

FILED

APR 26 1983

CLERK SUPREME COURT

IN THE COURT OF APPEALS OF IOWA**BLANCHE WAZNY,**

)

Plaintiff-Appellant,

)

Filed April 26, 1983

vs.

)

**TRANSPORT LIFE INSURANCE
COMPANY,**

)

2-488
2-68282

)

Defendant-Appellee.

Appeal from Polk District Court - Van Wifvat, Judge.

Plaintiff appeals an adverse trial court judgment dismissing her petition to recover a \$10,000 death benefit under a group life insurance policy issued by defendant insurer in Missouri. **AFFIRMED.**

Joseph B. Joyce of Adler, Brennan, Joyce & Steger, Des Moines, for plaintiff-appellant.

Michael F. Lacey, Jr. of Patterson, Lorentzen, Duffield, Timmons, Irish & Becker, Des Moines, for defendant-appellee.

Considered by Oxberger, C.J., and Donielson, Snell, and Schlegel, JJ.

DONIELSON, J.

Plaintiff appeals an adverse trial court judgment dismissing her petition to recover a \$10,000 death benefit under a group life insurance policy issued by defendant insurer in Missouri. On appeal, plaintiff asserts that since the policy contained language similar to Iowa Code section 509.2(8), which statute imposes a mandatory conversion period upon termination of employment, the parties intended to adopt Iowa law regarding coverage during the conversion period even though the master contract specified that the rights of the parties would be determined under Missouri law. Plaintiff argues that the trial court erred in concluding that the case was governed by Missouri law. We affirm the decision of the trial court.

I.

Plaintiff is a beneficiary named by her husband, who was insured under a \$10,000 group life insurance policy issued by defendant insurer. The master policy was delivered in Missouri, and contained a conflict of laws clause which specified that the policy would be governed by the laws of Missouri.

Section 9, paragraph 1 of the policy provides that an employee who is terminated has the right to convert the group life insurance policy to an individual life insurance policy, provided that an application and payment of the first premium are made within thirty-one days after the date of termination. Section 9, paragraph 4 provides that the death benefit will be paid if an employee dies within the thirty-one day period, regardless of whether or not application for an individual policy or payment of the first premium has been made. Section 9, paragraph 3 extends the thirty-one day application period to up to sixty days in the event that the employee is not notified of his right to convert the policy at least fifteen days prior to the expiration of the thirty-one day period. The provision states, however, that the life insurance coverage during the thirty-one

day conversion period does not extend into the sixty day extension period.

Plaintiff's husband terminated his employment in April of 1980, and committed suicide sixty days later. He had not made either an application for conversion to an individual life insurance policy, or any premium payments; however, he had not been notified of the thirty-one day conversion period. The sixty day extension period was therefore in effect.

Plaintiff filed suit to collect the \$10,000 death benefit. Under Iowa Code section 509.2(10), if a person insured under a group life policy dies during the period under which he would have been entitled to convert the group policy to an individual policy, the death benefits are payable whether or not an application for conversion has been made. Plaintiff argues that because the language of section 9, paragraph 1 is substantially identical to the language of Iowa Code section 509.2(8), the parties intended to adopt Iowa law regarding coverage during the conversion period. Missouri law contains no provisions similar to Iowa Code section 509.2(10).

II.

The general rule concerning choice of law questions in group life insurance contracts was set out in Lindstrom v. Aetna Life Insurance Co., 203 N.W.2d 623, 628 (Iowa 1973). We need not elaborate on that case here, except to note that the clear weight of authority dictates that in group insurance contracts the law of the state where the master policy was delivered will govern. In the case at bar, the master policy was delivered in Missouri. The trial court did not err in holding that the applicable law was the law of Missouri.

As a brief aside, we further note that section 187 of the Restatement (Second) of Conflict of Laws provides that the law of the state chosen by the parties to govern will normally be applied. The group policy contract in the present case provides specifically that the terms of the policy are to be governed

by the law of Missouri. In the absence of Lindstrom, this provision alone would be sufficient to determine the choice of law question.

AFFIRMED.