

arising from other annuities with cash settlement options and from guaranteed interest contracts with cash settlement options, ~~I = .03 plus W(R-.03) where R1 is the lesser of R and .09, R2 is~~

$$I = .03 \text{ PLUS } W(R-.03)$$

WHERE R1 IS THE LESSER OF R AND .09, R2 IS the greater of R and .09, R is the reference interest rate defined in paragraph (a-3), and W is the weighting factor defined in paragraph (a-3);

(iii) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on an issue year basis, except as set out in (ii) above, the formula for life insurance set out in (i) above shall apply to annuities and guaranteed interest contracts with guarantee durations in excess of 10 years and the formula for single premium immediate annuities set out in (ii) above shall apply to annuities and guaranteed interest contracts with guarantee duration of 10 years or less;

(iv) For other annuities with no cash settlement options and for guaranteed interest contracts with no cash settlement options, the formula for single premium immediate annuities set out in (ii) above shall apply;

(v) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a change in fund basis, the formula for single premium immediate annuities set out in (ii) above shall apply.

However, if the calendar year statutory valuation interest rate for any life insurance policy issued in any calendar year determined without reference to this sentence differs from the corresponding actual rate for a similar policy issued in the immediately preceding calendar year by less than 1/2 percent, the calendar year statutory valuation interest rate for that life insurance policy shall be equal to the corresponding actual rate for the immediately preceding calendar year. For purposes of applying the immediately preceding sentence, the calendar year statutory valuation interest rate for a life insurance policy issued in a calendar year shall be determined for 1980 (using the reference [interst] INTEREST rate defined for 1979) and shall be determined for each subsequent calendar year regardless of when [subsection (k-1) of section] § 414(k) (K-1) OF THIS ARTICLE becomes operative.

234AA.

(h) In lieu of the penalty provided in subsection (g) of this section the Commissioner may, if appropriate, order the surety to write the bond if, at the hearing provided in subsection (e) OF THIS SECTION, he finds the following facts to be proven by a preponderance of the evidence: