

(B) REWRITTEN POLICY EFFECTIVE ON EARLIER DATE.

(1) THIS SUBSECTION APPLIES ONLY IF THE REWRITTEN POLICY IS MADE EFFECTIVE AS OF A DATE EARLIER THAN THE DATE ON WHICH THE EXCHANGE, ALTERATION, OR CONVERSION OCCURS.

(2) THE AMOUNT OF INSURANCE UNDER A REWRITTEN POLICY SUBJECT TO THIS SUBSECTION MAY NOT EXCEED THE GREATER OF:

(I) THE AMOUNT OF INSURANCE UNDER THE ORIGINAL POLICY OR ANNUITY CONTRACT; AND

(II) THE AMOUNT OF INSURANCE THAT THE PREMIUM PAID FOR THE ORIGINAL POLICY OR ANNUITY CONTRACT WOULD HAVE PURCHASED IF THE REWRITTEN POLICY HAD BEEN APPLIED FOR ORIGINALLY.

(3) IF EVIDENCE OF INSURABILITY IS REQUIRED IN CONJUNCTION WITH AN EXCHANGE, ALTERATION, OR CONVERSION TO A POLICY ON A PLAN THAT REQUIRES A LOWER PREMIUM RATE, OR TO A POLICY TO WHICH BENEFITS OR FEATURES ARE ADDED THAT DIFFER FROM THE ORIGINAL POLICY, THE REWRITTEN POLICY MAY PROVIDE THAT THE DATE ON WHICH THE EXCHANGE, ALTERATION, OR CONVERSION OCCURS SHALL BE USED TO DETERMINE:

(I) THE APPLICABILITY OF AN INCONTESTABILITY CLAUSE IN THE REWRITTEN POLICY TO THE RIGHT OF THE INSURER TO CONTEST THE EXCHANGE, ALTERATION, OR CONVERSION; OR

(II) THE APPLICABILITY OF A CLAUSE IN THE REWRITTEN POLICY THAT LIMITS LIABILITY IN THE EVENT OF THE SUICIDE OF THE INSURED.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 401.

In the introductory language of subsection (a) of this section, the defined term "annuity contract" is substituted for the former reference to an "annuity policy contract" to conform to terminology used throughout this article.

In subsections (a)(1) and (b)(2)(i) and (ii) of this section, the references to the original policy "or annuity contract" are added to clarify that this section applies to original policies and annuity contracts.

In subsection (b)(3)(i) of this section, the defined term "insurer" is substituted for the former term "company" for clarity and to conform to terminology used throughout this title.

Defined terms: "Annuity contract" § 1-101

"Insurance" § 1-101

"Insurer" § 1-101

"Life insurance" § 1-101

"Life insurer" § 1-101

"Policy" § 1-101

"Premium" § 1-101