

(I) THE TOTAL INDEBTEDNESS ON THE POLICY, INCLUDING INTEREST DUE OR ACCRUED, EQUALS OR EXCEEDS THE AMOUNT OF THE LOAN VALUE OF THE POLICY; AND

(II) AT LEAST 30 DAYS BEFORE TERMINATION, THE INSURER MAILES NOTICE TO THE LAST KNOWN ADDRESS OF THE INSURED OR POLICY OWNER AND OF ANY ASSIGNEE OF RECORD AT THE HOME OFFICE OF THE INSURER.

(F) RIGHT TO DEFER LOAN.

EACH POLICY SHALL ALLOW THE INSURER TO DEFER GRANTING A LOAN, OTHER THAN FOR THE PAYMENT OF A PREMIUM TO THE INSURER, FOR 6 MONTHS AFTER APPLICATION FOR THE LOAN.

(G) AUTOMATIC PREMIUM LOAN.

EXCEPT FOR THOSE POLICIES THAT REQUIRE WEEKLY PREMIUM PAYMENTS, EACH POLICY SHALL PROVIDE FOR AN AUTOMATIC PREMIUM LOAN, SUBJECT TO AN ELECTION BY THE PARTY ENTITLED TO ELECT.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 394.

In subsection (b)(1) of this section, the reference to "at least" 3 years of payments is substituted for the former reference to payments for 3 "full" years to clarify that the 3-year period is a minimum.

In subsection (c)(1) of this section, the introductory exception is added for clarity.

In subsection (c)(2) of this section, the reference to an "insurer" is substituted for the former reference to a "company" for consistency.

Also in subsection (c)(2) of this section, the reference to interest at "an effective rate" is added for consistency with subsection (c)(1) of this section.

In subsection (e)(2) of this section, the former reference to a policy becoming "void" is deleted as unnecessary in light of the reference to a policy that "terminates".

In subsection (f) of this section, the reference to the policy "allow[ing] the insurer to defer granting a loan" is substituted for the former requirement that the policy "reserve to the insurer the right to defer the granting of a loan" for brevity and clarity.

In subsection (g) of this section, the reference to those policies "that require weekly premiums" is substituted for the former reference to policies "for which the premiums are paid weekly" for brevity and clarity.

Defined terms: "Commissioner" § 1-101

"Industrial life insurance" § 1-101

"Insurance" § 1-101

"Insurer" § 1-101