

Subsection (a) of this section is revised as a scope provision to clarify the application of this section.

In subsection (a)(2) of this section, the reference to a determination "under the applicable provisions of §§ 16-303 through 16-309" is substituted for the former reference to determination by the "methods described in [former] subsections (b) through (k-1)" to clarify that all of the referenced provisions would not otherwise apply. The application of the cited provisions would depend on when a policy was issued.

Defined terms: "Commissioner" § 1-101

"Insurer" § 1-101

"Life insurance" § 1-101

"Premium" § 1-101

16-311. MISCELLANEOUS CALCULATION PROVISIONS.

(A) PREMIUM DEFAULT AT TIME OTHER THAN POLICY ANNIVERSARY.

ON DEFAULT OF A PREMIUM PAYMENT DUE ON A POLICY OF LIFE INSURANCE AT A TIME OTHER THAN THE POLICY ANNIVERSARY, ANY CASH SURRENDER VALUE AND PAID-UP NONFORFEITURE BENEFIT AVAILABLE UNDER THE POLICY SHALL BE CALCULATED WITH AN ALLOWANCE FOR THE LAPSE OF TIME AND THE PAYMENT OF ANY FRACTIONAL PREMIUMS SINCE THE IMMEDIATELY PRECEDING POLICY ANNIVERSARY.

(B) DEATH BENEFIT PAYABLE AT END OF POLICY YEAR OF DEATH.

VALUES REFERRED TO IN §§ 16-305 THROUGH 16-309 OF THIS SUBTITLE MAY BE CALCULATED ON THE ASSUMPTION THAT A DEATH BENEFIT IS PAYABLE AT THE END OF THE POLICY YEAR OF DEATH.

(C) NET VALUE OF PAID-UP ADDITIONS.

THE NET VALUE OF ANY PAID-UP ADDITIONS, OTHER THAN PAID-UP TERM ADDITIONS, MAY NOT BE LESS THAN THE AMOUNTS USED TO PROVIDE THE ADDITIONS.

(D) EXCLUSIONS IN CALCULATING CASH SURRENDER VALUES AND NONFORFEITURE BENEFITS.

NOTWITHSTANDING § 16-305 OF THIS SUBTITLE, THE FOLLOWING ADDITIONAL BENEFITS AND PREMIUMS FOR THE BENEFITS SHALL BE DISREGARDED WHEN CALCULATING CASH SURRENDER VALUES AND NONFORFEITURE BENEFITS REQUIRED UNDER THIS SUBTITLE AND NEED NOT BE INCLUDED IN ANY PAID-UP NONFORFEITURE BENEFITS:

- (1) BENEFITS PAYABLE FOR DEATH BY ACCIDENT OR ACCIDENTAL MEANS;
- (2) BENEFITS PAYABLE FOR DISMEMBERMENT OR LOSS OF SIGHT;
- (3) BENEFITS PAYABLE FOR TOTAL AND PERMANENT DISABILITY;