

(D) IF THE MAXIMUM RATE OF INTEREST IS DETERMINED UNDER SUBSECTION (B)(2) OF THIS SECTION, THE POLICY SHALL INCLUDE PROVISIONS THAT DISCLOSE THE FREQUENCY AT WHICH THE RATE WILL BE DETERMINED FOR THE POLICY.

(E) THE MAXIMUM ANNUAL RATE FOR EACH POLICY MUST BE DETERMINED AT REGULAR INTERVALS AT LEAST ONCE EVERY 12 MONTHS, BUT NOT MORE FREQUENTLY THAN ONCE IN ANY 3 MONTH PERIOD.

(F) AT THE INTERVALS SPECIFIED IN THE POLICY:

(1) THE RATE CHARGED MAY BE INCREASED IF THE INCREASE AS DETERMINED UNDER SUBSECTION (C) OF THIS SECTION WOULD INCREASE THE ANNUAL RATE BY AT LEAST 0.5 PERCENT; AND

(2) THE RATE CHARGED SHALL BE REDUCED IF A COMPUTATION MADE UNDER SUBSECTION (C) OF THIS SECTION WOULD DECREASE THE ANNUAL RATE BY AT LEAST 0.5 PERCENT.

(G) THE LIFE INSURER SHALL:

(1) NOTIFY THE POLICYHOLDER WHEN A CASH LOAN IS MADE OF THE BEGINNING ANNUAL RATE OF INTEREST ON THE LOAN;

(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.