

**TITLE 365. INSURANCE DEPARTMENT**  
**CHAPTER 10. LIFE, ACCIDENT AND HEALTH**  
**SUBCHAPTER 7. MORTALITY TABLES**

**PART 1. PERMITTING SMOKER/NONSMOKER MORTALITY TABLES FOR USE IN DETERMINING MINIMUM RESERVE LIABILITIES AND NONFORFEITURE BENEFITS**

**365:10-7-1. Purpose**

The purpose of this Part is to permit the use of mortality tables that reflect differences in mortality between smokers and nonsmokers in determining minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits for plans of insurance with separate premium rates for smokers and nonsmokers.

**365:10-7-2. Definitions.**

(a) As used in this section "**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.

(b) As used in this section "**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 1985 Standard Ordinary Mortality Table.

(c) As used in this section "**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.

(d) As used in this section "**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.

(e) As used in this section the phrase "**composite mortality tables**" refers to the mortality tables defined in (1) through (f) of this section as they were originally published with rates of mortality that do not distinguish between smokers and nonsmokers.

(g) As used in this section 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, the first four definitions in this section which were developed by the Society of Actuaries Task Force on Smoker/Nonsmoker Mortality and the California Insurance Department staff and recommended on the NAIC Technical Staff Actuarial Group.

**365:10-7-3. Alternate tables**

**(a) Prior to January 1, 1989.**

(1) For any policy of insurance delivered or issued for delivery in this state after the operative date of 36 O.S. § 4029(H)(4)(k) for that policy form and before January 1, 1989, at the option of the company and subject to the conditions stated in 365:10-7-4, for use in determining minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits:

(A) The 1958 CSO Smoker and Nonsmoker Mortality Tables may be substituted for the 1980 CSO Table, with or without Ten-Year Select Mortality Factors, and

(B) The 1958 CET Smoker and Nonsmoker Mortality Tables may be substituted for the 1980 CET Table.

(2) Provided that for any category of insurance issued on female lives with minimum reserve liabilities and minimum cash surrender values and amount 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 agent 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) After January 1, 1989.** For any policy of insurance delivered or issued for delivery in this state after the operative date of 36 O.S. § 4029(H)(4)(k) for that policy form, at the option of the company and subject to the conditions stated in 365:10-7-4:

(1) The 1980 CSO Smoker and Nonsmoker Mortality Tables, with or without Ten-Year Select Mortality Factors, may be substituted for the 1980 CSO Table, with or without Ten-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 paid-up nonforfeiture benefits.

[Amended at 19 Ok Reg 1294, eff 7-14-02]

#### **365:10-7-4. Conditions**

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

(1) Use composite mortality tables to determine minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits;

(2) Use smoker and nonsmoker mortality tables to determine the valuation net premiums and additional minimum reserves, if any, required by 36 O.S. §1510 and use composite mortality tables to determine the basic minimum reserves, minimum cash surrender values and amounts of paid-up nonforfeiture benefits; or

(3) Use smoker and nonsmoker mortality to determine minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits.