

(2) IN RECALCULATING FUTURE 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.

(E) SAME — ADDITIONAL EXPENSE ALLOWANCE.

THE ADDITIONAL EXPENSE ALLOWANCE, CALCULATED AS OF THE TIME OF THE CHANGE TO THE NEWLY DEFINED BENEFITS OR PREMIUMS, IS THE SUM OF:

(1) 1% OF THE REMAINDER, IF POSITIVE, OF:

(I) THE AVERAGE AMOUNT OF INSURANCE AT THE BEGINNING OF EACH OF THE FIRST 10 POLICY YEARS SUBSEQUENT TO THE CHANGE; LESS

(II) THE AVERAGE AMOUNT OF INSURANCE BEFORE THE CHANGE AT THE BEGINNING OF EACH OF THE FIRST 10 POLICY YEARS SUBSEQUENT TO THE MOST RECENT PREVIOUS CHANGE OR, IF THERE HAS NOT BEEN A PREVIOUS CHANGE, SUBSEQUENT TO THE DATE OF ISSUE OF THE POLICY; AND

(2) 125% OF THE INCREASE, IF POSITIVE, IN THE NONFORFEITURE NET LEVEL PREMIUM.

(F) SAME — RECALCULATED NONFORFEITURE NET LEVEL PREMIUM.

THE RECALCULATED NONFORFEITURE NET LEVEL PREMIUM EQUALS THE QUOTIENT OF:

(1) THE SUM OF:

(I) THE NONFORFEITURE NET LEVEL PREMIUM APPLICABLE BEFORE THE CHANGE MULTIPLIED BY THE PRESENT VALUE OF AN ANNUITY OF 1 PER YEAR PAYABLE ON EACH ANNIVERSARY OF THE POLICY ON OR SUBSEQUENT TO THE DATE OF CHANGE ON WHICH A PREMIUM WOULD HAVE BEEN DUE HAD THE CHANGE NOT OCCURRED; AND

(II) THE PRESENT VALUE OF THE INCREASE IN FUTURE GUARANTEED BENEFITS PROVIDED BY THE POLICY; DIVIDED BY

(2) THE PRESENT VALUE OF AN ANNUITY OF 1 PER YEAR PAYABLE ON EACH ANNIVERSARY OF THE POLICY ON OR AFTER THE DATE OF CHANGE ON WHICH A PREMIUM IS DUE.

(G) POLICIES ISSUED ON SUBSTANDARD BASIS.

(1) THIS SUBSECTION APPLIES ONLY TO POLICIES ISSUED ON A SUBSTANDARD BASIS THAT PROVIDE REDUCED GRADED AMOUNTS OF INSURANCE SO THAT, IN EACH POLICY YEAR, THE POLICY HAS THE SAME TABULAR MORTALITY COST AS AN OTHERWISE SIMILAR POLICY ISSUED ON A STANDARD BASIS THAT PROVIDES HIGHER UNIFORM AMOUNTS OF INSURANCE.