

NAIC Model Law AND NONFORFEITURE BENEFITS

Table of Contents

e.iM a .9 D (E) F (a) 3 (c) 9 (t)-2.9 (i)10.6 (v)-5.6 (e)-3 (D)-5.5 (at)7.9 (e)TJ 0 Tc 0 Tw 5.663 0 Td ()Tj EMC /P <</MCID 13 >>BDC -1
e rates of mortality for male and female lives,
Committee to Recommend New Mortality Tables for
Life Insurance incorporated in the 1980 NAIC
Model Standard Nonforfeiture Law for Life
Insurance. The same 1958 Mortality Table, with or without Ten
Tables.

as that mortality table consisting of separate rates of
developed by the Society of Actuaries Committee to
Recommend New Mortality Tables for Life Insurance,
incorporated in the Model Standard Nonforfeiture Law for Life
Insurance. The same 1980 Extended Term

as that mortality table developed by the Society of
Actuaries Mortality Tables, incorporated in the NAIC Model Standard
Nonforfeiture Law for Life Insurance. The same 1958

Smoker/Nonsmoker Mortality Tables

- D. As used in this rule, "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. As used in this rule, 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 A through D of this section which were developed by the Society of Actuaries Task Force on Smoker/Nonsmoker Mortality and the California Insurance Department staff and recommended by the NAIC Technical Staff Actuarial Group.
- F. As used in this rule, the phrase "composite mortality tables" refers to the mortality tables defined in A through D of this section as they were originally published with rates of mortality that do not distinguish between smokers and nonsmokers.

Note: See 1984 *Proceedings of the NAIC*, Vol. I, pages 402-413 for tables.

Section 4. Alternate Tables

- A. For any policy of insurance delivered or issued for delivery in this state after the operative date of Section [insert applicable reference corresponding to 5cK of the NAIC Model Standard Nonforfeiture Law for Life Insurance] for that policy form and before January 1, 1989, at the option of the company and subject to the conditions stated in Section 5 of this rule,
 - (1) The 1958 CSO Smoker and Nonsmoker Mortality Tables may be substituted for the 1980 CSO Table, with or without Year Select Mortality Factors; and
 - (2) The 1958 CET Smoker and Nonsmoker Mortality Tables may be substituted for the 1980 CET Table.

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

Provided that for any category of insurance issued on female lives with minimum reserve liabilities and 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 (6) 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 thnpoliv2.2 (o)-.3 ()1093.atrecoer]r3 (r)13 (r)-3.6 (f)13.5 (th)16.f

- (1) The 1980 CSO Smoker and Nonsmoker Mortality Tables, with or without Year-Select Mortality Factors, may be substituted for the 1980 CSO Table, with or without Year-Select Mortality Factors; and
- (2) The 1980 CET Smoker and Nonsmoker Mortality Tables may be substituted for the 1980 CET Table.

for use in determining minimum reserve liabilities and minimum cash surrender values and amounts of paidup nonforfeiture benefits.

Section 5. Conditions

For each plan of insurance with separate rates for smokers and nonsmokers an insurer may

- A. Use composite mortality tables to determine minimum reserve liabilities and minimum cash surrender values and amounts of paid nonforfeiture benefits;
- B. Use smoker and nonsmoker mortality tables to determine the valuation net premiums and additional minimum reserves, if any, required by Section [insert applicable reference corresponding to Section 7 of the NAIC Model Standard Valuation Law] and use composite mortality tables to determine the basic minimum reserves, minimum cash surrender values and amounts of paidup nonforfeiture benefits; or
- C. Use smoker and nonsmoker mortality to determine minimum reserve liabilities and minimum cash surrender values and amounts of paid nonforfeiture benefits.

Section 6. Separability

If any provision of this rule or the application thereof to any person or circumstance is for any reason held to be