

CHAPTER 43
ANNUITY MORTALITY TABLES FOR USE IN
DETERMINING RESERVE LIABILITIES FOR ANNUITIES
[Prior to 10/22/86, Insurance Department[510]]

191—43.1(508) Purpose. The purpose of this chapter 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” and 1983 Group Annuity Mortality (1983 GAM) Table, the Annuity 2000 Mortality Table, and the 1994 Group Annuity Reserving (1994 GAR) Table.

191—43.2(508) Definitions. For purposes of this chapter, the following definitions shall apply:

“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.

“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.

“1994 GAR Table” means that mortality table developed by the Society of Actuaries Group Annuity Valuation Table Task Force and shown on pages 866 and 867 of Volume XLVII of the Transactions of the Society of Actuaries (1995). The 1994 GAR Table was adopted as a recognized mortality table for annuities in December 1996 by the National Association of Insurance Commissioners.

“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). The Annuity 2000 Mortality Table was adopted as a recognized mortality table for annuities in December 1996 by the National Association of Insurance Commissioners.

191—43.3(508) Individual annuity or pure endowment contracts.

43.3(1) Except as provided in subrules 43.3(2) and 43.3(3), 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 January 1, 1980.

43.3(2) Except as provided in subrule 43.3(3), 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 30, 1985.

43.3(3) Except as provided in subrule 43.3(4), 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, 2000.

43.3(4) The 1983 Table “a” without projection is to be used for determining the minimum standard of valuation for an individual annuity or pure endowment contract issued on or after January 1, 2000, 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 workers’ 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.

191—43.4(508) Group annuity or pure endowment contracts.

43.4(1) Except as provided in subrules 43.4(2) and 43.4(3), 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 one table may be used for purposes of valuation for any annuity or pure endowment purchased on or after January 1, 1980, under a group annuity or pure endowment contract.

43.4(2) Except as provided in subrule 43.4(3), 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 December 30, 1985, under a group annuity or pure endowment contract.

43.4(3) 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, 2000, under a group annuity or pure endowment contract.

191—43.5(508) Application of the 1994 GAR Table. In using the 1994 GAR Table, the mortality rate for a person aged x in year $(1994 + n)$ is calculated as follows:

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

where the q_x^{1994} and AA_x s are as specified in the 1994 GAR Table.

191—43.6(508) Separability. If any provision of this rule or the application thereof to any person or circumstances is for any reason held to be invalid, the remainder of the rule and the application of such provision to other persons or circumstances shall not be affected thereby.

These rules are intended to implement Iowa Code sections 508.36(3)“a”(1) and 508.36(3)“a”(3)(c).

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