

THE LIFE INSURER NEED NOT SEGREGATE ANY FUNDS HELD UNDER THIS SECTION, BUT MAY HOLD THE FUNDS AS PART OF THE LIFE INSURER'S GENERAL ASSETS.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 413.

Defined terms: "Life insurer" § 1-101
"Policy" § 1-101

16-109. INTEREST ON BENEFITS PAYABLE.

(A) IN GENERAL.

EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, INTEREST ON BENEFITS PAYABLE UNDER A POLICY OF LIFE INSURANCE ISSUED IN THE STATE ACCRUES AND IS PAYABLE FROM THE DATE OF DEATH OF THE INSURED TO THE DATE THE PROCEEDS OF THE POLICY ARE PAID.

(B) EXCEPTIONS.

(1) AN INSURER NEED NOT PAY INTEREST ON BENEFITS IF THE PROCEEDS OF THE POLICY ARE PAID WITHIN 30 DAYS AFTER THE DATE OF DEATH OF THE INSURED.

(2) IF PROOF OF DEATH IS SUBMITTED TO THE INSURER MORE THAN 180 DAYS AFTER THE DATE OF DEATH OF THE INSURED, INTEREST ACCRUES AND IS PAYABLE FROM THE DATE ON WHICH PROOF OF DEATH IS SUBMITTED TO THE DATE ON WHICH THE PROCEEDS OF THE POLICY ARE PAID.

(C) RATE OF INTEREST.

INTEREST UNDER THIS SECTION ACCRUES AND IS PAYABLE AT A RATE NOT LESS THAN THE RATE OF INTEREST PAYABLE ON DEATH PROCEEDS LEFT ON DEPOSIT WITH THE INSURER.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 416A.

In subsection (b)(2) of this section, the word "accrues" is substituted for the former word "accumulate" for consistency with the references to "accrue[s]" in subsections (a) and (c) of this section.

Also in subsection (b)(2) of this section, the word "due", which formerly modified "proof of death", is deleted as surplusage.

Defined terms: "Insurer" § 1-101
"Life insurance" § 1-101
"Policy" § 1-101

16-110. PAYMENT OF PROCEEDS WITHOUT LETTERS OF ADMINISTRATION.

(A) IN GENERAL.