WAC 284-84-040 Alternate minimum reserves. (1) If, in any policy year, the guaranteed maturity premium on any universal life insurance policy is less than the valuation net premium for such policy, calculated by the valuation method actually used in calculating the reserve thereon but using the minimum valuation standards of mortality and rate of interest, the minimum reserve required for such contract shall be the greater of (a) or (b) of this subsection:

(a) The reserve calculated according to the method, the mortality table, and the rate of interest actually used.

(b) The reserve calculated according to the method actually used but using the minimum valuation standards of mortality and rate of interest and replacing the valuation net premium by the guaranteed maturity premium in each policy year for which the valuation net premium exceeds the guaranteed maturity premium.

(2) For universal life insurance reserves on a net level premium basis, the valuation net premium is $PVFB/\ddot{a}_x$ and for reserves on a commissioners reserve valuation method, the valuation net premium is $PVFB/\ddot{a}_x + ((a)-(b))/\ddot{a}_x$.

[Statutory Authority: RCW 48.02.060. WSR 86-02-011 (Order R 85-5), § 284-84-040, filed 12/20/85.]