

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

INSURANCE BUREAU

1980 CSO AND 1980 CET UNISEX MORTALITY TABLES

(By authority conferred on the commissioner of insurance by sections 210 and 4060 of Act No. 218 of the Public Acts of 1956, as amended, being SS500.210 and 500.4060 of the Michigan Compiled Laws)

R 500.1221 Definitions.

Rule 1. (1) As used in these rules:

(a) "1980 CET table" means that mortality table which consists of separate rates of mortality for male and female lives, which is developed by the society of actuaries committee to recommend new mortality tables for valuation of standard individual ordinary life insurance, which is incorporated in the 1980 NAIC amendments to the model standard valuation law and standard nonforfeiture law for life insurance, and which is referred to in those models as the commissioner's 1980 extended term insurance table.

(b) "1980 CET table (F)" means that mortality table consisting of the rates of mortality for female lives from the 1980 CET table.

(c) "1980 CET table (M)" means that mortality table consisting of the rates of mortality for male lives from the 1980 CET table.

(d) "1980 CSO table, with or without 10-year select mortality factors" means that mortality table which consists of separate rates of mortality for male and female lives, which is developed by the society of actuaries committee to recommend new mortality tables for valuation of standard individual ordinary life insurance, which is incorporated in the 1980 NAIC amendments to the model standard valuation law and standard nonforfeiture law for life insurance, and which is referred to in those models as the commissioner's 1980 standard ordinary mortality table, with or without 10-year select mortality factors.

(e) "1980 CSO table (F), with or without 10-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 10-year select mortality factors.

(f) "1980 CSO table (M), with or without 10-year select mortality factors" means that mortality table consisting of the rates of mortality for male lives from the 1980 CSO table, with or without 10-year select mortality factors.

(g) "NAIC" means national association of insurance commissioners.

(2) As used in R 500.1224(1)(a) and (b), "acceptable blend" means any of the following:

(a) One hundred percent male 0% female for tables to be designated as the 1980 CSO-A and 1980 CET-A tables for policies delivered or issued for delivery before January 1, 1985.

(b) Eighty percent male 20% female for tables to be designated as the 1980 CSO-B and 1980 CET-B tables.

(c) Sixty percent male 40% female for tables to be designated as the 1980 CSO-C and 1980 CET-C tables.

(d) Fifty percent male 50% female for tables to be designated as the 1980 CSO-D and 1980 CET-D tables.

(e) Forty percent male 60% female for tables to be designated as the 1980 CSO-E and 1980 CET-E tables.

(f) Twenty percent male 80% female for tables to be designated as the 1980 CSO-F and 1980 CET-F tables.

(g) Zero percent male 100% female for tables to be designated as the 1980 CSO-G and 1980 CET-G tables for policies delivered or issued for delivery before January 1, 1985.

History: 1984 AACS.

R 500.1222 Select factors for use with blended tables.

Rule 2. Gender-blended tables with 10-year select mortality factors, as defined in R 500.1221(2), may be derived by applying select factors to gender-blended tables without select factors where the select factors are derived by using the following formula:

$$z_{FT/t} = (Z)F_{m/t} + .6(1-Z)F_{f/t} \quad Z = .6(1-Z)$$

where

$z_{FT/t}$ is the gender-blended select factor for year t $F_{m/t}$ is the male select factor for year t $F_{f/t}$ is the female select factor for year t Z is the ratio of male lives to the total lives at the pivotal age

History: 1984 AACS.

R 500.1223 Adoption by reference.

Rule 3. The 1980 CSO table, with or without 10-year select mortality factors, and the 1980 CET table are adopted by reference and incorporated in these rules. A copy of the tables may be obtained free of charge from the Michigan Insurance Bureau, P.O. Box 30220, Lansing, Michigan 48909, or at a cost of 20 cents per page from the National Association of Insurance Commissioners, 1125 Grand Avenue, Kansas City, Missouri 64106.

History: 1984 AACS.

R 500.1224 Substitutions for the 1980 CSO table, with or without 10-year select mortality factors, and the 1980 CET table.

Rule 4. (1) For any policy of life insurance delivered or issued for delivery after August 1, 1983, both of the following provisions apply:

(a) A mortality table which is an acceptable blend of the 1980 CSO table

(M) and the 1980 CSO table (F), with or without 10-year select mortality factors, may be substituted for the 1980 CSO table, with or without 10-year select mortality factors for use in determining minimum cash surrender values and amounts of paid-up nonforfeiture benefits.

(b) A mortality table which is of the same blend as used in subdivision (a) of this subrule, but which is applied to form a blend of the 1980 CET table (M) and the 1980 CET table (F), shall be substituted for the 1980 CET table for use in determining minimum cash surrender values and amounts of paid-up nonforfeiture benefits for those policies of insurance in which the substitution in subdivision (a) of this subrule is made.

(2) If a company wishes to make a substitution as provided in subrule (1)(a) and (b), of this rule, it shall file a written notice of its election to use 1 of the acceptable tables.

(3) The 1980 CSO-A, 1980 CET-A, 1980 CSO-G and 1980 CET-G tables may be used with respect to policies issued on or after January 1, 1985 where the proportion of persons insured is anticipated to be 90% or more of one sex or for certain policies converted from group insurance. Such group conversions issued on or after January 1, 1986 shall use mortality tables based on the blend of lives by sex expected for such policies if such group conversions are considered as extensions of employer-employee benefits plans.

History: 1984 AACCS.

R 500.1225 Unfair trade practices act; applicability.

Rule 5. For the purposes of sections 2001 to 2093 of Act No. 218 of the Public Acts of 1956, as amended, being SS500.2001 to 500.2093 of the Michigan Compiled Laws, policies of insurance delivered or issued for delivery for which a substitution has been made pursuant to R 500.1223 shall constitute a separate class of business from those policies of insurance delivered or issued for delivery for which a substitution pursuant to R 500.1223 has not been made.

History: 1984 AACCS.