

mortality, to wit: first insurance year, fifty per centum thereof; second insurance year, sixty-five per centum thereof; third insurance year, seventy-five per centum thereof; fourth insurance year, eighty-five per centum thereof; and fifth insurance year, ninety-five per centum thereof; and provided, further, that any 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, then and in every such case the value of policies containing such promises and agreement 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 valuation of such obligation may, if adequate, be employed; and in the determinations of the values 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 the net value of a policy at any time shall be taken to be the net present value of the attained age upon the basis adopted for the valuation as above provided of the sum insured less the present value determined upon the same basis of the future net premiums payable upon the policy; and in all certificates, of valuations issued by the insurance commissioner or accepted by him under the provisions of sub-section third, the basis upon which the valuation has been made shall be expressed.

No policy issued after the first day of January, nineteen hundred and nineteen, shall be valued as term insurance unless premiums are based upon net term rates; and no policy with level premiums issued after said date shall be valued as term insurance for the first policy year. The legal minimum standard for the valuation of industrial policies issued after the first day of January, nineteen hundred and nineteen, shall be the American experience table of mortality with interest at three and one-half per centum per annum.

SEC. 2. *And be it further enacted,* That an additional section be and the same hereby is added to said Article 23 of the Annotated Code of Maryland, sub-title "Insurance Department," said additional section to follow immediately after