makes no such election, the operative date of this paragraph for such insurer shall be January 1, 1979.

[(b)] (B-1) [Reserves] EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPHS (B-2) AND (E), RESERVES according to the commissioners reserve valuation method, for the life and endowment insurance benefits of policies providing for a uniform amount of insurance and requiring the payment of uniform premiums shall be the excess, if any, of the present value, at the date of valuation, of such future guaranteed benefits provided for by such policies, over the then present value of any future modified net premiums therefor. The modified net premiums for any such policy shall be such uniform percentage of the respective contract premiums for such benefits that the present value, at the date of issue of the policy, of all such modified net premiums shall be equal to the sum of the then present value of such benefits provided for by the policy and the excess of (A) over (B), as follows:

(A) A net level annual premium equal to the present value, at the date of issue, of such benefits provided for after the first policy year, divided by the present value, at the date of issue, of an annuity of one per annum payable on the first and each subsequent anniversary of such policy on which a premium falls due; provided, however, that such net level annual premium shall not exceed the net level annual premium on the nineteen year premium whole life plan for insurance of the same amount at an age one year higher than the age at issue of such policy.

(B) A net one year term premium for such benefits provided for in the first policy year.

Reserves according to the commissioners reserve valuation method for (i) life insurance policies providing for a varying amount of insurance or requiring the payment of varying premiums, (ii) GROUP annuity and pure endowment contracts PURCHASED UNDER A RETIREMENT PLAN OR PLAN OF DEFERRED COMPENSATION, ESTABLISHED OR MAINTAINED BY AN EMPLOYER (INCLUDING A PARTNERSHIP OR SOLE PROPRIETORSHIP) OR BY AN EMPLOYEE ORGANIZATION, OR BY BOTH, OTHER THAN A PLAN PROVIDING INDIVIDUAL RETIREMENT ACCOUNTS OR INDIVIDUAL RETIREMENT ANNUITIES UNDER SECTION 408 OF THE INTERNAL REVENUE CODE, AS AMENDED, (iii) disability and accidental death benefits in all policies and contracts, and (iv) all other benefits, except life and endowment insurance benefits in life insurance policies AND BENEFITS PROVIDED BY ALL OTHER ANNUITY AND PURE ENDOWMENT CONTRACTS, shall be calculated by a method consistent with the principles of [this] THE PRECEDING paragraph, except that any extra premiums charged because of impairments or special hazards shall be disregarded in the determination of modified net premiums.

(B-2) THIS SECTION SHALL APPLY TO ALL ANNUITY AND PURE ENDOWMENT CONTRACTS OTHER THAN GROUP ANNUITY AND