

This rule was filed as 13 NMAC 9.9.

TITLE 13 INSURANCE
CHAPTER 9 LIFE INSURANCE AND ANNUITIES
PART 9 UNISEX NONFORFEITURE STANDARDS

13.9.9.1 ISSUING AGENCY: New Mexico State Corporation Commission [Public Regulation Commission], Department of Insurance, Post Office Box 1269, Santa Fe, NM 87504-1269.
[7/1/97; Recompiled 11/30/01]

13.9.9.2 SCOPE: This rule applies to all life insurers providing non-forfeiture benefits on a sex-neutral basis.
[7/1/97; Recompiled 11/30/01]

13.9.9.3 STATUTORY AUTHORITY: Section 59A-2-9 NMSA 1978.
[12/1/85; Recompiled 11/30/01]

13.9.9.4 DURATION: Permanent.
[7/1/97; Recompiled 11/30/01]

13.9.9.5 EFFECTIVE DATE: December 1, 1985, unless a later date is cited at the end of a section or paragraph. Repromulgated in NMAC format effective July 1, 1997.
[12/1/85, 7/1/97; Recompiled 11/30/01]
[Compiler's note: The words *or paragraph*, above, are no longer applicable. Later dates are now cited only at the end of sections, in the history notes appearing in brackets.]

13.9.9.6 OBJECTIVE: The purpose of these rules is to permit individual life insurance policies to provide the same cash surrender values and paid-up nonforfeiture benefits to both men and women. No change in minimum valuation standards is implied by this rule.
[12/1/85; Recompiled 11/30/01]

13.9.9.7 DEFINITIONS:

A. **“1980 CSO table, with or without ten year select mortality factors”** 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.

B. **“1980 CSO table (M), with or without ten-year select mortality factors”** means that mortality table consisting of the rates of mortality for males lives from the 1980 CSO tables, with or without ten-year select mortality factors.

C. **“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-years select mortality factors.

D. **“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 Valuation Law and Standard Nonforfeiture Law for Life Insurance, and referred to in those models as the commissioners 1980 extended term insurance table.

E. **“1980 CET table (M)”** means that mortality table consisting of the rates of mortality for male lives from the 1980 CET Table.

F. **“1980 CET table (F)”** means that mortality table consisting of the rates of mortality for female lives from the 1980 CET Table.
[12/1/85; Recompiled 11/30/01]

13.9.9.8 MORTALITY TABLES: For any policy of insurance on the life of either a male or female insured delivered or issued for delivery in this state after the operative date of Section 59-16-8F(10) (now codified at Section 59A-20-31K) NMSA 1978 for that policy form:

A. a mortality table which 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

B. a mortality table which is of the same blend as used in (I) 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 amount of paid-up nonforfeiture benefits.

C. The following table will be considered as the basis for acceptable tables:

- (1) 100% male 0% female for tables to be designated as the 1980 CSO-A and 1980 CET-A tables;
- (2) 80% male 20% female for tables to be designated as the 1980 CSO-B and 1980 CET-B tables;
- (3) 60% male 40% female for tables to be designated as the 1980 CSO-C and 1980 CET-C tables;
- (4) 50% male 50% female for tables to be designated as the 1980 CSO-D and 1980 CET-D tables;
- (5) 40% male 60% female for tables to be designated as the 1980 CSO-E and 1980 CET-E tables;
- (6) 20% male 80% female for tables to be designated as the 1980 CSO-F and 1980 CET-F tables;

and

- (7) 0% male 100% female for tables to be designated as the 1980 CSO-G and 1980 CET-G tables.

D. Tables A and G are not to be used with respect to policies issued on or after January 1, 1985, except where the proportion of persons insured is anticipated to be 90% or more of one sex or the other or except for certain policies converted from group insurance. Such group conversion 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. This consideration has not been clearly defined by court or legislative action in all jurisdictions.

[12/1/85, 2/2/89, 7/1/97; Recomplied 11/30/01]

13.9.9.9 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 the operative date of Section 59-16-8F(10) NMSA 1978 (now codified at Section 59A-20-31K NMSA 1978) for that policy form, in addition to the mortality tables that may be used according to 13 NMAC 9.9.8 [now 13.9.9.7 NMAC]:

(1) a mortality table which 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 nonsmokers 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 which is of the same blend as used in (i) [*sic*] 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 for smokers will be considered acceptable:

(1) **Table SA:** 100% male 0% female smoker tables designated as 1980 CSO-SA and 1980 CET-SA tables.

(2) **Table SB:** 80% male 20% female smoker tables designated as 1980 CSO-SB and 1980 CET-SB tables.

(3) **Table SC:** 60% male 40% female smoker tables designated as 1980 CSO-SC and 1980 CET-SC tables.

(4) **Table SD:** 50% male 50% female smoker tables designated as 1980 CSO-SD and 1980 CET-SD tables.

(5) **Table SE:** 40% male 60% female smoker tables designated as 1980 CSO-SE and 1980 CET-SE tables.

(6) **Table SF:** 20% male 80% female smoker tables designated as 1980 CSO-SF and 1980 CET-SF tables.

(7) **Table SG:** 0% male 100% female smoker tables designated as 1980 CSO-SG and 1980 CET-SG tables.

C. The following blended mortality tables for nonsmokers will be considered acceptable:

- (1) **Table NA:** 100% male 0% female nonsmoker tables designated as 1980 CSO-NA and 1980 CET-NA tables.
 - (2) **Table NB:** 80% male 20% female nonsmoker tables designated as 1980 CSO-NB and 1980 CET-NB tables.
 - (3) **Table NC:** 60% male 40% female nonsmoker tables designated as 1980 CSO-NC and 1980 CET-NC tables.
 - (4) **Table ND:** 50% male 50% female nonsmoker tables designated as 1980 CSO-ND and 1980 CET-ND tables.
 - (5) **Table NE:** 40% male 60% female nonsmoker tables designated as 1980 CSO-NE and 1980 CET-NE tables.
 - (6) **Table NF:** 20% male 80% female nonsmoker tables designated as 1980 CSO-NF and 1980 CET-NF tables.
 - (7) **Table NG:** 0% male 100% female nonsmoker tables designated as 1980 CSO-NG and 1980 CET-NG tables.
- D. Tables SA, SG, NA and NG are not acceptable as blended tables unless the proportion of persons insured is anticipated to be 90% or more of one sex or the other.
[7/1/97; Recompiled 11/30/01]

13.9.9.10 UNFAIR DISCRIMINATION: It shall not be a violation of Sections 59A-16-11 or 59A-16-13 NMSA 1978 for an insurer to issue the same kind of policy of life insurance on both a sex distinct and sex neutral basis.
[12/1/85; Recompiled 11/30/01]

HISTORY OF 13.9.9 NMAC:

Pre-NMAC History: The material in this part was derived from that previously filed with the State Records Center as:

SCC-85-16, Insurance Department Regulation 20-3 - Regulations Permitting Same Minimum Nonforfeiture Standards for Men and Women Unsureds Under 1980 CSO and 1980 CET Mortality Tables, filed 11/5/85.

History of Repealed Material: [RESERVED]