

Standard Nonforfeiture Law), except as otherwise provided in paragraphs (a-2) and (a-3) of this subsection for group annuity and pure endowment contracts issued prior to the operative date.

(b-1) 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.

Provided that for any life insurance policy issued on or after January 1, 1986 for which the contract premium in the first policy year exceeds that of the second year and for which no comparable additional benefit is provided in the first year for the excess premium, and which provides an endowment benefit or a cash surrender value, or a combination, in an amount greater than the excess premium, the reserve according to the [Commissioner's] COMMISSIONERS reserve valuation method as of any policy anniversary occurring on or before the assumed ending date defined as the first policy anniversary on which the sum of any endowment benefit and any cash surrender value then available is greater than the excess premium shall, except as otherwise provided in subsection (e), be the greater of the reserve as of the policy anniversary calculated as described in the preceding paragraph or the reserve as of such policy anniversary calculated as described in that paragraph, but with (i) the amount defined in subparagraph (a) of that paragraph being reduced by 15 percent of the amount of the excess first year premium, (ii) all present values of benefits and premiums being determined without reference to premiums or benefits provided for by the policy after the assumed ending date, (iii) the policy being assumed to mature on that date as an endowment, and (iv) the cash surrender