

(c) (1) Each annuity contract shall contain a provision that if the annuity contract provides for a lump-sum settlement at maturity or at any other time, on surrender of the annuity contract on or before the start of annuity payments, the insurer will pay a cash surrender benefit in accordance with §§ 16-505, 16-506, 16-508, and 16-509 of this subtitle instead of a paid-up annuity benefit.

(2) (I) The annuity contract ~~shall~~ MAY state that the insurer shall reserve the right to defer the payment of the cash surrender value for up to 6 months after demand for payment with surrender of the annuity contract.

(II) 1. ~~BEFORE MAKING A DEFERMENT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE INSURER SHALL MAKE A WRITTEN REQUEST TO THE COMMISSIONER TO DEFER THE PAYMENT OF THE CASH SURRENDER VALUE FOR UP TO 6 MONTHS AFTER A DEMAND FOR PAYMENT WITH SURRENDER OF THE ANNUITY CONTRACT MAKE THE DEFERMENT UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.~~

2. ~~THE REQUEST UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH, SHALL CONTAIN A STATEMENT AS TO ADDRESS THE NECESSITY OF THE DEFERRAL AND THE EFFECT THE DEFERRAL WILL HAVE ON THE EQUITABILITY TO ALL POLICYHOLDERS OF THE DEFERRAL.~~

(III) ~~AFTER RECEIVING WRITTEN APPROVAL FROM THE COMMISSIONER ON THE REQUEST MADE UNDER SUBPARAGRAPH (II)2 OF THIS PARAGRAPH, THE INSURER MAY RESERVE THE RIGHT TO DEFER THE PAYMENT OF THE CASH SURRENDER VALUE FOR UP TO 6 MONTHS AFTER DEMAND FOR PAYMENT WITH SURRENDER OF THE ANNUITY CONTRACT.~~

(g) (1) Notwithstanding the requirements of this section, a deferred annuity contract may contain a provision that the insurer may terminate the contract by making a single payment calculated under paragraph (2) of this subsection if:

(i) no considerations have been received under the contract for 2 years; and

(ii) the part of the paid-up annuity benefit at maturity under the contract that is available from the considerations paid before termination would be less than \$20 per month.

(2) The payment shall equal the present value of the part of the paid-up annuity benefit available under the contract, calculated as of the date of termination, based on any mortality table and interest rate specified in the contract for determining the paid-up annuity benefit.

(3) A PAYMENT BY AN INSURER UNDER THIS SECTION SHALL RELIEVE THE INSURER OF ANY FURTHER OBLIGATION UNDER THE DEFERRED ANNUITY CONTRACT.

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[(b) (1) The minimum nonforfeiture amount under an annuity contract that provides for flexible considerations at any time before or at the start of annuity payments shall equal the remainder of: