

§3417. Participating policies

1. If provided for in its articles of incorporation, certificate of organization or charter, a stock insurer or mutual insurer may issue any or all of its policies or contracts with or without participation in profits, savings, unabsorbed portions of premiums or surplus; may classify policies issued and perils insured on a participating and nonparticipating basis; and may determine the right to participate and the extent of participation of any class or classes of policies. Any such classification or determination must be reasonable, and may not unfairly discriminate as between policies so classified.

[PL 2013, c. 299, §12 (AMD).]

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

[PL 1969, c. 132, §1 (NEW).]

3. After the first policy year, no dividend, otherwise earned under a life or health insurance policy or annuity contract, shall be made contingent upon the payment of renewal premium on any such policy or contract; except that a participating life or health insurance policy providing for participation at the end of the first or second policy year may provide that the dividend or dividends will be paid subject to payment of premium for the next ensuing year.

[PL 1969, c. 132, §1 (NEW).]

SECTION HISTORY

PL 1969, c. 132, §1 (NEW). PL 2013, c. 299, §12 (AMD).

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