

8-445. VALUATION OF CERTIFICATES.

(A) IN GENERAL.

(1) AS PART OF THE ANNUAL STATEMENT REQUIRED BY § 8-444 OF THIS SUBTITLE, ON OR BEFORE MARCH 1 OF EACH YEAR, EACH SOCIETY SHALL FILE WITH THE COMMISSIONER A VALUATION OF ITS CERTIFICATES IN FORCE ON DECEMBER 31 OF THE IMMEDIATELY PRECEDING YEAR.

(2) FOR CAUSE SHOWN, THE COMMISSIONER MAY EXTEND THE TIME FOR FILING THE VALUATION UNTIL NOT LATER THAN MAY 1.

(3) EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION, THE VALUATION REQUIRED UNDER THIS SECTION SHALL SHOW, AS RESERVE LIABILITIES, THE DIFFERENCE BETWEEN:

(I) THE PRESENT MIDYEAR VALUE OF THE PROMISED BENEFITS PROVIDED IN THE CERTIFICATES OF THE SOCIETY IN FORCE; AND

(II) THE PRESENT MIDYEAR VALUE OF THE FUTURE NET PREMIUMS AS THEY ARE ACTUALLY COLLECTED, NOT INCLUDING:

1. ANY VALUE FOR THE RIGHT TO MAKE EXTRA ASSESSMENTS; OR

2. ANY AMOUNT BY WHICH THE PRESENT MIDYEAR VALUE OF FUTURE NET PREMIUMS EXCEEDS THE PRESENT MIDYEAR VALUE OF PROMISED BENEFITS ON INDIVIDUAL CERTIFICATES.

(4) AT THE OPTION OF THE SOCIETY, INSTEAD OF USING THE VALUATION METHOD DESCRIBED IN PARAGRAPH (3) OF THIS SUBSECTION, THE VALUATION MAY SHOW THE NET TABULAR VALUE THAT:

(I) FOR CERTIFICATES ISSUED ON OR BEFORE DECEMBER 31, 1963, IS DETERMINED IN ACCORDANCE WITH THE LAW APPLICABLE ON OR BEFORE DECEMBER 31, 1963; AND

(II) FOR CERTIFICATES ISSUED AFTER DECEMBER 31, 1963, MAY NOT BE LESS THAN THE RESERVES DETERMINED ACCORDING TO THE COMMISSIONERS' RESERVE VALUATION METHOD DESCRIBED IN SUBSECTION (B) OF THIS SECTION.

(5) (I) IF THE PREMIUM CHARGED IS LESS THAN THE TABULAR NET PREMIUM ACCORDING TO THE BASIS OF VALUATION USED, AN ADDITIONAL RESERVE EQUAL TO THE PRESENT VALUE OF THE DEFICIENCY IN THE PREMIUMS SHALL BE SET UP AND MAINTAINED AS A LIABILITY.

(II) THE RESERVE LIABILITIES SHALL BE ADJUSTED PROPERLY IF THE MIDYEAR OR TABULAR VALUES ARE NOT APPROPRIATE.

(B) RESERVE VALUATION METHOD — LIFE INSURANCE AND ENDOWMENT BENEFITS.