"Insurer" § 1–101
"Life insurance" § 1–101
"Policy" § 1–101
"Premium" § 1–101

5–307. SAME — RESERVE VALUATION METHOD FOR LIFE INSURANCE AND ENDOWMENT BENEFITS.

(A) LIFE INSURANCE AND ENDOWMENT BENEFITS — UNIFORM AMOUNT OF INSURANCE — UNIFORM PREMIUMS.

(1) IN THIS SUBSECTION, "GUARANTEED BENEFITS" MEANS FUTURE GUARANTEED LIFE INSURANCE AND ENDOWMENT BENEFITS.

(2) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION AND IN §§ 5–308 AND 5–311 OF THIS SUBTITLE, FOR THE LIFE INSURANCE AND ENDOWMENT BENEFITS OF A POLICY THAT PROVIDES FOR A UNIFORM AMOUNT OF INSURANCE AND REQUIRES THE PAYMENT OF UNIFORM PREMIUMS, THE RESERVE ACCORDING TO THE COMMISSIONERS RESERVE VALUATION METHOD SHALL BE THE AMOUNT, IF ANY, THAT THE PRESENT VALUE, AT THE DATE OF VALUATION, OF THE GUARANTEED BENEFITS UNDER THE POLICY EXCEEDS THE PRESENT VALUE, AT THE DATE OF VALUATION, OF ANY FUTURE MODIFIED NET PREMIUMS FOR THE POLICY, AS DETERMINED UNDER PARAGRAPH (3) OF THIS SUBSECTION.

(3) (I) FOR PURPOSES OF THIS SUBSECTION, THE MODIFIED NET PREMIUMS FOR A POLICY EQUAL A UNIFORM PERCENTAGE OF THE RESPECTIVE CONTRACT PREMIUMS FOR THE GUARANTEED BENEFITS UNDER THE POLICY CALCULATED SO THAT THE PRESENT VALUE, AT THE DATE OF ISSUE OF THE POLICY, OF THE SUM OF ALL THE MODIFIED NET PREMIUMS EQUALS THE SUM OF:

1. THE PRESENT VALUE, AT THE DATE OF ISSUE, OF THE GUARANTEED BENEFITS UNDER THE POLICY; AND

2. THE AMOUNT BY WHICH THE NET LEVEL ANNUAL PREMIUM DETERMINED UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH EXCEEDS A NET 1–YEAR TERM PREMIUM FOR THE GUARANTEED BENEFITS PROVIDED FOR IN THE FIRST POLICY YEAR.

(II) 1. EXCEPT AS PROVIDED IN SUB–SUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, THE NET LEVEL ANNUAL PREMIUM TO BE USED IN THE CALCULATION IN THIS PARAGRAPH EQUALS A FRACTION:

A. THE NUMERATOR OF WHICH IS THE PRESENT VALUE, AT THE DATE OF ISSUE, OF THE GUARANTEED BENEFITS PROVIDED FOR AFTER THE FIRST POLICY YEAR; AND

B. THE DENOMINATOR OF WHICH IS THE PRESENT VALUE, AT THE DATE OF ISSUE, OF AN ANNUITY OF ONE PER YEAR PAYABLE ON THE FIRST AND EACH SUBSEQUENT ANNIVERSARY OF THE POLICY ON WHICH A PREMIUM FALLS DUE.