

Article - Insurance

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§3-114.

(a) A domestic stock insurer or domestic mutual insurer may:

(1) issue any or all of its policies with or without participation in profits, savings, or unabsorbed parts of premiums;

(2) classify policies issued on a participating and nonparticipating basis;
and

(3) determine the right to participate and the extent of participation of any class of policies.

(b) The classification of policies or determination of participation under subsection (a) of this section shall be reasonable and may not discriminate unfairly between policyholders within the same classifications.

(c) A life insurer may issue both participating and nonparticipating policies only if the right or absence of the right to participate is reasonably related to the premium charged.

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