

(D) (1) DURING THE PERIOD THAT A CONTRACT PROVIDES FOR SUBSTANTIVE PARTICIPATION IN AN EQUITY INDEX BENEFIT, THE INSURER MAY INCREASE THE 125 BASIS POINTS UNDER SUBSECTION ~~(C)(1)(II)~~ (C)(2)(II) OF THIS SECTION UP TO AN ADDITIONAL 100 BASIS POINTS TO REFLECT THE VALUE OF THE EQUITY INDEX BENEFIT.

(2) ON THE ISSUE DATE OF THE CONTRACT, ~~OR AT~~ AND ON EACH REDEMPTION REDETERMINATION DATE, THE PRESENT VALUE OF THE ADDITIONAL REDUCTION MAY NOT EXCEED THE MARKET VALUE OF THE EQUITY INDEX BENEFIT.

(3) (I) THE COMMISSIONER MAY REQUIRE THE INSURER TO DEMONSTRATE THAT THE PRESENT VALUE OF THE ADDITIONAL REDUCTION DOES NOT EXCEED THE MARKET VALUE OF THE EQUITY INDEX BENEFIT.

(II) IF THE COMMISSIONER FINDS THAT THE DEMONSTRATION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IS INADEQUATE, THE COMMISSIONER MAY DISALLOW OR LIMIT THE ADDITIONAL REDUCTION.

(E) (1) THE COMMISSIONER MAY ADOPT REGULATIONS TO IMPLEMENT THE PROVISIONS OF THIS SECTION.

(2) THE REGULATIONS UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY PROVIDE FOR:

(I) ADJUSTMENTS TO THE CALCULATION OF THE MINIMUM NONFORFEITURE AMOUNT FOR CONTRACTS THAT PROVIDE SUBSTANTIVE PARTICIPATION IN AN EQUITY INDEX BENEFIT; AND

(II) ADJUSTMENTS FOR OTHER CONTRACTS AS DETERMINED BY THE COMMISSIONER.

~~16-510.~~

~~A CONTRACT UNDER THIS SUBTITLE THAT DOES NOT PROVIDE CASH SURRENDER BENEFITS OR DEATH BENEFITS AT LEAST EQUAL TO THE MINIMUM NONFORFEITURE AMOUNT BEFORE THE START OF AN ANNUITY PAYMENT SHALL INCLUDE A STATEMENT LOCATED IN A PROMINENT PLACE IN THE CONTRACT STATING THAT CASH SURRENDER OR DEATH BENEFITS ARE NOT PROVIDED UNDER THE CONTRACT.~~

~~[16-510.] 16-511.~~

This subtitle is the Maryland Standard Nonforfeiture Law for Individual Deferred Annuities AND SHALL BE INTERPRETED IN A MANNER CONSISTENT WITH THE STANDARD NONFORFEITURE MODEL LAW FOR INDIVIDUAL DEFERRED ANNUITIES PUBLISHED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows: