

Insurance Department

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**Mortality Tables: Minimum Reserve Liabilities**

**NAIC Model Regulation Permitting Smoker/Nonsmoker Mortality  
Tables for Use in Determining Minimum Reserve Liabilities**

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**Sec. 38a-78-17. Purpose**

The purpose of Sections 38a-78-18 to 38a-78-20, inclusive, is to permit the use of mortality tables that reflect differences in mortality between smokers and nonsmokers in determining minimum reserve liabilities for plans of insurance with separate premium rates for smokers and nonsmokers.

(Effective September 25, 1992)

**Sec. 38a-78-18. Definitions**

As used in Sections 38a-78-19 and 38a-78-20:

(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 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 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 Standard 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-78-19. 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-78-20, substitute for use in determining minimum reserve liabilities: (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 reserve liabilities 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-78-20, substitute for use in determining minimum reserve liabilities: (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-78-20. Conditions**

For each plan of insurance with separate rates for smoker and nonsmokers, an insurer may: (a) use composite mortality tables to determine minimum reserve liabilities; (b) use smoker and nonsmoker mortality tables to determine the valuation of net premiums and additional minimum reserves, if any, required by subsection (h) of section 38a-78 of the Connecticut General Statutes and use composite mortality tables to determine the basic minimum reserves; or (c) use smoker and nonsmoker mortality to determine minimum reserve liabilities.

(Effective September 25, 1992)