

(2) NOTIFY THE POLICYHOLDER WITH RESPECT TO PREMIUM LOANS OF THE BEGINNING ANNUAL RATE OF INTEREST ON THE LOAN AS SOON AS IS REASONABLY PRACTICAL AFTER MAKING THE INITIAL LOAN;

(3) GIVE REASONABLE ADVANCE NOTICE TO POLICYHOLDERS WITH OUTSTANDING LOANS OF ANY INCREASE IN THE RATE; AND

(4) INCLUDE IN THE NOTICES REQUIRED UNDER THIS SUBSECTION THE SUBSTANCE OF THE RELEVANT PROVISIONS OF SUBSECTIONS (B) AND (D) OF THIS SECTION.

(H) THE LOAN VALUE OF THE POLICY SHALL BE DETERMINED IN ACCORDANCE WITH § 408A OR § 414 OF THIS ARTICLE BUT A POLICY MAY NOT TERMINATE IN A POLICY YEAR AS THE SOLE RESULT OF CHANGE IN THE INTEREST RATE DURING THAT POLICY YEAR, AND THE LIFE INSURER SHALL MAINTAIN COVERAGE DURING THAT POLICY YEAR UNTIL THE TIME IT WOULD OTHERWISE HAVE TERMINATED IF THERE HAD BEEN NO CHANGE DURING THAT POLICY YEAR.

(I) THE SUBSTANCE OF THIS PERTINENT PROVISIONS OF SUBSECTIONS (B) AND (D) OF THIS SECTION SHALL BE SET FORTH IN THE POLICIES TO WHICH THEY APPLY.

(J) FOR PURPOSES OF THIS SECTION:

(1) THE RATE OF INTEREST ON POLICY LOANS PERMITTED UNDER THIS SECTION INCLUDES THE INTEREST RATE CHARGE ON REINSTATEMENT OF POLICY LOANS FOR THE PERIOD DURING AND AFTER ANY LAPSE OF A POLICY.

(2) THE TERM "POLICY LOAN" INCLUDES ANY PREMIUM LOAN MADE UNDER A POLICY TO PAY ONE OR MORE PREMIUMS THAT WERE NOT PAID TO THE LIFE INSURER AS THEY FELL DUE.

(3) THE TERM "POLICYHOLDER" INCLUDES THE OWNER OF THE POLICY OR THE PERSON DESIGNATED TO PAY PREMIUMS AS SHOWN ON THE RECORDS OF THE LIFE INSURER.

(4) THE TERM "POLICY" INCLUDES CERTIFICATES ISSUED BY A FRATERNAL BENEFIT SOCIETY AND ANNUITY CONTRACTS WHICH PROVIDE FOR POLICY LOANS.

(K) OTHER PROVISIONS OF LAW MAY NOT APPLY TO POLICY LOAN INTEREST RATES UNLESS MADE SPECIFICALLY APPLICABLE TO THESE RATES.

(L) UPON REQUEST, A LIFE INSURER SHALL ANNUALLY NOTIFY THE POLICYHOLDER OF THE CASH VALUE OF THE POLICY FOR THE CURRENT POLICY YEAR.

(M) ANY INSURER OFFERING INSURANCE POLICIES WITH AN ADJUSTABLE POLICY LOAN INTEREST RATE SHALL ESTABLISH A WRITTEN PRICING OR DIVIDEND POLICY PROVIDING THAT THE HOLDERS OF THE POLICIES SHALL RECEIVE THE BENEFITS FROM ANY INCREASED EARNINGS