REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 83(3)(a–3).

In subsection (a) of this section, the definitions of "change in fund basis", "guarantee duration", and "issue year basis" are made applicable to the entire section, reflecting the use of those terms outside the specific paragraphs for which they were defined under former law.

In subsection (a)(2) and (4) of this section, in each instance, the word "statutory" is added between "calendar year" and "valuation interest rate" for consistency with the rest of this section.

In subsections (b) and (c) of this section, two concepts of applicability that were merged together in former Art. 48A, § 83(3)(a–3)(1) are stated separately for clarity. Subsection (b) of this section sets forth the policies and contracts to which the section applies. For those policies and contracts to which this section applies, subsection (c) specifies the applicable calendar year statutory valuation interest rate. In subsection (c)(1) of this section, for life insurance policies and individual annuity and pure endowment contracts, the reference to the applicable interest rates being "the calendar year statutory valuation interest rate as determined under this section for the calendar year in which the policy or contract was issued" is substituted for the former references to the applicable interest rates for "[all policies or contracts issued] in a particular calendar year" being the calendar year statutory valuation interest rates, for clarity. For annuities and pure endowments purchased under group annuity and pure endowment contracts and for net increases in amounts held under guaranteed interest contracts, similar substitutions are made for clarity in subsection (c)(2) and (3) of this section.

In the introductory language of subsection (c) of this section, the reference to the calendar year statutory valuation interest rates applying "[i]nstead of the interest rates specified in §§ 5–304 and 5–305 of this subtitle" is added for clarity, reflecting the exceptions under those sections cross–referencing this section.

In subsection (e)(2) of this section, the phrase "[f]or the purposes of this subsection" is added to clarify the applicability of the paragraph.

In subsection (e)(8) of this section, the former references to "Plan Type A", etc. are deleted as unnecessary in light of the fact that the amount of the increase specified for each plan type is the same.

In subsection (e)(8)(i) of this section, the phrase "12 months" is substituted for the former phrase "1 year" for consistency.

Defined terms: "Annuity" § 1–101
"Annuity contract" § 1–101
"Commissioner" § 1–101