

(I) THE ACCUMULATION UNTIL THAT TIME, OF THE NET CONSIDERATIONS PAID PRIOR TO THAT TIME, AT AN INTEREST RATE DETERMINED UNDER SUBSECTION (C) OF THIS SECTION; LESS

(II) THE SUM OF:

1. ANY WITHDRAWAL FROM OR PARTIAL SURRENDER OF THE CONTRACT ACCUMULATED AT THE INTEREST RATE DETERMINED UNDER SUBSECTION (C) OF THIS SECTION;

2. AN ANNUAL CONTRACT CHARGE OF \$50 ACCUMULATED AT THE INTEREST RATE DETERMINED UNDER SUBSECTION (C) OF THIS SECTION;

3. ANY PREMIUM TAX ACTUALLY PAID BY THE COMPANY FOR THE CONTRACT, NOT TO INCLUDE A PREMIUM TAX CREDITED BACK TO THE COMPANY, ACCUMULATED AT THE INTEREST RATE DETERMINED UNDER SUBSECTION (C) OF THIS SECTION; AND

4. ANY INDEBTEDNESS TO THE INSURER ON THE CONTRACT, INCLUDING INTEREST DUE AND ACCRUED.

(2) THE NET CONSIDERATIONS FOR A GIVEN CONTRACT YEAR USED TO CALCULATE THE MINIMUM NONFORFEITURE AMOUNT SHALL EQUAL 87.5% OF THE GROSS CONSIDERATIONS CREDITED TO THE CONTRACT DURING THAT CONTRACT YEAR.

(C) (1) THE INTEREST RATE USED TO DETERMINE THE MINIMUM NONFORFEITURE AMOUNTS UNDER SUBSECTION (B) OF THIS SECTION SHALL BE AN ANNUAL RATE OF INTEREST THAT IS EQUAL TO THE LESSER OF:

(I) 3% PER YEAR; OR

(II) ~~NOT LONGER THAN 15 MONTHS BEFORE THE CONTRACT ISSUE DATE OR THE REDETERMINATION DATE UNDER PARAGRAPH (3) OF THIS SUBSECTION, THE 5-YEAR TREASURY CONSTANT MATURITY RATE REPORTED BY THE FEDERAL RESERVE BOARD AS OF A CERTAIN DATE, OR AN AVERAGE OVER A PERIOD, ROUNDED TO THE NEAREST ONE-TWENTIETH OF 1%, REDUCED BY 125 BASIS POINTS~~ THE 5-YEAR CONSTANT MATURITY TREASURY RATE REPORTED BY THE FEDERAL RESERVE BOARD.

(2) THE 5-YEAR CONSTANT MATURITY TREASURY RATE UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION SHALL BE:

(I) 1. AS OF A DATE NOT MORE THAN 15 MONTHS BEFORE EITHER THE CONTRACT ISSUE DATE OR REDETERMINATION DATE; OR

2. AVERAGED OVER A PERIOD OF NOT MORE THAN 15 MONTHS BEFORE THE CONTRACT ISSUE DATE OR REDETERMINATION DATE; AND

(II) ROUNDED TO THE NEAREST ONE-TWENTIETH OF 1% AND THEN REDUCED BY 125 BASIS POINTS.