values and nonforfeiture benefits in such policies as the Commissioner shall approve.]

(e) If IN ANY CONTRACT YEAR the gross premium charged by any insurer on any policy or contract is less than the VALUATION net premium for the policy or contract [according to the mortality table, rate of interest and] CALCULATED BY THE method used in calculating the reserve [thereon,] ON IT BUT USING THE MINIMUM VALUATION STANDARDS OF MORTALITY AND RATE OF INTEREST [there shall be maintained on such policy or contract a deficiency reserve in addition to all other reserves required by law. For each such policy or contract the deficiency reserve shall be the present value, according to such standard, of an annuity of the difference between such net premium and the premium charged for such policy or contract, running for the remainder of the premium-paying period]~~.~~, THE MINIMUM RESERVE REQUIRED FOR THE POLICY OR CONTRACT ~~IN EACH CONTRACT YEAR~~ SHALL BE THE GREATER OF EITHER THE RESERVE CALCULATED ACCORDING TO THE MORTALITY TABLE, RATE OF INTEREST, AND METHOD ACTUALLY USED FOR THE POLICY OR CONTRACT, OR THE RESERVE CALCULATED BY THE METHOD ACTUALLY USED FOR THE POLICY OR CONTRACT BUT USING THE MINIMUM STANDARDS OF MORTALITY AND RATE OF INTEREST AND REPLACING THE VALUATION NET PREMIUM ~~FOR THAT CONTRACT YEAR~~ BY THE ACTUAL GROSS PREMIUM IN EACH CONTRACT YEAR FOR ~~EACH CONTRACT YEAR FOR THAT CONTRACT YEAR IN~~ WHICH THE VALUATION NET PREMIUM EXCEEDS THE ACTUAL GROSS PREMIUM. IF THE GROSS PREMIUM RATES FOR THE POLICY OR CONTRACT ARE NOT BASED CONSISTENTLY ON A SUITABLE ACCEPTED OR CREDIBLE MORTALITY BASIS OR TABLE, THE COMMISSIONER MAY REQUIRE ADDITIONAL RESERVES IN ACCORDANCE WITH SECTION 77(3)(IV) OF THIS ARTICLE.

408A.

(D) THIS SECTION SHALL APPLY TO ONLY THOSE INDIVIDUAL ANNUITIES ISSUED PRIOR TO THE OPERATIVE DATE OF SECTION 408B (THE STANDARD NONFORFEITURE LAW FOR INDIVIDUAL DEFERRED ANNUITIES).

408B.

(A) THIS SECTION SHALL BE KNOWN AS THE STANDARD NONFORFEITURE LAW FOR INDIVIDUAL DEFERRED ANNUITIES.

(B) THIS SECTION MAY NOT APPLY TO:

(1) ANY REINSURANCE, GROUP ANNUITY PURCHASED UNDER A RETIREMENT PLAN OR PLAN OF DEFERRED COMPENSATION ESTABLISHED OR MAINTAINED BY AN EMPLOYER (INCLUDING A PARTNERSHIP OR SOLE PROPRIETORSHIP) OR BY AN EMPLOYEE ORGANIZATION, OR BY BOTH, OTHER THAN A PLAN PROVIDING INDIVIDUAL RETIREMENT ACCOUNTS OR INDIVIDUAL RETIREMENT ANNUITIES UNDER SECTION 408 OF THE INTERNAL REVENUE CODE, AS AMENDED;

(2) PREMIUM DEPOSIT FUND;