

**11 NCAC 11F .0603      CONDITIONS**

(a) For each plan of insurance with separate rates for smokers and nonsmokers an insurer shall use one of the following:

- (1) Composite mortality tables to determine minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits;
- (2) Smoker and nonsmoker mortality tables to determine the valuation net premiums and additional minimum reserves, if any, required by G.S. 58-58-50(g) and use composite mortality tables to determine the basic minimum reserves, minimum cash surrender values and amounts of paid-up nonforfeiture benefits; or
- (3) Smoker and nonsmoker mortality to determine minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits.

(b) For plans of insurance without separate rates for smokers and nonsmokers the composite mortality tables shall be used.

(c) When the 2001 CSO Mortality Table is used for the purpose of determining minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits, it may, at the option of the company for each plan of insurance, be used in its ultimate or select and ultimate form, subject to the restrictions of 11 NCAC 11F .0604 and 11 NCAC 11F .0400, relative to use of the select and ultimate form.

(d) When the 2001 CSO Mortality Table is the minimum reserve standard for any plan for a company, the actuarial opinion in the annual statement filed with the Commissioner shall be based on an asset adequacy analysis as specified in 11 NCAC 11F .0303.

*History Note: Authority G.S. 58-2-40; 58-58-50(k); 58-58-50(l); 58-58-55(e);  
Eff. March 1, 2004;  
Amended Eff. December 1, 2008;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.*