

## Article - Insurance

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§16–106.

(a) On request of a policyholder, a life insurer may exchange, alter, or convert a policy of life insurance or endowment insurance or an annuity contract issued by the life insurer or any other benefits additional to the policy or annuity contract, for or into a policy that:

(1) conforms with the laws in force on the date of the original policy or annuity contract, if the rewritten policy is, by its terms, made effective as of that date; or

(2) conforms with the laws in force on a subsequent date as of which the rewritten policy is, by its terms, made effective.

(b) (1) This subsection applies only if the rewritten policy is made effective as of a date earlier than the date on which the exchange, alteration, or conversion occurs.

(2) The amount of insurance under a rewritten policy subject to this subsection may not exceed the greater of:

(i) the amount of insurance under the original policy or annuity contract; and

(ii) the amount of insurance that the premium paid for the original policy or annuity contract would have purchased if the rewritten policy had been applied for originally.

(3) If evidence of insurability is required in conjunction with an exchange, alteration, or conversion to a policy on a plan that requires a lower premium rate, or to a policy to which benefits or features are added that differ from the original policy, the rewritten policy may provide that the date on which the exchange, alteration, or conversion occurs shall be used to determine:

(i) the applicability of an incontestability clause in the rewritten policy to the right of the insurer to contest the exchange, alteration, or conversion; or

(ii) the applicability of a clause in the rewritten policy that limits liability in the event of the suicide of the insured.

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