

may also provide that if interest on any indebtedness is not paid when due it shall then be added to the existing indebtedness and shall bear interest at the same rate, and that if and when the total indebtedness on the policy, including interest due or accrued, equals or exceeds the amount of the loan value thereof, then the policy shall terminate and become void, but not until at least 30 days notice shall have been mailed by the insurer to the last known address of the insured or policy owner and of any assignee of record at the home office of the insurer. The policy shall reserve to the insurer the right to defer the granting of a loan, other than for the payment of any premium to the insurer, for six (6) months after application therefor. The policy, at the insurer's option, may provide for automatic premium loan, subject to an election of the party entitled to elect.

This section shall not apply to term policies nor to term insurance benefits provided by rider or supplemental policy provisions, or to industrial life insurance policies.

395. Table of Installments.

In case the policy provides that the proceeds may be payable in installments or as annuity, a provision to that effect, together with a table showing the amount and period of such installment or annuity, if determinable at issue, shall be included in the policy.

396. Reinstatement.

There shall be a provision that unless :

- (1) The policy has been surrendered for its cash surrender value, or
 - (2) Its cash surrender value has been exhausted by reason of policy indebtedness, or
 - (3) The paid-up term insurance, if any, has expired,
- the policy will be reinstated at any time within three (3) years (or two (2) years in the case of industrial life insurance policies) from the due date of the first premium in default upon written application therefor, the production of evidence of insurability satisfactory to the insurer, the payment of all premiums in arrears and the payment or reinstatement of any other indebtedness to the insurer upon the policy, all with interest at a specified rate not exceeding an effective rate of six percent (6%) per annum compounded annually.

397. Payment of Claims.

There shall be a provision that when benefits under a policy become payable by reason of the death of an insured, settlement shall be made upon receipt of due proof of death and, at the insurer's option, surrender of the policy and/or proof of the interest of the claimant.

398. Beneficiary.

(a) A life insurance policy shall have the name of the beneficiary designated thereon, or in the application or other form if attached to the policy, with a reservation of the right to designate or change the beneficiary after the issuance of the policy, unless such beneficiary