

This rule was filed as 13 NMAC 9.11.

TITLE 13 INSURANCE
CHAPTER 9 LIFE INSURANCE AND ANNUITIES
PART 11 USE OF 1983 ANNUITY MORTALITY TABLES

13.9.11.1 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]

13.9.11.2 SCOPE: This rule applies to all life insurance companies issuing annuity contracts.
[7/1/97; Recompiled 11/30/01]

13.9.11.3 STATUTORY AUTHORITY: Sections 59A-2-9 and 59A-8-6 NMSA 1978.
[12/31/85; Recompiled 11/30/01]

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

13.9.11.5 EFFECTIVE DATE: December 31, 1985, unless a later date is cited at the end of a section or paragraph. Repromulgated in NMAC format effective July 1, 1997.
[12/31/85, 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[Compiler's note: The words *or paragraph*, above, are no longer applicable.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.]

13.9.11.6 OBJECTIVE: The purpose of this rule 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," the 1983 group annuity mortality (1983 GAM) table, the annuity 2000 mortality table, and the 1994 group annuity reserving (1994 GAR) table.
[12/31/85, 1/1/99; Recompiled 11/30/01]

13.9.11.7 DEFINITIONS: As used in this rule:

A. **"1983 table a"** means the 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.

B. **"1983 GAM table"** means the 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.

C. **"1994 GAR table"** means that mortality table developed by the society of actuaries group annuity valuation table task force and shown on pages 865-919 of Volume XLVII of the Transactions of the Society of Actuaries (1995).

D. **"Annuity 2000 mortality table"** means that mortality table developed by the society of actuaries committee on life insurance research and shown on pages 211-249 of Volume XLVII of the Transactions of the Society of Actuaries (1995).
[12/31/85, 1/1/99; Recompiled 11/30/01]

13.9.11.8 INDIVIDUAL ANNUITY OR PURE ENDOWMENT CONTRACTS:

A. Except as provided in 13 NMAC 9.11.8.2 and 9.11.8.3 [now Subsections B and C of 13.9.11.8 NMAC], 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 July 1, 1977.

B. Except as provided in 13 NMAC 9.11.8.3 [now Subsection C of 13.9.11.8 NMAC], 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 31, 1985.

C. Except as provided in 13 NMAC 9.11.8.4 [now Subsection D of 13.9.11.8 NMAC], 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, 1999.

D. The 1983 table "a" without projection is to be used for determining the minimum standards of valuation for an individual annuity or pure endowment contract issued on or after January 1, 1999, 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.

[12/31/85, 1/1/99; Recompiled 11/30/01]

13.9.11.9 GROUP ANNUITY OR PURE ENDOWMENT CONTRACTS:

A. Except as provided in 13 NMAC 9.11.9.2 and 9.11.9.3 [now Subsections B and C of 13.9.11.9 NMAC], 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 of these tables may be used for purposes of valuation for an annuity or pure endowment purchased on or after July 1, 1977 under a group annuity or pure endowment contract.

B. Except as provided in 13 NMAC 9.11.9.3 [now Subsection C of 13.9.11.9 NMAC], 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 31, 1985 under a group annuity or pure endowment contract.

C. 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, 1999 under a group annuity or pure endowment contract.

[12/31/85, 1/1/99; Recompiled 11/30/01]

13.9.11.10 APPLICATION OF THE 1994 GAR TABLE: In using the 1994 GAR table, the mortality rate for a person age 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.

[1/1/99; Recompiled 11/30/01]

HISTORY OF 13.9.11 NMAC:

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

SCC-85-22, Insurance Department Regulation 20-5 - Recognizing 1983 Annuity Mortality Tables for Determining Reserve Liabilities, filed 11/27/85.

History of Repealed Material: [RESERVED]