§ 3207. Life insurance contracts by or for the benefit of minors; on the lives of minors, limitations on amount. (a) A minor above the age of fourteen years and six months shall be deemed competent to enter into a contract for, be the owner of, and exercise all rights relating to, a policy of life insurance upon the life of the minor or upon the life of any person in whom the minor has an insurable interest, but the beneficiary of such policy may be only the minor or the parent, spouse, brother, sister, child or grandparent of the minor.

(b) An insurer may deliver or issue for delivery in this state a policy or policies of life insurance upon the life of a minor under the age of fourteen years and six months, provided that such policy or policies are effectuated by a person or persons having an insurable interest in the life of such minor or by a person or persons upon whom such minor is dependent for support and maintenance and provided further that an insurer shall not knowingly issue such a policy or policies for an amount which, together with the amount of life insurance under any other policy or policies then in force upon the life of such minor, is in excess of the limit of fifty thousand dollars or the limit of fifty per centum or the limit of twenty-five per centum in the case of a minor under the age of four years and six months of the amount of life insurance in force upon the life of the person effectuating the insurance at the date of issue of the policy on the life of such minor, whichever limit is the greater, and any amount of life insurance on the life of such minor not in excess of such limit when issued shall not be deemed to be in excess thereof by reason of any reduction thereafter in the amount of life insurance in force upon the life of the person effectuating the insurance.

(c) An insurer may deliver or issue for delivery in this state a policy or policies of life insurance upon the life of a minor under the age of fourteen years and six months for an amount or amounts of life insurance which may be in excess of the limit specified in subsection (b) of this section if the policy or policies are effectuated and the premiums paid by a person or persons having an insurable interest in the life of the minor and if the minor is not dependent upon such person or persons for support and maintenance.

(d) (1) If an insurer shall deliver or issue for delivery in this state any policy of life insurance on the life of a minor for an amount

in excess of the limit prescribed by subsection (b) of this section, the amount under such policy which is in excess shall not be valid, or payable as a claim by death, so long as and to the extent that it continues to be in excess, provided that no such insurance shall be deemed to be in excess on or after the date upon which the minor attains the age of fourteen years and six months.

(2) The insurer which issues such excess amount, determined by priority of date of issue of policies if there is more than one policy, shall upon demand therefor or upon the death of the insured and upon proof satisfactory to the insurer that such excess exists at the time of such demand or death refund with interest, at the rate assumed in the valuation of the policy, the premiums paid less dividends allowed, on the amount of insurance that is in excess at the date of such demand or death, and such excess insurance and all of the obligations of the insurer thereunder shall terminate. Any indebtedness to the insurer on any excess insurance shall be deducted by the insurer from such refund.

(3) If only a part of the amount of insurance under such a policy is in excess of such limits, the refund shall bear the same proportion to the total premiums paid less dividends allowed under such policy as the amount of such excess insurance bears to the amount of insurance in force under the policy at the date of such refund, and the amount or amounts thereafter payable under such policy shall be reduced in the same proportion.

(4) If an insurer shall have made payment as a death claim of an amount in excess of such limits without having had proof satisfactory to it that such insurance was in excess, such insurer shall not be liable for the refund specified above.

(f) Notwithstanding the foregoing limitations, any domestic life insurance company may issue for delivery in another state or foreign country any policy which is governed by the laws of such state or country for any amount not prohibited by the laws of such other state or country.

(g) The amount of life insurance within the meaning of this section shall not be deemed to include return premium benefits or the return of cash value or any additional benefits payable in the event of death by accident, any variable death benefit above the guaranteed minimum death benefit provided under a variable life insurance policy, or any

additional insurance provided by the application of dividends or by the application of additional amounts credited to a policy pursuant to subsection (b) of section four thousand two hundred thirty-two of this chapter.