

This rule was filed as 13 NMAC 9.10.

TITLE 13 INSURANCE
CHAPTER 9 LIFE INSURANCE AND ANNUITIES
PART 10 USE OF SMOKER/NONSMOKER MORTALITY TABLES

13.9.10.1 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]

13.9.10.2 SCOPE: This rule applies to all life insurers issuing plans of insurance with separate premium rates for smokers and non-smokers.
[7/1/97; Recompiled 11/30/01]

13.9.10.3 STATUTORY AUTHORITY: Sections 59A-2-9 and 59A-20-31 NMSA 1978.
[12/1/85; Recompiled 11/30/01]

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

13.9.10.5 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[Compiler's note: The words *or paragraph*, above, are no longer applicable.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.]

13.9.10.6 OBJECTIVE: The purpose of these rules 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 amount of paid-up nonforfeiture benefits for plans of insurance with separate premium rates for smokers and nonsmokers.
[12/1/85; Recompiled 11/30/01]

13.9.10.7 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. The same select factors will be used for both smokers and nonsmokers tables.

B. **"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.

C. **"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 of the commissioners 1958 standard ordinary mortality table.

D. **"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.

E. **"Smoker and nonsmoker mortality tables"** refers to the mortality tables with separate rates of mortality for smokers and nonsmokers derived from the tables defined in 13 NMAC 9.10.7.1 through 9.10.7.4 [now Subsection A through D of 13.9.10.7 NMAC] 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.

F. **“Composite mortality”** tables refers to the mortality tables defined in 13 NMAC 9.10.7.1 through 9.10.7.4 [now Subsections A through D of 13.9.10.7 NMAC] as they were originally published with rates of mortality that do not distinguish between smokers and nonsmokers.
[12/1/85; Recompiled 11/30/01]

13.9.10.8 ALTERNATE TABLES:

A. For any policy of insurance 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 and before January 1, 1989, at the option of the company and subject to the conditions stated in 13 NMAC 9.10.9 [now 13.9.10.9 NMAC]:

(1) 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

(2) the 1958 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.

B. Provided that, 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.

C. 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 the policy form and before a date not later than January 1, 1989.

D. For any policy of insurance delivered or issued for delivery in this state after the operative date of Section 59A-20-31 NMSA 1978 for that policy form, at the option of the company and subject to the conditions stated in 13 NMAC 9.10.9 [now 13.9.10.9 NMAC]:

(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.

[12/1/85; Recompiled 11/30/01]

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

A. use composite mortality tables to determine minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits;

B. use smoker and nonsmoker mortality tables to determine the valuation net premiums and additional minimum reserves, if any, required by Section 7 of the NAIC Model Standard Valuation Law and use composite mortality tables to determine the basic minimum reserves, minimum cash surrender values and amounts of paid-up nonforfeiture benefits; or

C. use smoker and nonsmoker mortality to determine minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits.

[12/1/85; Recompiled 11/30/01]

HISTORY OF 13.9.10 NMAC:

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

SCC-85-21, Insurance Department Regulation 20-4 - Regulations Permitting Smoker/Nonsmoker Mortality Tables for Use in Determining Minimum Reserve Liabilities and Nonforfeiture Benefits, filed 11/5/85.

History of Repealed Material: [RESERVED]