§ 4218. When actual premium is less than net premium; minimum reserve. (a) (1) When the actual premium or consideration charged for life insurance under any life insurance policy, issued by any life insurance company doing business in this state, is less than the modified net premium calculated on the basis of the commissioners reserve valuation method as defined in paragraph six of subsection (c) of section four thousand two hundred seventeen of this article and using the rate of interest and mortality tables contained in the minimum valuation standards in paragraphs two and four of such subsection, or in the case of future renewals under a renewable term insurance policy issued prior to the operative date of subsection (k) of section four thousand two hundred twenty-one of this article, the Modern CSO Mortality Table published in the Transactions of the Society of Actuaries, Vol. XXVII (1975), the minimum reserve required for such policy shall be the greater of either the reserve calculated according to the mortality table, rate of interest, and method actually used for such policy, or the reserve calculated by the commissioners reserve valuation method as defined in paragraph six of subsection (c) of section four thousand two hundred seventeen of this article and using the mortality table and rate of interest prescribed in this section for calculating the commissioners reserve valuation method modified net premium and replacing such modified net premium by the actual premium charged for the policy in each contract year for which such modified net premium exceeds the actual premium.

(2) This section shall not authorize any such company to issue any policy or contract in violation of any other provision of this chapter.

(b) (1) In the case of any life insurance policy issued on or after January first, nineteen hundred eighty-six, for which the actual premium in the first policy year exceeds that of the second year and for which no comparable additional benefit is provided in the first year for such excess and which provides an endowment benefit or a cash surrender value or a combination thereof in an amount greater than such excess premium, the foregoing provisions of subsection (a) hereof shall be applied as if the method actually used in calculating the reserve for such policy were the method described in paragraph six of subsection (c) of section four thousand two hundred seventeen of this article, ignoring the proviso of such paragraph.

(2) The minimum reserve at each policy anniversary of such a policy shall be the greater of the minimum reserve calculated in accordance with paragraph six of subsection (c) of section four thousand two hundred seventeen of this article, including the proviso of that paragraph, and the minimum reserve calculated in accordance with this section.