

CHAPTER 44  
SMOKER/NONSMOKER MORTALITY TABLES  
FOR USE IN DETERMINING MINIMUM RESERVE LIABILITIES  
AND NONFORFEITURE BENEFITS

**191—44.1(508) Purpose.** The purpose of the rule 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 risk classifications for smokers and nonsmokers.

**191—44.2(508) Definitions.**

*“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.

*“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.

*“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 1958 Standard Ordinary Mortality Table.

*“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.

*“Smoker and nonsmoker mortality tables”* means those mortality tables with separate rates of mortality for smokers and nonsmokers derived from the tables defined in the first four paragraphs of this rule which were developed by the Society of Actuaries Task Force on Smoker/Nonsmoker Mortality and the California Insurance Department staff and recommended by the NAIC Technical Staff Actuarial Group.

*“Composite mortality tables”* means those mortality tables defined in the first four paragraphs of this rule as they were originally published with rates of mortality that do not distinguish between smokers and nonsmokers.

**191—44.3(508) Alternate tables.**

**44.3(1)** In determining minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits for any policy of insurance delivered or issued for delivery in this state after the operative date of Iowa Code section 508.37(6) “k” for that policy form and before January 1, 1989, at the option of the company and subject to the conditions stated in rule 44.4(508):

*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.

For any category of insurance issued on female lives with minimum reserve liabilities and minimum cash surrender values and amounts 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 age not more than six years younger than the actual age of the insured. Further, 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.

**44.3(2)** In determining minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits for any policy of insurance delivered or issued for delivery in this state after the operative date of Iowa Code section 508.37(6)“k” for that policy form, at the option of the company and subject to the conditions stated in rule 44.4(508):

*a.* 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

*b.* The 1980 CET Smoker and Nonsmoker Mortality Tables may be substituted for the 1980 CET Table.

**191—44.4(508) 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 Iowa Code section 508.36(3)“a”(1) 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 tables to determine minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits.

**191—44.5(508) Separability.** If any provision of this chapter or the application of this chapter to any person or circumstance is for any reason held to be invalid, the remainder of this chapter and the application of the remaining provisions to other persons or circumstances shall not be affected.

**191—44.6(508) 2001 CSO Mortality Table.** The 2001 CSO Mortality Table shall be used for purposes of this chapter pursuant to the requirements of 191—Chapter 91.

These rules are intended to implement Iowa Code section 508.37(6)“h”(6).

[Filed 12/10/86, Notice 11/5/86—published 12/31/86, effective 2/4/87]

[Filed emergency 12/4/03 after Notice 10/1/03—published 12/24/03, effective 1/1/04]