

**TABLE OF CONTENTS**

**Mortality Tables: Minimum Nonforfeiture Benefits**

**NAIC Model Regulation Permitting Smoker/Nonsmoker Mortality  
Tables for Use in Determining Minimum Nonforfeiture Benefits**

Purpose . . . . . 38a-439- 1  
 Definitions. . . . . 38a-439- 2  
 Alternate tables . . . . . 38a-439- 3  
 Conditions. . . . . 38a-439- 4

**NAIC Procedure for Permitting Same Minimum Nonforfeiture  
Standards for Men and Women Under 1980 CSO  
and 1980 CET Mortality Tables**

Purpose . . . . . 38a-439- 5  
 Definitions. . . . . 38a-439- 6  
 Rule . . . . . 38a-439- 7  
 Unfair discrimination . . . . . 38a-439- 8  
 Separability . . . . . 38a-439- 9

**2001 CSO Mortality Table**

Purpose . . . . . 38a-439-10  
 Definitions. . . . . 38a-439-11  
 2001 CSO mortality table . . . . . 38a-439-12  
 Conditions. . . . . 38a-439-13  
 Gender-blended tables . . . . . 38a-439-14  
 Separability . . . . . 38a-439-15



## **Mortality Tables: Minimum Nonforfeiture Benefits**

### **NAIC Model Regulation Permitting Smoker/Nonsmoker Mortality Tables for Use in Determining Minimum Nonforfeiture Benefits**

#### **Sec. 38a-439-1. Purpose**

The purpose of Sections 38a-439-2 to 38a-439-4, inclusive, is to permit the use of mortality tables that reflect differences in mortality between smokers and nonsmokers in determining minimum cash surrender values and amounts of paid-up nonforfeiture benefits for plans of insurance with separate premium rates for smokers and nonsmokers.

(Effective September 25, 1992)

#### **Sec. 38a-439-2. Definitions**

As used in Sections 38a-439-3 and 38a-439-4:

(a) “1980 CSO Table, with or without Ten-Year Select Mortality Factor” means that mortality table, consisting of separate rates of mortality for male and female lives, developed by the Society of Actuaries Committee to Recommend New Mortality Tables for Valuation of Standard Individual Ordinary Life Insurance, incorporated in the 1980 NAIC Amendments to the Model Standard Valuation Law and Standard Nonforfeiture Law for Life Insurance, and referred to in those models as the Commissioners 1980 Standard Ordinary Mortality Table, with or without Ten-Year Select Mortality Factors. The same select factors will be used for both smokers and nonsmokers tables.

(b) “1980 CET Table” means that mortality table consisting of separate rates of mortality for males and females lives, developed by the Society of Actuaries Committee to Recommend New Mortality Tables for Valuation of Standard Individual Ordinary Life Insurance, incorporated in the 1980 NAIC Amendments to the Model Standard Nonforfeiture Law for Life Insurance, and referred to in those models as the Commissioners 1980 Extended Term Insurance Table.

(c) “1958 CSO Table” means that mortality table developed by the Society of Actuaries Special Committee on New Mortality Tables, incorporated in the NAIC Model Standard Nonforfeiture Law for Life Insurance, and referred to in that model as the Commissioners 1958 Ordinary Mortality Table.

(d) “1958 CET Table” means that mortality table developed by the Society of Actuaries Special Committee on New Mortality Tables, incorporated in the NAIC Model Standard Nonforfeiture Law for Life Insurance, and referred to in that model as the Commissioners 1958 Extended Term Insurance Table.

(e) The phrase “smoker and nonsmoker mortality tables” refers to the mortality tables with separate rates of mortality for smokers and nonsmokers derived from the tables defined in subsections (a) through (d) of this section which were developed by the Society of Actuaries Task Force on Smoker/Nonsmoker Mortality and recommended by the NAIC Technical Staff Actuarial Group.

(f) The phrase “composite mortality tables” refers to the mortality tables defined in subsections (a) through (d) of this section as they were originally published with rates of mortality that do not distinguish between smokers and nonsmokers.

