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**IDAPA 18
TITLE 01
CHAPTER 46**

**18.01.46 - RECOGNITION OF NEW MORTALITY TABLES FOR USE IN DETERMINING
THE MINIMUM STANDARD OF VALUATION FOR ANNUITIES
AND PURE ENDOWMENT CONTRACTS**

000. LEGAL AUTHORITY.

The statutory authority for this rule is Title 67, Chapter 52, Idaho Code, and Idaho Code, Sections 41-211 and 41-612. (3-29-12)

001. TITLE AND SCOPE.

01. Title. This rule shall be cited as IDAPA 18.01.46, "Recognition of New Annuity Mortality Tables for Use in Determining Reserve Liabilities for Annuities and Pure Endowment Contracts." (3-29-12)

02. Scope. The purpose of this rule is to recognize the following mortality tables for use in determining the minimum standard valuation for annuity and pure endowment contracts: the 1983 Table 'a,' the 1983 Group Annuity Mortality (1983 GAM) Table, the 1994 Group Annuity Reserving (1994 GAR) Table, and the Annuity 2000 Mortality Table. (3-29-12)

002. WRITTEN INTERPRETATIONS.

In accordance with Section 67-5201(19)(b)(iv), Idaho Code, this agency may have written statements which pertain to the interpretation of this rule, or to the documentation of compliance with this rule. These documents will be available for public inspection and copying in accordance with the Idaho Public Records Law, Title 9, Chapter 3, Idaho Code. (3-29-12)

003. ADMINISTRATIVE APPEALS.

All administrative appeals shall be governed by Title 41, Chapter 2, Idaho Code, and the Idaho Administrative Procedure Act, Title 67, Chapter 52, Idaho Code, and IDAPA 04.11.01, "Idaho Rules of Administrative Procedure of the Attorney General." (3-29-12)

004. INCORPORATION BY REFERENCE.

This rule incorporates by reference four (4) separate mortality tables. These mortality tables are: (3-29-12)

01. 1983 Table A. A table developed by the Society of Actuaries Committee to Recommend a New Mortality Basis for Individual Annuity Valuation and shown on page 708 of Volume 33 of the Transactions of Society of Actuaries 1981 and adopted as a recognized mortality table for annuities in June 1982 by the National Association of Insurance Commissioners. <http://www.soa.org/library/research/transactions-of-society-of-actuaries/1981/january/tsa81v3325.pdf>, Page 708 (3-29-12)

02. 1983 GAM (Group Annuity Mortality) Table. A mortality table developed by the Society of Actuaries Committee on Annuities and shown on pages 880-881 of Volume 35 of the Transactions of Society of Actuaries 1983 and adopted as a recognized mortality table for annuities in December 1983 by the National Association of Insurance Commissioners. <http://www.soa.org/library/research/transactions-of-society-of-actuaries/1983/january/tsa83v3527.pdf>, Pages 880 – 881 (3-29-12)

03. 1994 Group Annuity Reserving (GAR) Table. A mortality table developed by the Society of Actuaries Group Annuity Valuation Table Task Force and shown on pages 866-867 of Volume 47 of the Transactions of Society of Actuaries 1995. <http://www.soa.org/library/research/transactions-of-society-of-actuaries/1990-95/1995/january/tsa95v4722.pdf>, Pages 886 - 887 (3-29-12)

04. Annuity 2000 Mortality Table. The mortality table developed by the Society of Actuaries Committee on Life Insurance Research and shown on page 266 of Volume 47 of the Transactions of Society of Actuaries 1995 – 96 Reports. <http://www.soa.org/library/research/transactions-reports-of-mortality-morbidity-and-experience/1990-99/1995/january/TSR9510.pdf>, Page 266 (3-29-12)

005. OFFICE -- OFFICE HOURS -- MAILING ADDRESS, STREET ADDRESS AND WEB SITE.

01. Office Hours. The Department of Insurance is open from 8 a.m. to 5 p.m. except weekends and legal holidays. (3-29-12)

