

REGULATION 84-103

PERMITTING THE USE OF THE SAME MINIMUM NONFORFEITURE STANDARDS
FOR MEN AND WOMEN INSURED UNDER 1980 CSO AND 1980 CET MORTALITY
TABLES (MIXED GENDER MORTALITY TABLES)

SECTION

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Effective September 12, 1984

Section 1. Preamble and authority.

I, George Dale, duly elected Commissioner of Insurance of the State of Mississippi, pursuant to the authority granted me in Section 83-7-25, Mississippi Code of 1972, as Amended, and in accordance with Sections 25-43-1 through 25-43-19, Mississippi Code of 1972, known as the Mississippi Administrative Procedure Law, do hereby promulgate the following Rules and Regulation with an effective date as herein set forth in Section 7, upon compliance with the applicable statutes.

Section 2. Purpose.

The purpose of this Regulation is to permit individual life insurance policies to provide the same cash surrender values and paid-up nonforfeiture benefits to both men and women. No change in minimum valuation standards is implied by this rule.

Section 3. Definitions.

A. As used in this Regulation, "1980 CSO Table, with or without Ten Year Select Mortality Factors" 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.

B. As used in this Regulation, "1980 CSO Table (M), with or without Ten-Year Select Mortality Factors.

C. As used in this Regulation, "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. As used in this Regulation, "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 Commissioner 1980 Extended Term Insurance Table.

E. As used in this Rule, "1980 CET Table (M) means that mortality table consisting of the rates of mortality for male lives from the 1980 CET Table.

F. As used in this Rule, "1980 CET Table (F) means that mortality table consisting of the rates of mortality for female lives from the 1980 CET Table.

G. As used in this regulation, "1980 CSO and 1980 CET Smoker and Non-Smoker Mortality Tables" mean the mortality tables with separate rates and mortality for smokers and non-smokers derived from the 1980 CSO and 1980 CET Mortality Tables by the Society of Actuaries Task Force on Smoker/Non-Smoker Mortality and Adopted by the NAIC in December 1983.

Section 4. Rule.

For any policy of insurance on the life of either a male or female insured delivered or issued for delivery in this state after the operative date of Section 83-7-25(5-c)(K) for that policy form,

(i) a mortality table which is a blend of the 1980 CSO Table (M) and the 1980 CSO Table (F) with or without Ten-Year Select Mortality Factors may at the option of the company be substituted for the 1980 CSO Table, with or without Ten-Year Select Mortality Factors, and

(ii) a mortality table which is of the same blend as used in (i) but applied to form a blend of the 1980 CET Table (M) and the 1980 CET Table (F) may at the option of the company be substituted for the 1980 CET Table

for use in determining minimum cash surrender values and amounts of paid-up nonforfeiture benefits.

The following tables will be considered as the basis for acceptable tables:

A. 100% Male 0% Female for tables to be designed as the "1980 CSO-A" and "1980 CET-A" tables.

B. 80% Male 20% Female for tables to be designated as the "1980 CSO-B" and "1980 CET-B" tables.

C. 60% Male 40% Female for tables to be designated as the "1980 CSO-C" and "1980 CET-C" tables.

D. 50% Male 50% Female for tables to be designated as the "1980 CSO-D" and "1980 CET-D" tables.

E. 40% Male 60% Female for tables to be designated as the "1980 CSO-E" and "1980 CET-E" tables.

F. 20% Male 80% Female for tables to be designated as the "1980 CSO-F" and "1980 CET-F" tables.

G. 0% Male 100% Female for tables to be designated as the "1980 CSO-G" and "1980 CET-G" tables.

Tables A and G are not to be used with respect to policies issued on or after January 1, 1985, except where the proportion of persons insured is anticipated to be 90% or more of one sex or the other or except for certain policies converted from group insurance. Such group conversions issued on or after January 1, 1986 must use Mortality Tables based on the blend of lives by sex expected for such policies if such group conversions are considered as extensions of the Norris decision. This consideration has not been clearly defined by court or legislative action in all jurisdictions. The values of 1000 qx for blended Tables B,C,D,E and F are shown in Appendix I. The letter of Appendix II states the method by which selection factors may be obtained. Table A is the same as 1980 CSO Table (M) and 1980 CET Table (M) and Table G is the same as 1980 CSO Table (F) and 1980 CET Table (F).

