

[(b)](2) Regardless of the [person's] INDIVIDUAL'S residence, a beneficiary, assignee, or payee of any [person] INDIVIDUAL covered under paragraph [(a)] (1) of this subsection.

(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, COVERAGE SHALL BE PROVIDED UNDER THIS SUBTITLE TO INDIVIDUALS SPECIFIED IN SUBSECTION (A) OF THIS SECTION FOR:

(I) DIRECT, NONGROUP LIFE, HEALTH, ANNUITY (INCLUDING STRUCTURED SETTLEMENTS), AND SUPPLEMENTAL POLICIES OR CONTRACTS; OR

(II) CERTIFICATES UNDER DIRECT, GROUP POLICIES OR CONTRACTS ISSUED BY MEMBER INSURERS, EXCEPT AS LIMITED BY THIS SUBTITLE.

(2) COVERAGE MAY NOT BE PROVIDED UNDER THIS SUBTITLE FOR:

(I) ANY PORTION OF A POLICY OR CONTRACT:

1. A. NOT GUARANTEED BY THE INSURER; OR

B. UNDER WHICH THE RISK IS BORNE BY THE POLICYHOLDER OR CONTRACT HOLDERS; AND

2. WHICH, UNDER THE PROVISIONS OF SUB-SUBPARAGRAPH 1 OF THIS SUBPARAGRAPH, SHALL INCLUDE BUT NOT BE LIMITED TO THE FOLLOWING TYPES OF POLICIES:

A. VARIABLE ANNUITY CONTRACTS;

B. VARIABLE LIFE INSURANCE CONTRACTS EXCEPT TO THE EXTENT OF GUARANTEED DEATH BENEFITS IN THE CONTRACT;

C. THE VALUE OF ANY ANNUITY CONTRACT IN EXCESS OF THE VALUES GUARANTEED IN THE CONTRACT; OR

D. THE VALUE OF ANY UNIVERSAL LIFE AND INTEREST SENSITIVE LIFE AND SIMILAR PRODUCTS IN EXCESS OF THE VALUES GUARANTEED IN THE CONTRACT;

(II) ANY POLICY OR CONTRACT OF REINSURANCE, UNLESS ASSUMPTION CERTIFICATES HAVE BEEN ISSUED;

(III) ANY PORTION OF A POLICY ~~OF~~ OR CONTRACT TO THE EXTENT THAT THE RATE OF INTEREST ON WHICH IT IS BASED:

1. AVERAGED OVER THE PERIOD OF 4 YEARS PRIOR TO THE DATE ON WHICH THE CORPORATION BECOMES OBLIGATED WITH RESPECT TO THE POLICY OR CONTRACT, EXCEEDS A RATE OF INTEREST DETERMINED BY SUBTRACTING 2 PERCENTAGE POINTS FROM MOODY'S CORPORATE BOND YIELD AVERAGE FOR THE 4-YEAR PERIOD PRIOR TO THE DATE ON WHICH THE CORPORATION BECAME OBLIGATED OR, IF THE POLICY OR CONTRACT WAS ISSUED LESS THAN 4 YEARS BEFORE THE CORPORATION BECAME OBLIGATED, FOR THAT PERIOD; OR