SCHEDULES.

FOURTH SCHEDULE

RULES FOR VALUING POLICIES.

1 The value of the policy is to be the difference between the present value of the reversion in the sum assured according to the contingency upon which it is payable, including any bonus added thereto, and the present value of the future net premiums.

2 The net premium is to be such premium as according to the assumed rate of interest and rate of mortality and the age of the person whose life is assured at his birthday next following the date of the policy is sufficient to provide for the risk incurred by the company or society in issuing the policy, exclusive of any addition thereto for office expenses and other charges;

Provided that—

(a) In the case of a policy other than a policy for the whole term of life. issued before the person whose life is assured attained the age of ten years, the date of the policy may he assumed to be one year after the actual date, and, if it is so assumed, the term of the policy may be assumed to be one year less than the actual term :

(b) In the case of a policy for the whole term of life issued before the person whose life is assured attained the age of ten years, no account shall be taken of any period for which the policy was in force before the anniversary of the date of the issue of the policy next preceding the date on which the age of eleven years was attained:

(c) In the case of a substituted policy, the net premium shall be calculated with reference to such sum as, according to the practice of the society or company for the time being, would have been assured by the premiums payable if the person upon whose life the substituted policy is issued had not been assured with the society or company before the issue of that policy.