(Effective September 25, 1992)

#### **Sec. 38a-439-3. Alternate tables**

(a) For any policy of insurance delivered or issued for delivery in this state on or after the date of election pursuant to Section 38a-439 (e) (11) of the General Statutes for that policy form, but prior to January 1, 1989, a company may, subject

to the conditions of Section 38a-439-4, substitute for use in determining minimum cash surrender values and amounts of paid up nonforfeiture benefits: (1) the 1958 CSO Smoker and Nonsmoker Mortality Tables for the 1980 CSO Table, with or without Ten-Year Select Mortality Factors; and (2) the 1958 CET Smoker and Nonsmoker Mortality Tables for the 1980 CET Table. Provided that for any category of insurance issued on female lives with minimum cash surrender values and amounts of paid-up nonforfeiture benefits determined using the 1958 CSO or 1958 CET Smoker and Nonsmoker Mortality Tables, such minimum values may be calculated according to an age not more than six years younger than the actual age of the insured. Provided further that the substitution of the 1958 CSO or 1958 CET Smoker and Nonsmoker Mortality Tables is available only if made for each policy of insurance on a policy form delivered or issued for delivery on or after the operative date for that policy form and before a date not later than January 1, 1989.

(b) For any policy of insurance delivered or issued for delivery in this state on or after the date of election pursuant to Section 38a-439 (e) (11) of the General Statutes for that policy form, a company may, subject to the conditions stated in Section 38a-439-4, substitute for use in determining minimum cash surrender values and amounts of paid-up nonforfeiture benefits: (1) the 1980 CSO Smoker and Nonsmoker Mortality Tables, with or without Ten-Year Select Mortality Factors, for the 1980 CSO Table, with or without Ten-Year Select Mortality Factors; and (2) the 1980 CET Smoker and Nonsmoker Mortality Tables for the 1980 CET Table.

(Effective September 25, 1992)

#### **Sec. 38a-439-4. Conditions**

For each plan of insurance with separate rates for smokers and nonsmokers, an insurer may: (a) use composite mortality tables to determine minimum cash surrender values and amounts of paid-up nonforfeiture benefits; or (b) use smoker and nonsmoker mortality to determine minimum cash surrender values and amounts of paid-up nonforfeiture benefits.

(Effective September 25, 1992)

### **NAIC Procedure for Permitting Same Minimum Nonforfeiture Standards for Men and Women Under 1980 CSO and 1980 CET Mortality Tables**

#### **Sec. 38a-439-5. Purpose**

The purpose of Sections 38a-439-6 to 38a-439-8, inclusive, is to permit individual life insurance policies to provide the same cash values and paid-up nonforfeiture benefits to both men and women. No change in minimum valuation standards is implied by this rule.

(Effective September 25, 1992)

#### **Sec. 38a-439-6. Definitions**

As used in Sections 38a-439-6 and 38a-439-7:

(a) “1980 CSO Table, with or without Ten-Year Select Mortality Factor” means that mortality table, consisting of separate rates of mortality for male and female lives, developed by the Society of Actuaries Committee to Recommend New Mortality Tables for Valuation of Standard Individual Ordinary Life Insurance, incorporated in the 1980 NAIC Amendments to the Model Standard Valuation Law and Standard Nonforfeiture Law for Life Insurance, and referred to in those models as the Commissioners 1980 Standard Ordinary Mortality Table, with or without Ten-Year Mortality Factors.

(b) “1980 CSO Table (M), with or without Ten-Year Select Mortality Factors” means that mortality table consisting of the rates of mortality for male lives from the 1980 CSO Table, with or without Ten-Year Select Mortality Factor.

(c) “1980 CSO Table (F), with or without Ten-Year Select Mortality Factors” means that mortality table consisting of the rates of mortality for female lives from the 1980 CSO Table, with or without Ten-Year Select Mortality Factors.

(d) “1980 CET Table” means that mortality table consisting of separate rates of mortality for male and female lives, developed by the Society of Actuaries Committee to Recommend New Mortality Tables for Valuation of Standard Individual Ordinary Life Insurance, incorporated in the 1980 NAIC Amendments to the Model Standard Valuation Law and Standard Nonforfeiture Law for Life Insurance, and referred to in those models as the Commissioners 1980 Extended Term Insurance Table.

(e) “1980 CET Table (M)” means that mortality table consisting of the rates of mortality for male lives from the 1980 CET Table.

