

Defined terms: "Commissioner" § 1-101

"Industrial life insurance" § 1-101

"Insurance" § 1-101

"Insurer" § 1-101

"Life insurance" § 1-101

"Policy" § 1-101

"Premium" § 1-101

16-309. SAME — POLICIES ISSUED AFTER OPERATIVE DATE OF SECTION.

(A) SCOPE OF SECTION.

THIS SECTION APPLIES TO POLICIES OF LIFE INSURANCE ISSUED:

(1) ON OR AFTER JANUARY 1, 1989; OR

(2) ON OR AFTER AN OPERATIVE DATE THAT IS BEFORE JANUARY 1, 1989, AS SPECIFIED BY THE INSURER IF THE INSURER FILED WITH THE COMMISSIONER WRITTEN NOTICE OF AN ELECTION TO COMPLY WITH THIS SECTION ON A DATE BEFORE JANUARY 1, 1989.

(B) CALCULATION IN GENERAL.

(1) FOR PURPOSES OF THIS SECTION, THE DATE OF ISSUE OF A POLICY IS THE DATE AS OF WHICH THE RATED AGE OF THE INSURED IS DETERMINED.

(2) EXCEPT AS PROVIDED IN SUBSECTION (G) OF THIS SECTION, AND SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE ADJUSTED PREMIUMS FOR A POLICY SHALL BE CALCULATED ON AN ANNUAL BASIS AND SHALL BE A UNIFORM PERCENTAGE OF THE PREMIUMS SPECIFIED IN THE POLICY FOR EACH POLICY YEAR SO THAT THE PRESENT VALUE OF THE ADJUSTED PREMIUMS SHALL EQUAL THE SUM OF:

(I) THE PRESENT VALUE OF THE FUTURE GUARANTEED BENEFITS, CALCULATED AS OF THE DATE OF ISSUE, PROVIDED BY THE POLICY;

(II) 1% OF EITHER:

1. THE AMOUNT OF INSURANCE IF THE INSURANCE IS A UNIFORM AMOUNT; OR

2. THE AVERAGE AMOUNT OF INSURANCE AT THE BEGINNING OF EACH OF THE FIRST 10 POLICY YEARS; AND

(III) SUBJECT TO PARAGRAPHS (4) AND (5) OF THIS SUBSECTION, 125% OF THE NONFORFEITURE NET LEVEL PREMIUM.

(3) IN CALCULATING ADJUSTED PREMIUMS, ANY EXTRA PREMIUM FOR IMPAIRMENTS OR SPECIAL HAZARDS OR ANY UNIFORM ANNUAL CONTRACT CHARGE OR POLICY FEE SPECIFIED IN THE POLICY IN A STATEMENT OF THE METHOD USED TO CALCULATE CASH SURRENDER VALUES AND PAID-UP NONFORFEITURE BENEFITS IS EXCLUDED.