

THE PARTY ENTITLED TO THE DIVIDEND NOTIFIES THE INSURER IN WRITING OF A DIFFERENT OPTION WITHIN 30 DAYS AFTER THE DATE ON WHICH THE DIVIDEND IS PAYABLE.

(C) PARTICIPATING NONFORFEITURE PROVISION.

IF A PARTICIPATING POLICY PROVIDES THAT THE BENEFIT UNDER ANY PAID-UP NONFORFEITURE PROVISION IS TO BE PARTICIPATING, THE POLICY MAY PROVIDE THAT ANY DIVISIBLE SURPLUS APPORTIONED WHILE THE INSURANCE IS IN FORCE UNDER THE NONFORFEITURE PROVISION SHALL BE APPLIED IN ANY MANNER SPECIFIED IN THE POLICY.

(D) ADDITIONAL DIVIDEND OPTIONS.

THIS SECTION DOES NOT PROHIBIT AN INSURER FROM GRANTING TO THE PARTY ENTITLED TO THE DIVIDENDS THE RIGHT TO ELECT ANOTHER DIVIDEND OPTION OFFERED BY THE INSURER IN ADDITION TO THE OPTIONS REQUIRED BY THIS SECTION, WHETHER OR NOT THE ADDITIONAL OPTION IS SPECIFIED IN THE POLICY.

(E) ADDITIONAL DIVIDENDS.

THIS SECTION DOES NOT PROHIBIT PAYMENT OF ADDITIONAL DIVIDENDS ON DEFAULT OF PAYMENT OF PREMIUMS OR ON TERMINATION OF THE POLICY.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 393.

In subsection (b)(2) of this section, the exception for term policies, which formerly was limited to participating ordinary life insurance policies, is revised to apply also to participating industrial life insurance policies for consistency.

- Defined terms: "Industrial life insurance" § 1-101
- "Insurance" § 1-101
- "Insurer" § 1-101
- "Life insurance" § 1-101
- "Policy" § 1-101
- "Premium" § 1-101

16-207. POLICY LOANS.

(A) SCOPE OF SECTION.

THIS SECTION DOES NOT APPLY TO:

- (1) TERM POLICIES;
- (2) TERM INSURANCE BENEFITS PROVIDED BY RIDER OR SUPPLEMENTAL POLICY PROVISIONS; OR
- (3) INDUSTRIAL LIFE INSURANCE POLICIES.

(B) IN GENERAL.