(f) “1980 CET Table (F)” means that mortality table consisting of the rates of mortality for female lives from the 1980 CET Table.

(Effective September 25, 1992)

### **Sec. 38a-439-7. Rule**

(a) For any policy of insurance on the life of either a male or female insured delivered or issued for delivery in this state on or after the date of election pursuant to Section 38a-439 (e) (11), a company may, for that policy form, substitute for use in determining minimum cash surrender values and amounts of paid-up nonforfeiture benefits: (1) a mortality table which is blend of the 1980 CSO Table (M) and the 1980 Table (F) with or without Ten-Year Select Mortality Factors for the 1980 CSO Table, with or without Ten-Year Select Mortality Factors; and (2) a mortality table which is of the same blend as used in (1) of this subsection but applied to form a blend of the 1980 CET Table (M) and the 1980 CET Table (F) in lieu of the 1980 CET Table.

(b) For purposes of the substitution authorized by subsection (a) of this section, the following tables will be considered as the basis for acceptable tables:

(1) 100% Male 0% Female for tables to be designated as the “1980 CSO-A” and “1980 CET-A” tables.

(2) 80% Male 20% Female for tables to be designated as the “1980 CSO-B” and “1980 CET-B” tables.

(3) 60% Male 40% Female for tables to be designated as the “1980 CSO-C” and “1980 CET-C” tables.

(4) 50% Male and 50% Female for tables to be designated as the “1980 CSO-D” and “1980 CET-D” tables.

(5) 40% Male 60% Female for tables to be designated as the “1980 CSO-E” and “1980 CET-E” tables.

(6) 20% Male 80% Female for tables to be designated as the “1980 CSO-F” and “1980 CET-F” tables.

(7) 0% Male 100% Female for tables to be designated as the “1980 CSO-G” and “1980 CET-G” tables.

The tables of subdivisions (1) and (7) of this subsection are not to be used with respect to policies issued on or after January 1, 1986 except where the proportion of persons insured is anticipated to be 90% or more of one sex or the other.

(Effective September 25, 1992)

**Sec. 38a-439-8. Unfair discrimination**

It shall not be a violation of Section 38a-815 of the Connecticut General Statutes for an insurer to issue the same kind of policy of life insurance on both a sex distinct and sex neutral basis.

(Effective September 25, 1992)

**Sec. 38a-439-9. Separability**

If any provision of this regulation or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of the regulation and the application of such provision to other persons or circumstances shall not be affected thereby.

(Effective September 25, 1992)

**Sec. 38a-439-10. Purpose**

The purpose of sections 38a-439-10 to 38a-439-15, inclusive, of the Regulations of Connecticut State Agencies, is to recognize, permit and prescribe the use of the 2001 Commissioners Standard Ordinary (CSO) Mortality Table for use in determining minimum nonforfeiture benefits in accordance with the Standard Nonforfeiture Law, subsection (e)(8)(C)(vi) of section 38a-439 of the Connecticut General Statutes.

(Adopted effective March 30, 2005)

**Sec. 38a-439-11. Definitions**

As used in sections 38a-439-10 to 38a-439-15, inclusive, of the Regulations of Connecticut State Agencies:

(a) “2001 CSO Mortality Table” means that mortality table, consisting of separate rates of mortality for male and female lives, developed by the American Academy of Actuaries CSO Task Force from the Valuation Basic Mortality Table developed by the Society of Actuaries Individual Life Insurance Valuation Mortality Task Force, proposed to the National Association of Insurance Commissioners’ Life and Health Actuarial Task Force at its June 2002 meeting and adopted by the National Association of Insurance Commissioners in December 2002. The 2001 CSO Mortality Table is included in the Proceedings of the NAIC (2nd Quarter 2002). Unless the context indicates otherwise, the “2001 CSO Mortality Table” includes both the ultimate form of that table and the select and ultimate form of that table and includes both the smoker and nonsmoker mortality tables and the composite mortality tables. It also includes both the age-nearest-birthday and age-last-birthday bases of the mortality tables.

(b) “2001 CSO Mortality Table (F)” means that mortality table consisting of the rates of mortality for female lives from the 2001 CSO Mortality Table.

