

§2530. Cash surrender value

1. Any cash surrender value available under the policy in the event of default in a premium payment due on any policy anniversary, whether or not required by section 2529, shall be an amount not less than the excess, if any, of the present value, on that anniversary, of the future guaranteed benefits which would have been provided for by the policy, including any existing paid-up additions, if there had been no default, over the sum of:

A. Present value of adjusted premiums. The then present value of the adjusted premiums as defined in sections 2532 and 2532-A, corresponding to premiums which would have fallen due on and after that anniversary; and [PL 1983, c. 346, §11 (NEW).]

B. Amount of indebtedness. The amount of any indebtedness to the insurer on the policy. [PL 1983, c. 346, §11 (NEW).]
[PL 1983, c. 346, §11 (RPR).]

2. For any policy issued on or after the operative date of section 2532-A as defined therein, which provides supplemental life insurance or annuity benefits at the option of the insured and for an identifiable additional premium by rider or supplemental policy provision, the cash surrender value referred to in subsection 1 shall be an amount not less than the sum of the cash surrender value as defined in that subsection for an otherwise similar policy issued at the same age without that rider or supplemental policy provision and the cash surrender value as defined in that subsection for a policy which provides only the benefits otherwise provided by that rider or supplemental policy provision. [PL 1983, c. 346, §11 (RPR).]

3. For any family policy issued on or after the operative date of section 2532-A as defined therein, which defines a primary insured and provides term insurance on the life of the spouse of the primary insured expiring before the spouse's age 71, the cash surrender value referred to in subsection 1 shall be an amount not less than the sum of the cash surrender value as defined in that subsection for an otherwise similar policy issued at the same age without that term insurance on the life of the spouse and the cash surrender value as defined in that subsection for a policy which provides only the benefits otherwise provided by that term insurance on the life of the spouse. [PL 1983, c. 346, §11 (NEW).]

4. Any cash surrender value available within 30 days after any policy anniversary under any policy paid-up by completion of all premium payments or any policy continued under any paid-up nonforfeiture benefit, whether or not required by section 2529, shall be an amount not less than the present value, on that anniversary, of the future guaranteed benefits provided for by the policy, including any existing paid-up additions, decreased by any indebtedness to the insurer on the policy. [PL 1983, c. 346, §11 (NEW).]

SECTION HISTORY

PL 1969, c. 132, §1 (NEW). PL 1983, c. 346, §11 (RPR).

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