

term policy issued in the same year and at the same age, together with an amount which shall be equivalent to the accumulation of a net level premium sufficient to provide for a pure endowment at the end of the premium payment period equal to the difference between the value at the end of such period of such a twenty-payment life preliminary term policy and the full net level premium reserve at such time of such a limited payment life or endowment policy. The premium payment period is the period during which premiums are concurrently payable. The value of all policies which contain any promise or agreement for the purchase of the policy at any date prior to its maturity or its termination by death for a sum in excess of the value of the policy at such date determined according to the standard of valuation herein prescribed for such policy, shall be calculated in such manner and upon such assumption as to rate of interest and mortality, that the value of the policy so calculated shall at no time be less than the amount stipulated therein, to be paid upon surrender of the policy at the date then attained, and for the purpose of such valuation the standard adopted by the company for the value of such obligation may, if adequate, be employed.

In the determination of the value of the policies, the calculations may be made either seriatim or of the policies in groups, using approximate averages for fractions of the year; and in all certificates of valuation issued by the Insurance Commissioner or accepted by him under the provisions of this section, the basis upon which the valuation has been made shall be expressed.

All policies of life insurance issued in this State shall contain a clause specifying the basis upon which the reserve is calculated; and every policy of life insurance issued in this State shall have legibly inscribed at the foot of the first page a brief description of the true nature of the policy. The legal minimum standard for valuation of industrial policies issued subsequent to the thirty-first day of December, in the year nineteen hundred and eighteen, shall be the American Experience Table of Mortality with interest at three and one-half per centum per annum provided, that any company may value its industrial policies on the basis of the Standard Industrial or the Substandard Industrial Mortality Table, or such other table or tables of Mortality as may be approved by the Commissioner.

The Commissioner may, in his discretion, upon the request of any life insurance company so reporting to him, cause the net value of all or any number of the policies in force in such company to be calculated upon a higher basis of reserve than that prescribed above by the assumption of a lower rate of interest than that prescribed, or the assumption of a higher rate of mortality by the substitution of the Actuaries' Table for the American Experience Table of Mortality or otherwise as the circumstances of the case may require; provided, that in no case shall the net value so ascertained and taken as a basis of reserve be less than that determined by the standard of valuation above prescribed; and in every certificate of the valuation of policies issued by the Commissioner the basis upon which the valuation is calculated shall be stated.

The Commissioner shall accept the valuation made by the Insurance Commissioner of the State under whose authority a life insurance company is organized, or that of the state in which it may elect to have its policies valued, when such valuations have been properly made on sound and recognized principles, and legal basis not less than that prescribed above; provided, that the company shall furnish to the Insurance Commis-