

Title 23. Public Utilities and Regulated Industries
Chapter I. State Insurance Department, Department of Commerce
Subchapter B. Life, Health, and Accident
Part 99. Minimum Nonforfeiture Standards for Men and Women Insureds
Under 1980 CSO and 1980 CET Mortality Tables

Codification Notes. This part as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"Section 2. Authority

This Rule is promulgated by the Commissioner of Insurance pursuant to Ark. Code Ann. Sections 23-61-108, 23-84-101 through 23-84-111 and 2-81-209."

"Section 6. Severability

If any provision of this Rule 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 of this rule is September 1, 1988."

Subpart 1. Generally

23 CAR § 99-101. Purpose.

(a) The purpose of this part is to permit individual life insurance policies to provide the same cash surrender values and paid-up nonforfeiture benefits to both men and women.

(b) No change in minimum valuation standards is implied by this part.

Authority. Arkansas Code §§ 23-61-108, 23-81-209, 23-84-113.

23 CAR § 99-102. Definitions.

As used in this part:

(1) "1980 CET Table" means that mortality table consisting of separate rates of mortality for male and female lives:

(A) Developed by the Society of Actuaries Committee to Recommend New Mortality Tables for Valuation of Standard Individual Ordinary Life Insurance;

(B) Incorporated in the 1980 NAIC Amendments to the Model Standard Individual Ordinary Life Insurance;

(C) Incorporated in the 1980 NAIC Amendments to the Model Standard Valuation Law and Standard Nonforfeiture Law for Life Insurance; and

(D) Referred to in those models as the Commissioners 1980 Extended Term Insurance Table;

(2) "1980 CET Table (F)" means that mortality table consisting of the rates of mortality for female lives from the 1980 CET Table;

(3) "1980 CET Table (M)" means that mortality table consisting of the rates of mortality for male lives from the 1980 CET Table;

(4) "1980 CSO and CET Smoker and Nonsmoker Mortality Tables" means the mortality tables with separate rates of mortality for smokers and nonsmokers:

(A) Derived from the 1980 CSO and 1980 CET Mortality Tables by the Society of Actuaries Task Force on Smoker/Nonsmoker Mortality; and

(B) Adopted by the NAIC in December 1983;

(5) "1980 CSO Table, with or without Ten-Year Select Mortality Factors" means that mortality table:

(A) Consisting of separate rates of mortality for male and female lives;

(B) Developed by the Society of Actuaries Committee to Recommend New Mortality Tables for Valuation of Standard Individual Ordinary Life Insurance;

(C) Incorporated in the 1980 NAIC Amendments to the Model Standard Valuation Law and Standard Nonforfeiture Law for Life Insurance; and

(D) Referred to in those models as the Commissioners 1980 Standard Ordinary Mortality Table, with or without Ten-Year Select Mortality Factors;

(6) "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; and

(7) "1980 CSO Table (M), with or without Ten-Year Select Mortality Factors" means that mortality table consisting of the rates of mortality for male lives from the 1980 CSO Table, with or without Ten-Year Select Mortality Factors.

Authority. Arkansas Code §§ 23-61-108, 23-81-209, 23-84-113.

Codification Notes. "CET" means Commissioners Extended Term.

"NAIC" means National Association of Insurance Commissioners.

"CSO" means Commissioners Standard Ordinary.

23 CAR § 99-103. Rule.

(a) For any policy of insurance on the life of either a male or female insured delivered or issued for delivery in this state and after the operative date of Arkansas Code § 23-81-209(h)(2)(I) for that policy form:

(1) A mortality table that 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

(2) A mortality table that is of the same blend as used in subdivision (a)(1) of this section 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.

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

- (1) One hundred percent (100%) male and one percent (1%) female for tables to be designated as the "1980 CSO-A" and "1980 CET-A" tables;
- (2) Eighty percent (80%) male and twenty percent (20%) female for tables to be designated as the "1980 CSO-B" and "1980 CET-B" tables;
- (3) Sixty percent (60%) male and forty percent (40%) female for tables to be designated as the "1980 CSO-C" and "1980 CET-C" tables;
- (4) Fifty percent (50%) male and fifty percent (50%) female for tables to be designated as the "1980 CSO-D" and "1980 CET-D" tables;
- (5) Forty percent (40%) male and sixty percent (60%) female for tables to be designated as the "1980 CSO-E" and "1980 CET-E" tables;
- (6) Twenty percent (20%) male and eighty percent (80%) female for tables to be designated as the "1980 CSO-F" and "1980 CET-F" tables; and
- (7) Zero percent (0%) male and one hundred percent (100%) female for tables to be designated as the "1980 CSO-G" and "1980 CET-G" tables.

