

Group Life Insurance – Interest on Benefits

FOR the purpose of requiring a group life insurance policy to pay interest on the benefits from the certificate holder's death to the date the proceeds are paid; providing certain exceptions; requiring that a certain minimum rate of interest be paid on the benefits; requiring a group life policy to provide certain information in a certificate; and generally relating to group life insurance.

BY repealing and reenacting, without amendments,
Article 48A – Insurance Code
Section 386 and 416A
Annotated Code of Maryland
(1986 Replacement Volume and 1989 Supplement)

BY adding to
Article 48A – Insurance Code
Section 418A
Annotated Code of Maryland
(1986 Replacement Volume and 1989 Supplement)

BY repealing and reenacting, with amendments,
Article 48A – Insurance Code
Section 433
Annotated Code of Maryland
(1986 Replacement Volume and 1989 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article 48A – Insurance Code

386.

This subtitle applies to contracts of life insurance and annuities, other than reinsurance, group life insurance and group annuities.

416A.

(a) Interest on benefits payable under any life insurance policy issued in this State shall accrue and be payable from the date of the death of the insured to the date on which the proceeds of the policy are paid, except that:

(1) An insurer is not required to pay interest on benefits if the proceeds of the policy are paid within 30 days after the date of death of the insured; and

(2) If due proof of death is submitted to the insurer more than 180 days following the date of death of the insured, interest shall accumulate and be payable from the date on which due proof of death is submitted to the insurer to the date on which the proceeds of the policy are paid.