

TITLE 50: INSURANCE
PART 1405 CONSTRUCTION AND FILING OF LIFE INSURANCE AND ANNUITY FORMS
CHAPTER I: DEPARTMENT OF INSURANCE

Section 1405.40 Policy Forms

- c) Automatic Premium Loan Provision
 - 1) Policy may provide benefit on a positive elective basis but not as an automatic nonforfeiture benefit. For provisions regarding automatic premium loans in applications see Section 1405.30(c).
 - 2) Provision must conform to the loan provision of the policy, subject to Sections 224(1)(f), 229.3 and 229.5 of the Illinois Insurance Code (Ill. Rev. Stat. 1987, ch. 73, pars. 836(1)(f), 841.3 and 841.5). The provision must permit revocation of election upon written request.
 - 3) Notification of the policyholder with respect to the initial interest rate on an automatic premium loan must be made as soon as it is reasonably practicable after making the initial loan, but in no event more than 90 days after the initial loan is made. Notification need not be given to the policyholder when a further premium loan is added unless a loan rate increase occurs; a reasonable advance notice of any increase in rate must be made, but in no event less than 15 days prior to the increase in rate. (Ill. Rev. Stat. 1987, ch. 73, par. 841.5(b)(5)(ii) and (iii)).