer shall clearly and prominently disclose, on or before policy delivery, available premium payment plan and product alternatives. If no alternatives exist, the insurer shall clearly and prominently disclose that there are no such alternatives.
- C. Cumulative premiums shall include premiums paid for riders. However, the face amount shall not include the benefit attributable to the riders.

**Drafting Note:** This disclosure assumes that a state has a free-look period requirement that allows a consumer to examine and cancel without penalty a policy for at least ten days following policy delivery. If a state does not have such a requirement applicable to all small