

the lapse of time and the payment of fractional premiums beyond the last preceding policy anniversary. All values referred to in Sub-sections (2), (3) and (4) may be calculated upon the assumption that any death benefit is payable at the end of the policy year of death. The net value of any paid-up additions, other than paid-up term additions, shall be not less than the dividends used to provide such additions. Notwithstanding the provisions of Sub-section (2), additional benefits payable (i) in the event of death or dismemberment by accident or accidental means, (ii) in the event of total and permanent disability, (iii) as reversionary annuity or deferred reversionary annuity benefits, (iv) as decreasing term insurance benefits provided by a rider or supplemental policy provision to which, if issued as a separate policy, this section would not apply, and (v) as other policy benefits additional to life insurance and endowment benefits, and premiums for all such additional benefits, shall be disregarded in ascertaining cash surrender values and non-forfeiture benefits required by this section, and no such additional benefits shall be required to be included in any paid-up non-forfeiture benefits.

(6) This section shall not apply to any reinsurance, group insurance, pure endowment, annuity or reversionary annuity contract, nor to any term policy of uniform amount, or renewal thereof, of fifteen years or less expiring before age sixty-six, for which uniform premiums are payable during the entire term of the policy, nor to any term policy of decreasing amount on which each adjusted premium, calculated as specified in Sub-section (4), is less than the adjusted premium so calculated, on such fifteen year term policy issued at the same age and for the same initial amount of insurance, nor to any policy which shall be delivered outside this State through an agent or other representative of the company issuing the policy.

(7) After the effective date of this Act, any company may file with the Commissioner a written notice of its election to comply with the provisions of this section after a specified date before January first, nineteen hundred and forty-eight. After the filing of such notice, then upon such specified date (which shall be the operative date for such company), this section shall become operative with respect to the policies thereafter issued by such company. If a company makes no such election, the operative date of this section for such company shall be January first, nineteen hundred and forty-eight.

SEC. 3. *And be it further enacted*, That this Act shall take effect June 1, 1943.

Approved May 4, 1943.