

Insurance Department

**NAIC Model Regulation for Recognizing New Annuity Mortality Tables
for Use in Determining Reserve Liabilities for Annuities**

Purpose	38a-78-21
Definitions	38a-78-22
Individual annuity or pure endowment contracts	38a-78-23
Group annuity of pure endowment contracts	38a-78-24
Separability	38a-78-25

**NAIC Model Regulation for Recognizing New Annuity Mortality
Tables For Use In Determining Reserve Liabilities for Annuities**

Sec. 38a-78-21. Purpose

The purpose of Sections 38a-78-22 to 38a-78-24, inclusive, is to recognize the following mortality tables for use in determining the minimum standard of valuation

for annuity and pure endowment contracts: the 1983 Table "a"; the 1983 Group Annuity Mortality (1983 GAM) Table; the Annuity 2000 Mortality Table; and the 1994 Group Annuity Reserving (1994 GAR) Table.

(Effective September 25, 1992; amended December 2, 1998)

Sec. 38a-78-22. Definitions

As used in Sections 38a-78-23 and 38a-78-24:

(a) "1983 Table 'a'" means that mortality table developed by the Society of Actuaries Committee to Recommend a New Mortality Basis for Individual Annuity Valuation and adopted as a recognized mortality table for annuities in June 1982 by the National Association of Insurance Commissioners.

(b) "1983 GAM Table" means that mortality table developed by the Society of Actuaries Committee on Annuities and adopted as a recognized mortality table for annuities in December 1983 by the National Association of Insurance Commissioners.

(c) "1994 GAR Table" means that mortality table developed by the Society of Actuaries Group Annuity Valuation Table Task Force and adopted as a recognized mortality table for annuities in December 1996 by the National Association of Insurance Commissioners.

(d) "Annuity 2000 Mortality Table" means that mortality table developed by the Society of Actuaries Committee on Life Insurance Research and adopted as a recognized mortality table for annuities in December 1996 by the National Association of Insurance Commissioners.

(Effective September 25, 1992; amended December 2, 1998)

Sec. 38a-78-23. Individual annuity or pure endowment contracts

(a) Except as provided in subsections (b) and (c) of this section, the 1983 Table "a" is recognized and approved as an individual annuity mortality table for valuation and, at the option of the company, may be used for purposes of determining the minimum standard of valuation for any individual annuity or pure endowment contract issued on or after October 1, 1981.

(b) Except as provided in subsection (c) of this section, either the 1983 Table "a" or the Annuity 2000 Mortality Table shall be used for determining the minimum standard of valuation for any individual annuity or pure endowment contract issued on or after December 31, 1985.

(c) Except as provided in subsection (d) of this section, the Annuity 2000 Mortality Table shall be used for determining the minimum standard of valuation for any individual annuity or pure endowment contract issued on or after January 1, 1999.

(d) The 1983 Table "a" without projection is to be used for determining the minimum standards of valuation for any individual annuity or pure endowment contract issued on or after January 1, 1999, solely when the contract is based on life contingencies and is issued to fund periodic benefits arising from:

(1) Settlements of various forms of claims pertaining to court settlements or out of court settlements from tort actions;

(2) Settlements involving similar actions such as worker's compensation claims; or

(3) Settlements of long term disability claims where a temporary or life annuity has been used in lieu of continuing disability payments.

(Effective September 25, 1992; amended December 2, 1998)

Sec. 38a-78-24. Group annuity or pure endowment contracts

(a) Except as provided in subsections (b) and (c) of this section, the 1983 GAM Table, the 1983 Table "a" and the 1994 GAR Table are recognized and approved

as group annuity mortality tables for valuation and, at the option of the company, any of these tables may be used for purposes of valuation for any annuity or pure endowment purchased on or after October 1, 1981 under a group annuity or pure endowment contract.

(b) Except as provided in subsection (c) of this section, either the 1983 GAM Table or the 1994 GAR Table shall be used for determining the minimum standard of valuation for any annuity or pure endowment purchased on or after January 1, 1986 under a group annuity or pure endowment contract.

(c) (1) The 1994 GAR Table shall be used for determining the minimum standard of valuation for any annuity or pure endowment purchased on or after January 1, 1999 under a group annuity or pure endowment contract.

(2) In using the 1994 GAR Table, the mortality rate for a person age x in year $(1994 + n)$ is calculated as follows:

$$q_x^{1994+n} = q_x^{1994}(1 - AA_x)^n$$

Where q_x and AA_x s are specified in the 1994 GAR Table.

(Effective September 25, 1992; amended December 2, 1998)

Sec. 38a-78-25. Separability

If any provision of this Regulation or the application thereof to any person or circumstances 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)