

(F) LOAN VALUE AND TERMINATION OF POLICY.

(1) THIS SUBSECTION APPLIES ONLY TO A POLICY WITH AN ADJUSTABLE POLICY LOAN INTEREST RATE.

(2) THE LOAN VALUE OF THE POLICY SHALL BE DETERMINED UNDER SUBTITLE 3 OF THIS TITLE.

(3) A POLICY MAY NOT TERMINATE DURING A POLICY YEAR SOLELY AS THE RESULT OF A CHANGE IN THE INTEREST RATE DURING THE POLICY YEAR.

(4) THE LIFE INSURER SHALL MAINTAIN COVERAGE DURING THE POLICY YEAR UNTIL THE TIME THAT THE POLICY WOULD OTHERWISE HAVE TERMINATED HAD THERE BEEN NO CHANGE IN INTEREST RATE DURING THE POLICY YEAR.

(G) APPLICABILITY OF OTHER PROVISIONS OF LAW.

UNLESS MADE SPECIFICALLY APPLICABLE TO POLICY LOAN INTEREST RATES, OTHER PROVISIONS OF LAW DO NOT APPLY TO POLICY LOAN INTEREST RATES.

(H) ANNUAL NOTICE OF CASH VALUE OF POLICY.

ON REQUEST, A LIFE INSURER SHALL NOTIFY THE POLICYHOLDER EACH YEAR OF THE CASH VALUE OF THE POLICY FOR THE CURRENT POLICY YEAR.

(I) PRICING OR DIVIDEND POLICY.

A LIFE INSURER THAT OFFERS POLICIES WITH AN ADJUSTABLE POLICY LOAN INTEREST RATE SHALL ESTABLISH A WRITTEN PRICING OR DIVIDEND POLICY THAT PROVIDES THAT THE POLICYHOLDERS SHALL RECEIVE THE BENEFITS FROM INCREASED EARNINGS OF THE INSURER THAT RESULT FROM THE USE OF AN ADJUSTABLE RATE BY RECEIVING HIGHER DIVIDENDS, HIGHER CASH VALUES, LOWER PREMIUMS, OR A COMBINATION OF BENEFITS.

REVISOR'S NOTE: Subsections (a), (b), (c), (d), (e)(2) through (5), (f)(2) through (4), (g), (h), and (i) of this section are new language derived without substantive change from former Art. 48A, § 394A.

Subsections (e)(1) and (f)(1) of this section are new language added for clarity.

In subsection (b) of this section, the reference in former Art. 48A, § 394A(i) to former subsection (d) is deleted as unnecessary in light of subsection (c)(1) of this section to the same effect.

In subsection (d)(1) and (2) of this section, the former references to an "increase" and a "decrease" are deleted as unnecessary in light of the references to the "calculation made under subsection (b)(2)" of this section.

Defined terms: "Annuity contract" § 1-101

"Commissioner" § 1-101

"Insurer" § 1-101