

(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 AND CONTINUE TO NOTIFY THE POLICYHOLDER EACH 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 A-BENEFIT THE BENEFITS FROM ANY INCREASED EARNINGS OF THE INSURER THAT RESULT FROM THE USE OF AN ADJUSTABLE RATE, BY RECEIVING HIGHER DIVIDENDS, HIGHER CASH VALUES, LOWER PREMIUMS, OR A COMBINATION OF BENEFITS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act applies only to policies issued on or after July 1, 1983.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1983.

May 31, 1983

The Honorable Melvin A. Steinberg
President of the Senate
State House
Annapolis, Maryland 21404

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed Senate Bill 506.

This bill provides that if an individual refuses to take a chemical test for alcohol, a sworn report will be sent to the