Section 4A. Alternate Rule*

In determining minimum cash surrender values and amounts of paid-up nonforfeiture benefits for any policy of insurance on the life of either a male or female insured on a form of insurance with separate rates for smokers and nonsmokers delivered or issued for delivery in this state after the operative date of Section (insert applicable reference corresponding to paragraph 5-c(11) of the NAIC Model Standard Nonforfeiture Law for Life Insurance) for that policy form, in addition to the mortality tables that may be used according to Section 4,

(i) a mortality table which is a blend of the male and female rates of mortality according to the 1980 CSO Smoker Mortality Table, in the case of lives classified as smokers, or the 1980 CSO Nonsmoker Mortality table, in the case of lives classified as nonsmokers, with or without ten-year Select Mortality Factors, may at the option of the company be substituted for the 1980 CSO Table, with or without Ten-Year Select Mortality Factors, and

(ii) a mortality table which is of the same blend as used in (i) but applied to form a blend of the male and female rates of mortality according to the corresponding 1980 CET Smoker Mortality Table or 1980 Nonsmoker Mortality Table may at the option of the company be substituted for the 1980 CET Table.

The following blended mortality tables will be considered acceptable:

- SA: 100% Male 0% Female smoker tables designated as "1980 CSO-SA" and "1980 CET-SA" Tables.
- SB: 80% Male 20% Female smoker tables and designated as "1980 CSO-SB" and "1980 CET-SB" tables.
- SC: 60% Male 40% Female smoker tables designated as "1980 CSO-SC" and "1980 CET-SC" Tables.
- SD: 50% Male 50% Female smoker tables designated as "1980 CSO-SD" and "1980 CET-SD" Tables.
- SE: 40% Male 60% Female smoker tables designated as "1980 CSO-SE" and "1980 CET-SE" Tables.
- SF: 20% Male and 80% Female smoker tables designated as "1980 CSO-SF" and "1980 CET-SF" Tables.
- SG: 0% Male and 100% Female smoker tables designated as "1980 CSO-SG" and "1980 CET-SG" Tables.
- NA: 100% Male 0% Female nonsmoker tables designated as "1980 CSO-NA" and "1980 CET-NA" Tables.
- NB: 80% Male 20% Female nonsmoker tables designated as "1980 CSO-NB" and "1980 CET-NB" Tables.
- NC: 60% Male 40% Female nonsmoker tables designated as "1980 CSO-NC" and "1980 CET-NC" Tables.
- ND: 50% Male 50% Female nonsmoker tables designated as "1980 CSO-ND" and "1980 CET-ND" Tables.
- NE: 40% Male 60% Female nonsmoker tables designated as "1980 CSO-NE" and "1980 CET-NE" Tables.
- NF: 20% Male 80% Female nonsmoker tables designated as "1980 CSO-NF" and "1980 CET-NF" Tables.
- NG: 0% Male 100% Female nonsmoker tables designated as "1980 CSO-NG" and "1980 CET-NG" Tables.

Tables SA, SG, NA and NG are not acceptable as blended tables unless the proportion of persons insured is anticipated to be 90% or more of one sex or the other.

Section 5. Unfair Discrimination.

It shall not be a violation of Section 83-5-35 for an insurer to issue the same kind of policy of life insurance on both a sex-distinct and sex-neutral basis.

Section 6. 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.

Section 7. Effective Date.

The effective date this regulation shall be thirty (30) days from and after its adoption and filing with the Secretary of State of the State of Mississippi.