(c) Tables A and G are not to be used with respect to policies issued on or after January 1, 1985, except:

(1) Where the proportion of persons insured is anticipated to be ninety percent (90%) or more of one (1) sex or the other; or

(2) For certain policies converted from group insurance.

(d)(1) 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.

(2) This consideration has not been clearly defined by court or legislative action in all jurisdictions.

(3) The values of 1000qx for blended Tables B, C, D, E, and F are shown in Appendix I.

(4) The letter in Appendix II states the method by which selection factors may be obtained.

(5) 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).

Authority. Arkansas Code §§ 23-61-108, 23-81-209, 23-84-113.

Codification Notes. "CSO" means Commissioners Standard Ordinary.

"CET" means Commissioners Extended Term.

23 CAR § 99-104. Alternate rule.

(a) 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 operative date of Arkansas Code § 23-81-213 for that policy form, in addition to the mortality tables that may be used according to 23 CAR § 99-103:

(1) A mortality table that 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

(2) A mortality table that is of the same blend as used in subdivision (a)(1) of this section 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 CET Nonsmoker Mortality Table may at the option of the company be substituted for the 1980 CET Table.

(b) The following blended mortality tables will be considered acceptable:

(1) **SA.** One hundred percent (100%) male and zero percent (0%) female smoker tables designated as "1980 CSO-SA" and "1980 CET-SA" Tables;

(2) **SB.** Eighty percent (80%) male and twenty percent (20%) female smoker tables designated as "1980 CSO-SB" and "1980 CET-SB" Tables;

(3) **SC.** Sixty percent (60%) male and forty percent (40%) female smoker tables designated as "1980 CSO-SC" and "1980 CET-SC" Tables;

(4) **SD.** Fifty percent (50%) male and fifty percent (50%) female smoker tables designated as "1980 CSO-SD" and "1980 CET-SD" Tables;

(5) **SE.** Forty percent (40%) male and sixty percent (60%) female smoker tables designated as "1980 CSO-SE" and "1980 CET-SE" Tables;

(6) **SF.** Twenty percent (20%) male and eighty percent (80%) female smoker tables designated as "1980 CSO-SF" and "1980 CET-SF" Tables;

(7) **SG.** Zero percent (0%) male and one hundred percent (100%) female smoker tables designated as "1980 CSO-SG" and "1980 CET-SG" Tables;

(8) **NA.** One hundred percent (100%) male and zero percent (0%) female nonsmoker tables designated as "1980 CSO-NA" and "1980 CET-NA" Tables;

(9) **NB.** Eighty percent (80%) male and twenty percent (20%) female nonsmoker tables designated as "1980 CSO-NB" and "1980 CET-NB" Tables;

(10) **NC.** Sixty percent (60%) male and forty percent (40%) female nonsmoker tables designated as "1980 CSO-NC" and "1980 CET-NC" Tables;

(11) **ND.** Fifty percent (50%) male and fifty percent (50%) female nonsmoker tables designated as "1980 CSO-ND" and "1980 CET-ND" Tables;

(12) **NE.** Forty percent (40%) male and sixty percent (60%) female nonsmoker tables designated as "1980 CSO-NE" and "1980 CET-NE" Tables;

(13) **NF.** Twenty percent (20%) male and eighty percent (80%) female nonsmoker tables designated as "1980 CSO-NF" and "1980 CET-NF" Tables; and

(14) **NG.** Zero percent (0%) male and one hundred percent (100%) female nonsmoker tables designated as "1980 CSO-NG" and "1980 CET-NA" Tables.

(c) Tables SA, SG, NA, and NG are not acceptable as blended tables unless the proportion of persons insured is anticipated to be ninety percent (90%) or more of one (1) sex or the other.

Authority. Arkansas Code §§ 23-61-108, 23-81-209, 23-84-113.

Codification Notes. "CSO" means Commissioners Standard Ordinary.

"CET" means Commissioners Extended Term.

23 CAR § 99-105. Unfair discrimination.

It shall not be a violation of Title 23, Chapter 66 of the Arkansas Insurance Code for an insurer to issue the same kind of policy of life insurance on both a sex-distinct and sex-neutral basis.

Authority. Arkansas Code §§ 23-61-108, 23-81-209, 23-84-113.

Appendix A. Blended 1980 CSO & 1980 CET Mortality Tables

Link:

<https://CodeOfARRules.arkansas.gov/docs/CARCodeAppendices/Appendices/196/23CARpt.99AppendixI.pdf>

Appendix B. Select Factors for Blended 1980 CSO Mortality Tables

Link:

<https://CodeOfARRules.arkansas.gov/docs/CARCodeAppendices/Appendices/197/23CARpt.99AppendixII.pdf>