02. Mailing Address. The department's mailing address is Idaho Department of Insurance, P.O. Box 83720, Boise, ID 83720-0043. (3-29-12)

03. Street Address. The department's principal place of business is 700 West State Street, 3rd Floor, Boise, Idaho 83720-0043. (3-29-12)

04. Web Site Address. The department's web address is <http://www.doi.idaho.gov>. (3-29-12)

006. PUBLIC RECORDS ACT COMPLIANCE.

Any records associated with this rule are subject to the provisions of the Idaho Public Records Law, Title 9, Chapter 3, Idaho Code. (3-29-12)

007. -- 009. (RESERVED)

010. DEFINITIONS.

01. 1983 Table 'a'. As used in this rule "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 shown on page 708 of Volume 33 of the Transactions of Society of Actuaries 1981 and adopted as a recognized mortality table for annuities in June 1982 by the National Association of Insurance Commissioners. (3-29-12)

02. 1983 GAM Table. As used in this rule "1983 GAM Table" means that mortality table developed by the Society of Actuaries Committee on Annuities and shown on pages 880-881 of Volume 35 of the Transactions of Society of Actuaries 1983 and adopted as a recognized mortality table for annuities in December 1983 by the National Association of Insurance Commissioners. (3-29-12)

03. 1994 GAR Table. As used in this rule "1994 GAR Table" means that mortality table developed by the Society of Actuaries Group Annuity Valuation Table Task Force and shown on pages 866-867 of Volume 47 of the Transactions of Society of Actuaries 1995. (3-29-12)

04. Annuity 2000 Mortality Table. As used in this rule "Annuity 2000 Mortality Table" means that mortality table developed by the Society of Actuaries Committee on Life Insurance Research and shown on page 266 of Volume 47 of the Transactions of Society of Actuaries 1995 – 96 Reports. (3-29-12)

011. INDIVIDUAL ANNUITY OR PURE ENDOWMENT CONTRACTS.

01. Individual Annuity Mortality Table. Except as provided in Subsections 011.02 and 011.03, of this rule, 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, 1982. (3-29-12)

02. Minimum Standard for Valuation. Except as provided in Subsection 011.03 of this rule, 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 January 1, 1987. (3-29-12)

03. The Annuity 2000 Mortality Table. Except as provided in Subsection 011.04 of this rule, 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 the effective date of Subsections 011.03 and 011.04. (3-29-12)

04. The 1983 Table 'a'. 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 the effective date of Subsections 011.03 and 011.04 of this rule solely when the contract is based on life contingencies and issued

to fund periodic benefits arising from: (3-29-12)

- a. Settlements of various forms of claims pertaining to court settlements or out of court settlements from tort actions; (3-29-12)
- b. Settlements involving similar actions such as workers' compensation claims; or (3-29-12)
- c. Settlements of long term disability claims where a temporary or life annuity has been used in lieu of continuing disability payments. (3-29-12)

012. GROUP ANNUITY OR PURE ENDOWMENT CONTRACTS.

01. Group Annuity Mortality Tables. Except as provided in Subsections 012.02 and 012.03 of this rule, 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 (1) of these tables may be used for purposes of valuation for any annuity or pure endowment purchased on or after July 1, 1982, under a group annuity or pure endowment contract. (3-29-12)

02. Minimum Standard of Valuation. Except as provided in Subsection 012.03 of this rule, 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 January 1, 1987, under a group annuity or pure endowment contract. (3-29-12)

03. 1994 GAR Table. The 1994 GAR Table shall be used for determining the minimum standard of valuation for any annuity or pure endowment purchased on or after the effective date of Subsection 012.03 under a group annuity or pure endowment contract. (3-29-12)

013. FORMULA.

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 specific in the 1994 GAR table. (3-29-12)

014. SEVERABILITY.

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. (7-1-93)

015. -- 999. (RESERVED)

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