(c) “2001 CSO Mortality Table (M)” means that mortality table consisting of the rates of mortality for male lives from the 2001 CSO Mortality Table.

(d) “Composite mortality tables” means mortality tables with rates of mortality that do not distinguish between smokers and nonsmokers.

(e) “Smoker and nonsmoker mortality tables” means mortality tables with separate rates of mortality for smokers and nonsmokers.

(f) “Commissioner” means the Insurance Commissioner.

(Adopted effective March 30, 2005)

**Sec. 38a-439-12. 2001 CSO mortality table**

(a) At the election of the company for any one or more specified plans of insurance and subject to the conditions stated in section 38a-439-13 of the Regulations of Connecticut State Agencies, the 2001 CSO Mortality Table may be used as the

minimum standard for policies issued after April 1, 2005 and before the date specified in subsection (b) of this subsection to which subsection (d) of section 38a-78 of the Connecticut General Statutes and subsection (e)(8)(C)(vi) of section 38a-439 of the Connecticut General Statutes are applicable. If the company elects to use the 2001 CSO Mortality Table, it shall do so for both valuation and nonforfeiture purposes. With respect to domestic life insurers only, written notice of election to comply with the provisions of this subsection on or after a specified date shall be filed with the commissioner.

(b) Subject to the conditions stated in section 38a-439-13 of the Regulations of Connecticut State Agencies, the 2001 CSO Mortality Table shall be used in determining minimum standards for policies issued on and after January 1, 2009 to which subsection (d) of section 38a-78 of the Connecticut General Statutes and subsection (e)(8)(C)(vi) of section 38a-439 of the Connecticut General Statutes are applicable. (Adopted effective March 30, 2005)

### **Sec. 38a-439-13. Conditions**

(a) For each plan of insurance with separate rates for smokers and nonsmokers an insurer may use:

(1) Composite mortality tables to determine minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits;

(2) Smoker and nonsmoker mortality tables to determine the valuation net premiums and additional minimum reserves, if any, required by subsection (j) of section 38a-78 of the Connecticut General Statutes and use composite mortality tables to determine the basic minimum reserves, minimum cash surrender values and amounts of paid-up nonforfeiture benefits; or

(3) Smoker and nonsmoker mortality to determine minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits.

(b) For plans of insurance without separate rates for smokers and nonsmokers the composite mortality tables shall be used.

(c) For the purpose of determining minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits, the 2001 CSO Mortality Table may, at the option of the company for each plan of insurance, be used in its ultimate or select and ultimate form.

(Adopted effective March 30, 2005)

### **Sec. 38a-439-14. Gender-blended tables**

(a) For any ordinary life insurance policy delivered or issued for delivery in this state after April 1, 2005 that utilizes the same premium rates and charges for male and female lives or is issued in circumstances where applicable law does not permit distinctions on the basis of gender, a mortality table that is a blend of the 2001 CSO Mortality Table (M) and the 2001 CSO Mortality Table (F) may, at the option of the company for each plan of insurance, be substituted for the 2001 CSO Mortality Table for use in determining minimum cash surrender values and amounts of paid-up nonforfeiture benefits. No change in minimum valuation standards is implied by this subsection.

(b) The company may choose from among the blended tables developed by the American Academy of Actuaries CSO Task Force, proposed to the National Association of Insurance Commissioners' Life and Health Actuarial Task Force at its June 2002 meeting and adopted by the National Association of Insurance Commissioners in December 2002. The proposed blended tables are included as

Appendix J-1 of the report of the CSO Task Force and are included in the Proceedings of the National Association of Insurance Commissioners (2nd Quarter 2002).

(c) It shall not, in and of itself, be a violation of section 38a-815 or 38a-816 of the Connecticut General Statutes for an insurer to issue the same kind of policy of life insurance on both a sex-distinct and sex-neutral basis.

(Adopted effective March 30, 2005)

**Sec. 38a-439-15. Separability**

If any provision of sections 38a-439-10 to 38a-439-14, inclusive, of the Regulations of Connecticut State Agencies or its application to any person or circumstance is for any reason held to be invalid, the remainder of said sections and the application of the provision to other persons or circumstances shall not be affected.

(Adopted effective March 30, 2005)