§ 3227. Interest upon surrenders, policy loans and other funds. (a) Interest, at the rate provided for in section three thousand two hundred fourteen of this article, shall be payable by life insurers, fraternal benefit societies, and life insurance departments of savings banks upon: (1) the value of policies surrendered by policyholders for cash values, including the rollover of annuity funds to other entities, and (2) the funds disbursed as policy loans. Such interest payment shall be added to and be a part of the total sum paid or be paid separately at the option of the insurer.

(b) The interest calculated on amounts described in paragraphs one and two of subsection (a) hereof shall be calculated from the date the documentation necessary to complete the transaction is received by the insurer and shall be payable if the funds are not mailed or delivered by the insurer within ten working days of said receipt.

(c) No interest need be payable pursuant to this section unless the amount of such interest is at least twenty-five dollars or if the payment of benefits by the insurer has been deferred pursuant to other provisions of this chapter.

(d) Irrespective of the payment of interest in accordance with the above provisions, such life insurers, fraternal benefit societies and life insurance departments of savings banks shall make disbursements under paragraphs one and two of subsection (a) hereof as expeditiously as possible.