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MISSISSIPPI

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AMENDMENTS TO REGULATION NO. 84-103

PERMITTING THE USE OF THE SAME MINIMUM NONFORFEITURE STANDARDS FOR MEN AND WOMEN INSURED UNDER 1980 CSO AND 1980 CET MORTALITY TABLES (MIXED GENDER MORTALITY TABLES)

Section 3. Definitions

G. As used in this regulation, "1980 CSO and 1980 CET Smoker and Non-Smoker Mortality Tables" mean the mortality tables with separate rates and mortality for smokers and non-smokers derived from the 1980 CSO and 1980 CET Mortality Tables by the Society of Actuaries Task Force on Smoker/Non-Smoker Mortality and Adopted by the NAIC in December 1983.

For any policy of insurance on the life of either a male or female insured delivered or issued for delivery in this state after the operative date of Section 83-7-25(5-c)(K) for that policy form,

(Remainder of this section unchanged)

Section 4A. Alternate Rule*

In determining minimum cash surrender values and amounts of paid-up nonforfeiture benefits for any policy of insurance on the life of either a male or female insured on a form of insurance with separate rates for smokers and nonsmokers delivered or issued for delivery in this state after the operative date of Section (insert applicable reference corresponding to paragraph 5-c(11) of the NAIC Model Standard Nonforfeiture Law for Life Insurance) for that policy form, in addition to the mortality tables that may be used according to Section 4,

(i) a mortality table which is a blend of the male and female rates of mortality according to the 1980 CSO Smoker Mortality Table, in the case of lives classified as smokers, or the 1980 CSO Nonsmoker Mortality table, in the case of lives classified as nonsmokers, with or without ten-year Select Mortality Factors, may at the option of the company be substituted for the 1980 CSO Table, with or without Ten-Year Select Mortality Factors, and

Section 4A added by NAIC, December 1986.

(ii) a mortality table which is of the same blend as used in (i) but applied to form a blend of the male and female rates of mortality according to the corresponding 1980 CET Smoker Mortality Table or 1980 Nonsmoker Mortality Table may at the option of the company be substituted for the 1980 CET Table.

The following blended mortality tables will be considered acceptable:

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- SC: 60% Male 40% Female smoker tables designated as "1980 CSO-SC" and "1980 CET-SC" Tables.
- SD: 50% Male 50% Female smoker tables designated as "1980 CSO-SD" and "1980 CET-SD" Tables.
- SE: 40% Male 60% Female smoker tables designated as "1980 CSO-SE" and "1980 CET-SE" Tables.
- SF: 20% Male and 80% Female smoker tables designated as "1980 CSO-SF" and "1980 CET-SF" Tables.
- SG: 0% Male and 100% Female smoker tables designated as "1980 CSO-SG" and "1980 CET-SG" Tables.
- NA: 100% Male 0% Female nonsmoker tables designated as "1980 CSO-NA" and "1980 CET-NA" Tables.
- NB: 80% Male 20% Female nonsmoker tables designated as "1980 CSO-NB" and "1980 CET-NB" Tables.
- NC: 60% Male 40% Female nonsmoker tables designated as "1980 CSO-NC" and "1980 CET-NC" Tables.
- ND: 50% Male 50% Female nonsmoker tables designated as "1980 CSO-ND" and "1980 CET-ND" Tables.
- NE: 40% Male 60% Female nonsmoker tables designated as "1980 CSO-NE" and "1980 CET-NE" Tables.
- NF: 20% Male 80% Female nonsmoker tables designated as "1980 CSO-NF" and "1980 CET-NF" Tables.
- NG: 0% Male 100% Female nonsmoker tables designated as "1980 CSO-NG" and "1980 CET-NG" Tables.

Tables SA, SG, NA and NG are not acceptable as blended tables unless the proportion of persons insured is anticipated to be 90% or more of one sex or the other.