Figure: 28 TAC §3.4504(2)

The length of a particular contract segment shall be set equal to the minimum of the value t for which G_t is greater than R_t (if G_t never exceeds R_t the segment length is deemed to be the number of years from the beginning of the segment to the mandatory expiration date of the policy), where G_t and R_t are defined as follows:

$G_t = GP_{x+k+t} / GP_{x+k+t-1}$

where:

x = original issue age;

k = the number of years from the date of issue to the beginning of the segment;

t = 1, 2, ...; t is reset to 1 at the beginning of each segment;

$GP_{x+k+t-1}$ = Guaranteed gross premium per thousand of face amount, for year t of the segment ignoring policy fees only if such policy fees are level for the premium paying period of the policy.

$R_t = q_{x+k+t} / q_{x+k+t-1}$. However, R_t may be increased or decreased by one percent in any policy year, at the company's option, but R_t shall not be less than one;

where:

x, k and t are as defined above, and $q_{x+k+t-1}$= valuation mortality rate for deficiency reserves in policy year k+t but using the mortality of §3.4505(b)(2) of this subchapter (relating to General Calculation Requirements for Basic Reserves and Premium Deficiency Reserves) if §3.4505(b)(3) of this subchapter (relating to General Calculation Requirements for Basic Reserves and Premium Deficiency Reserves) is elected for deficiency reserves.

However, if GP_{x+k+t} is greater than 0 and $GP_{x+k+t-1}$ is equal to 0, G_t shall be deemed to be 1000. If GP_{x+k+t} and $GP_{x+k+t-1}$ are both equal to 0, G_t shall be deemed to be 0.