

STATE OF CONNECTICUT
REGULATION
OFNAME OF AGENCY
INSURANCE DEPARTMENT

SECTION 1

2001 CSO Mortality Table

Section 1. The Regulations of Connecticut State Agencies are amended by adding sections 38a-78-26 to 38a-78-30, inclusive, as follows:

(NEW) Sec. 38a-78-26. Purpose

The purpose of sections 38a-78-26 to 38a-78-30, 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 reserve liabilities in accordance with the Standard Valuation Law, subsection (d) of section 38a-78 of the Connecticut General Statutes.

(NEW) Sec. 38a-78-27. Definitions

As used in sections 38a-78-26 to 38a-78-30, 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.

(NEW) Sec. 38a-78-28. 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-78-29 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 section 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,

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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-78-29 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 Standard Valuation Law and subsection (e)(8)(C)(vi) of section 38a-439 of the Standard Nonforfeiture Law are applicable.

(NEW) Sec. 38a-78-29. 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.
- (d) When the 2001 CSO Mortality Table is the minimum reserve standard for any plan for a company, the actuarial opinion in the annual statement filed with the commissioner shall be based on an asset adequacy analysis as specified in section 38a-78-5 of the Regulations of Connecticut State Agencies.

(NEW) Sec. 38a-78-30. Separability

If any provision of sections 38a-78-26 to 38a-78-29, 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.

Sec. 2. The Regulations of Connecticut State Agencies are amended by adding sections 38a-439-10 to 38a-439-15, inclusive, as follows:

(NEW) 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.

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(NEW) 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.

(NEW) 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.

(NEW) Sec. 38a-439-13. Conditions

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

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- (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.

(NEW) 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.

(NEW) 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.

Statement of Purpose: To recognize, permit and prescribe the use of the 2001 Commissioners Standard Ordinary (CSO) Mortality Table for use in Connecticut as the minimum standard for calculating both statutory reserves and nonforfeiture benefits for life insurance policies.

CERTIFICATION

R-39 REV. 1/77

Be it known that the foregoing:

Regulations Emergency Regulations

Are:

Adopted Amended as hereinabove stated Repealed

By the aforesaid agency pursuant to:

Sections 38a-8(c), 38a-78, and 38a-439 of the General Statutes.

Section _____ of the General Statutes, as amended by Public Act No. _____ of the _____ Public Acts.

Public Act No. _____ of the Public Acts.

After publication in the Connecticut Law Journal on, November 9, 2004 of the notice of the proposal to:

Adopt Amend Repeal such regulations

(If applicable): And the holding of an advertised public hearing on _____ day of _____ 20 _____

WHEREFORE, the foregoing regulations are hereby:

Adopted Amended as hereinabove stated Repealed

Effective:

When filed with the Secretary of the State.

(OR)

In Witness Whereof:	DATE <u>1/4/05</u>	SIGNED (Head of Board, Agency or Commission) <u>Susan F. Logswell</u>	OFFICIAL TITLE, DULY AUTHORIZED INSURANCE COMMISSIONER
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Approved by the Attorney General as to legal sufficiency in accordance with Sec. 4-169, as amended, C. G. S. :	SIGNED <u>Will B. All</u>	DATE <u>1/20/05</u>	OFFICIAL TITLE, DULY AUTHORIZED Assoc. Atty. General
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- Approved
- Disapproved
- Disapproved in part, (Indicate Section Numbers disapproved only)
- Rejected without prejudice.

MAR 30 2 31 PM '05
 SECRETARY OF THE STATE
 ELECTIONS DIVISION

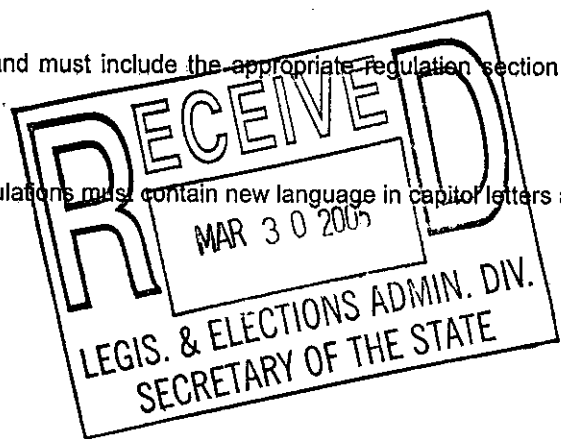
By the Legislative Regulation Review Committee in accordance with Sec. 4-170, as amended, of the General Statutes.	DATE <u>3/2/05</u>	SIGNED (Clerk of the Legislative Regulation Review Committee) <u>Gamela B. Booth</u>
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Two certified copies received and filed, and one such copy forwarded to the Commission on Official Legal Publications in accordance with Section 4-172, as amended, of the General Statutes.

DATE <u>3-30-2005</u>	SIGNED (Secretary of the State) <u>Susan Bysiewicz</u>	BY <u>Barb Stales</u>
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INSTRUCTION

1. One copy of all regulations for adoption, amendment or repeal, except emergency regulations, must be presented to the Attorney General for his determination of legal sufficiency. Section 4-169 of the General Statutes.
2. Seventeen copies of all regulations for adoption, amendment or repeal, except emergency regulations, must be presented to the standing Legislative Regulation Review Committee for its approval. Section 4-170 of the General Statutes.
3. Each regulation must be in the form intended for publication and must include the appropriate regulation section number and section heading. Section 4-172 of the General Statutes.
4. Indicate by "(NEW)" in heading if new regulation. Amended regulations must contain new language in capital letters and deleted language in brackets. Section 4-170 of the General Statutes.



Regulations OF Dept. of Insurance
CONCERNING 2001 CSO Mortality Table
Received and filed in the office of the Secretary of the State March 30, 2005 Effective Date: March 30, 2005
Approved by the Attorney General January 20, 2005
Approved by the Legislative Regulation Review Committee of General Assembly March 22, 2005
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