**§ 3214. Interest upon proceeds of life insurance policies and annuity contracts.** (a) If an action to recover the proceeds due under a policy of life insurance or contract of annuity delivered or issued for delivery in this state results in a judgment against the insurer, interest thereon shall be paid from the date of the death of the insured or annuitant in connection with a death claim on a policy of life insurance or contract of annuity and from the date of maturity of an endowment contract to the date the verdict is rendered or the report or decision is made, computed pursuant to the provisions of subsection (c) hereof, and thereafter in accord with the provisions of sections five thousand two and five thousand three of the civil practice law and rules.

(b) If an action to recover is commenced and a settlement is reached before the verdict is rendered or the report or decision is made, interest on the settlement shall be paid from the date of the death of the insured or annuitant in connection with a death claim on such a policy of life insurance or contract of annuity and from the date of maturity of an endowment contract to the date of payment computed under the provisions of subsection (c) hereof.

(c) If no action has been commenced, interest upon the principal sum paid to the beneficiary or policyholder shall be computed daily at the rate of interest currently paid by the insurer on proceeds left under the interest settlement option, from the date of the death of an insured or annuitant in connection with a death claim on such a policy of life insurance or contract of annuity and from the date of maturity of an endowment contract to the date of payment and shall be added to and be a part of the total sum paid.

(d) This section shall not require the payment of interest for any period during which an insurer is required to pay interest under any state or federal law pertaining to interpleader.

(e) This section shall not apply to policies or contracts issued prior to September first, nineteen hundred seventy-five, which contain specific provisions to the contrary.