§ 4222. Policy loans. The policy loan value referred to in paragraph eight of subsection (a) of section three thousand two hundred three of this chapter shall be the cash surrender value at the end of the current policy year calculated in accordance with the provisions of:

(a) Subsection (a) of section four thousand two hundred twenty of this article, for policies issued before the operative date of section four thousand two hundred twenty-one of this article, except that any dividends credited to the policy need not be included and such policies may provide that the company may defer any such loan for not exceeding six months after receipt of the loan application;

(b) Section four thousand two hundred twenty-one of this article, for policies issued on or after the operative date of such section, except that the policy loan value for a policy under which any cash surrender value is adjusted in accordance with a market-value adjustment formula shall be a percentage (not less than seventy-five percent) of the sum of (1) the amount of any loan outstanding and (2) the remaining portion of the cash surrender value as so adjusted at the time the loan is applied for, but, if the policy so provides, not in excess of such cash surrender value before adjustment. The company shall reserve the right to defer any such loan, except when made to pay premiums, for six months after receipt of the loan application.