

(ii) 1. Except as provided in sub-subparagraph 2 of this paragraph, 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 certificate 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 certificate on which a premium falls due.

2. The net level annual premium determined under this subparagraph may not exceed the net level annual premium on the 19-year premium whole life plan for insurance of the same amount at an age 1 year higher than the age at issue of the certificate for which the reserve is calculated under this subsection.

(c) (1) This subsection applies to:

(i) life insurance benefits that provide for varying amounts of benefits or require the payment of varying premiums;

(ii) annuity and pure endowment benefits;

(iii) disability and accidental death benefits in all certificates and contracts; and

(iv) all other benefits except life insurance and endowment benefits.

(2) For a benefit to which this subsection applies, the reserve according to the Commissioners' reserve valuation method shall be calculated by a method consistent with the principles of subsection (b) of this section.

(d) The present value of deferred payments due under incurred claims or matured certificates is deemed a liability of the society and shall be computed on mortality and interest standards prescribed in subsections (f) and (g) of this section.

(e) The valuation and underlying data shall be certified by a competent actuary or, at the expense of the society, verified by the actuary of the insurance department of the society's domiciliary state.

(f) The minimum standard of valuation for certificates issued on or before December 31, 1963:

(1) shall be the minimum standard provided by the law applicable on December 31, 1963; and

(2) may not be lower than the standard used in the calculation of rates for the certificates.

(g) The minimum standard of valuation for certificates issued after December 31, 1963, is:

(1) interest at 3.5% per year; and