

(2) If the loss experience of an insurer shows that its loss reserves, however estimated, are inadequate, the Commissioner shall require the insurer to maintain loss reserves in such increased amount as is needed to make them adequate.

83. Standard Valuation Law—Life Insurance.

(1) Calculation of net value.—The Commissioner shall annually value, or cause to be valued, the reserve liabilities (hereinafter called reserves or net value) for all outstanding life insurance policies and annuity and pure endowment contracts of every life insurer doing business in this State except that in the case of an alien insurer, such valuation shall be limited to its United States business, and may certify the amount of any such reserves, specifying the mortality table or tables, rate or rates of interest and methods (net level premium method or other) used in the calculation of such reserves. In calculating such reserves, he may use group methods and approximate averages for fractions of a year or otherwise. In lieu of the valuation of the reserves herein required of any foreign or alien insurer, he may accept any valuation made, or caused to be made, by the insurance supervisory official of any state or other jurisdiction when such valuation complies with the minimum standard herein provided and if the official of such state or jurisdiction accepts as sufficient and valid for all legal purposes the certificate of valuation of the Commissioner when such certificate states the valuation to have been made in a specified manner according to which the aggregate reserves would be at least as large as if they had been computed in the manner prescribed by the law of that state or jurisdiction.

Any such insurer which at any time shall have adopted any standard of valuation producing greater aggregate reserves than those calculated according to the minimum standard herein provided may, with the approval of the Commissioner, adopt any lower standard of valuation, but not lower than the minimum herein provided.

(2) Policies issued prior to Standard Nonforfeiture Law.—This subsection shall apply only to those policies and contracts issued prior to the operative date of section 414 (the Standard Nonforfeiture Law).

The net value of all policies issued on or before the thirty-first day of December, in the year nineteen hundred and two, shall be based upon the American Experience Table of Mortality, and four and one-half per cent interest per annum; and for all policies issued subsequent to said thirty-first day of December, in the year nineteen hundred and two, and on or before the thirty-first day of December, in the year nineteen hundred and eighteen, upon the Actuaries Table of Mortality, and four percent interest per annum; and for all policies except industrial issued subsequent to the thirty-first day of December in the year nineteen hundred and eighteen, upon the American Experience Table of Mortality or the American Men Ultimate Table of Mortality and three and one-half per cent interest per annum; provided, that the Commissioner shall, upon the request of any insurer, cause all policies of such insurer, issued subsequent to the thirty-first day of December, in the year nineteen hundred and eighteen, to be valued in accordance with the terms of the policy contract, but in no case to be less than that determined by the one-year preliminary term method of valuation, as hereinafter modified, on the basis of the American Experience Table of Mortality or the Ameri-