After December 31, 1963, any insurer may file with the Commissioner a written notice of its election to comply with the provisions of this subsection after a specified date before January 1, 1968. After the filing of notice, then upon the specified date (which shall be the operative date of this subsection for the insurer), this subsection shall become operative with respect to the industrial policies thereafter issued by the insurer. If an insurer does not make an election, the operative date of this subsection for the insurer shall be January 1, 1968.

(K-1) (1) THIS SUBSECTION SHALL APPLY TO ALL POLICIES ISSUED ON OR AFTER THE OPERATIVE DATE OF THIS SUBSECTION AS DEFINED HEREIN. EXCEPT AS PROVIDED IN SUBPARAGRAPH (7) OF THIS SUBSECTION, THE ADJUSTED PREMIUMS FOR ANY POLICY SHALL BE CALCULATED ON AN ANNUAL BASIS AND SHALL BE THE UNIFORM PERCENTAGE OF THE RESPECTIVE PREMIUMS SPECIFIED IN THE POLICY FOR EACH POLICY YEAR, EXCLUDING AMOUNTS PAYABLE AS EXTRA PREMIUMS TO COVER IMPAIRMENTS OR SPECIAL HAZARDS, AND ALSO EXCLUDING ANY UNIFORM ANNUAL CONTRACT CHARGE OR POLICY FEE SPECIFIED IN THE POLICY IN A STATEMENT OF THE METHOD TO BE USED IN CALCULATING THE CASH SURRENDER VALUES AND PAID-UP NONFORFEITURE BENEFITS, SO THAT THE PRESENT VALUE, AT THE DATE OF ISSUE OF THE POLICY, OF ALL ADJUSTED PREMIUMS SHALL BE EQUAL TO THE SUM OF:

(I) THE PRESENT VALUE OF THE FUTURE GUARANTEED BENEFITS PROVIDED FOR BY THE POLICY;

(II) 1 PERCENT OF EITHER THE AMOUNT OF INSURANCE, IF THE INSURANCE BE UNIFORM IN AMOUNT, OR THE AVERAGE AMOUNT OF INSURANCE AT THE BEGINNING OF EACH OF THE FIRST 10 POLICY YEARS; AND

(III) 125 PERCENT OF THE NONFORFEITURE NET LEVEL PREMIUM AS HEREAFTER DEFINED.

(IV) IN APPLYING THE PERCENTAGE SPECIFIED IN SUBPARAGRAPH (III), NO NONFORFEITURE NET LEVEL PREMIUM SHALL BE DEEMED TO EXCEED 4 PERCENT OF EITHER THE AMOUNT OF INSURANCE, IF THE INSURANCE IS UNIFORM IN AMOUNT, OR THE AVERAGE AMOUNT OF INSURANCE AT THE BEGINNING OF EACH OF THE FIRST 10 POLICY YEARS. THE DATE OF ISSUE OF A POLICY FOR THE PURPOSE OF THIS SUBSECTION SHALL BE THE DATE WHEN THE RATED AGE OF THE INSURED IS DETERMINED.

(2) THE NONFORFEITURE NET LEVEL PREMIUM SHALL BE EQUAL TO THE PRESENT VALUE, AT THE DATE OF ISSUE OF THE POLICY, OF THE GUARANTEED BENEFITS PROVIDED FOR BY THE POLICY DIVIDED BY THE PRESENT VALUE, AT THE DATE OF ISSUE OF THE POLICY, OF AN ANNUITY OF 1 PER ANNUM PAYABLE ON THE DATE OF ISSUE OF THE POLICY AND ON EACH ANNIVERSARY ON WHICH A PREMIUM FALLS DUE.