

Article - Insurance

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§16–311.

(a) 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) 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) 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) 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;
- (4) benefits payable as a reversionary annuity or deferred reversionary annuity benefits;
- (5) benefits for long-term home health care and long-term care in a nursing home or similar institution;
- (6) term insurance benefits provided by a rider or supplemental policy provision if this subtitle would not apply had the rider or supplemental policy provision been issued as a separate policy;
- (7) term insurance benefits payable on the life of a child provided in a policy on the life of a parent of the child if the term insurance:
 - (i) expires before the child turns 26 years old;
 - (ii) is a uniform amount after the child is 1 year old;
 - (iii) has not become paid-up due to the death of a parent of the child;

and

(8) other policy benefits additional to life insurance or endowment benefits.

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