TITLE 365. INSURANCE DEPARTMENT
CHAPTER 10. LIFE, ACCIDENT AND HEALTH

SUBCHAPTER 9. ANNUITIES

PART 1. NEW ANNUITY MORTALITY TABLE FOR USE IN DETERMINING RESERVE LIABILITIES FOR ANNUITIES

365:10-9-1. Purpose
　　　　The purpose of this Part 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 (hereinafter 1983 GAM) Table, the Annuity 2000 Mortality Table, the 1994 Group Annuity Reserving (hereinafter 1994 GAR) Table, and the 2012 Individual Annuity Reserving (2012 IAR) Table.

[**Source:** Amended at 15 Ok Reg 3220, eff 7-13-98; Amended at 32 Ok Reg 1933, eff 9-15-15]

365:10-9-2. Definitions
(a) **1983 Table "a."** As used in this Part "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.** As used in this Part "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.** As used in this Part "1994 GAR Table" means that mortality table developed by the Society of Actuaries Group Annuity Valuation Table Task Force and shown on pages 866-867 of Volume XLVII of the *Transactions of the Society of Actuaries* (1995).
(d) **Annuity 2000 Mortality Table.** As used in this Part "Annuity 2000 Mortality Table" means that mortality table developed by the Society of Actuaries Committee on Life Insurance Research and shown on page 240 of Volume XLVII of the *Transactions of the Society of Actuaries* (1995).
(e) As used in this Part "Period table" means a table of mortality rates applicable to a given calendar year (the Period).
(f) As used in this Part "Generational mortality table" means a mortality table containing a set of mortality rates that decrease for a given age from one year to the next based on a combination of a Period table and a projection scale containing rates of mortality improvement.
(g) As used in this Part "2012 IAR Table" means that Generational Mortality table developed by the Society of Actuaries Committee on Life Insurance Research and containing rates, q_x^{2012+n}, derived from a combination of the 2012 IAM Period Table and Projection Scale G2, using the methodology stated in OAC 365:10-9-4.
(h) As used in this Part "2012 Individual Annuity Mortality Period Life (2012 IAM Period) Table" means the Period table containing loaded mortality rates for calendar year 2012. This table contains rates, q_x^{2012}, developed by the Society of Actuaries Committee on Life Insurance Research and is

shown in Appendices WW and XX.

(i) As used is this Part "Projection Scale G2 (Scale G2)" is a table of annual rates, $G2_x$, of mortality improvement by age for projecting future mortality rates beyond calendar year 2012. This table was developed by the Society of Actuaries Committee on Life Insurance Research and is shown in Appendices YY and ZZ.

[**Source:** Amended at 15 Ok Reg 3220, eff 7-13-98; Amended at 32 Ok Reg 1934, eff 9-15-15]

365:10-9-3. Individual annuity or pure endowment contracts

(a) Except as provided in 365:10-9-3(b) and (c), 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 July 1, 1981.

(b) Except as provided in 365:10-9-3(c), either the 1983 Table "a" or the Annuity 2000 Mortality Table is to be used for determining the minimum standard of valuation for any individual annuity or pure endowment contract issued on or after July 1, 1985.

(c) Except as provided in 365:10-9-3(d), 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, 1998.

(d) Except as provided in Subsection (e) of this section, the 2012 IAR 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, 2015.

(e) The 1983 Table "a" without projection is to be used for determining the minimum standards of valuation for an individual annuity or pure endowment contract issued on or after January 1, 1998, 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.

[**Source:** Amended at 15 Ok Reg 3220, eff 7-13-98; Amended at 32 Ok Reg 1934, eff 9-15-15]

365:10-9-3.1. Application of the 2012 IAR Mortality Table

(a) In using the 2012 IAR Mortality Table, the mortality rate for a person age x in year (2012 + n) is calculated as follows:

$$q_x^{2012+n} = q_x^{2012}(1 - G2_x)^n$$

(b) The resulting q_x^{2012+n} shall be rounded to three decimal places per 1,000, e.g., 0.741 deaths per 1,000. Also, the rounding shall occur according to the formula above, starting at the 2012 period table rate.

(c) For example, for a male age 30:

> (1) $q_x^{2012} = 0.741$.
> (2) $q_x^{2013} = 0.741 * (1 - 0.010) \wedge 1 = 0.73359$, which is rounded to 0.734.

(3) $q_x^{2014} = 0.741 * (1 - 0.010)$ ^ 2 = 0.7262541, which is rounded to 0.726.
(d) A method leading to incorrect rounding would be to calculate q_x^{2014} as $q_x^{2013} * (1 - 0.010)$, or 0.734 * 0.99 = 0.727.
(e) It is incorrect to use the already rounded q_x^{2013} to calculate $q_x^{2014.}$

[**Source:** Added at 32 Ok Reg 1934, eff 9-15-15]

365:10-9-4. Group annuity or pure endowment contracts
(a)   Except as provided in 365:10-9-4(b) and (c), the 1983 GAM Table and 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 one of these tables may be used for purposes of valuation for any annuity or pure endowment purchased on or after July 1, 1981, under a group annuity or pure endowment contract.
(b)   Except as provided in 365:10-9-4(c) of this rule, 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 July 1, 1985, under a group annuity or pure endowment contract.
(c)   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, 1998, under a group annuity or pure endowment contract.

[**Source:** Amended at 15 Ok Reg 3220, eff 7-13-98]

365:10-9-5. Application of the 1994 GAR table
In using the 1994 GAR Table, the mortality rate for a person age x in year (1994 + n) is calculated as follows: $q{x}1994+n = q{x}1994 (1 - AAx)n$ where the $q{x}1994$ and $AAxs$ are as specified in the 1994 GAR Table.

[**Source:** Added at 15 Ok Reg 3220, eff 7-13-98]

365:10-9-6. Separability
If any provision of this Part or its application to any person or circumstances is for any reason held to be invalid, the remainder of the regulation and the application of its provisions to other persons or circumstances shall not be affected.

[**Source:** Added at 15 Ok Reg 3220, eff 7-13-98]