

**11 NCAC 11F .0604      APPLICABILITY OF THE 2001 CSO MORTALITY TABLE TO 11 NCAC 11F .0400**

(a) For policies for which the 2001 CSO Mortality Table is the minimum standard for valuation and nonforfeiture purposes, 11F .0400 shall be applied in the following manner:

- (1) To comply with 11 NCAC 11F .0401(a)(2)(B), the net level reserve premium shall be based on the ultimate mortality rates in the 2001 CSO Mortality Table;
- (2) To comply with 11 NCAC 11F .0402(2), all calculations shall be made using the 2001 CSO Mortality Rate, and, if elected, the optional minimum mortality standard for deficiency reserves stipulated in Subparagraph (a)(4) of this Rule; The value of " $q_{x+k+t-1}$ " is the valuation mortality rate for deficiency reserves in policy year  $k+t$ , but using the unmodified select mortality rates if modified select mortality rates are used in the computation of deficiency reserves.
- (3) To comply with 11 NCAC 11F .0403(a), the 2001 CSO Mortality Table shall be the minimum standard for basic reserves;
- (4) To comply with 11 NCAC 11F .0403(b), the 2001 CSO Mortality Table shall be the minimum standard for deficiency reserves. If select mortality rates are used, they may be multiplied by X percent for durations in the first segment, subject to the conditions specified in 11 NCAC 11F .0403(b)(3). In demonstrating compliance with those conditions, the demonstrations may not combine the results of tests that utilize the 1980 CSO Mortality Table with those tests that utilize the 2001 CSO Mortality Table, unless the combination is explicitly required by rule or necessary to be in compliance with relevant Actuarial Standards of Practice;
- (5) To comply with 11 NCAC 11F .0404(c), the valuation mortality table used in determining the tabular cost of insurance shall be the ultimate mortality rates in the 2001 CSO Mortality Table;
- (6) To comply with 11 NCAC 11F .0404(e)(4), the calculations specified in 11 NCAC 11F .0404(e) shall use the ultimate mortality rates in the 2001 CSO Mortality Table;
- (7) To comply with 11 NCAC 11F .0404(f)(4), the calculations specified in 11 NCAC 11F .0404(f) shall use the ultimate rates in the 2001 CSO Mortality Table;
- (8) To comply with 11 NCAC 11F .0404(g)(2), the calculations specified in 11 NCAC 11F .0404(g) shall use the ultimate mortality rates in the 2001 CSO Mortality Table; and
- (9) To comply with 11 NCAC 11F .0405(a)(1)(B), the one-year valuation premium shall be calculated using the ultimate mortality rates in the 2001 CSO Mortality Table.

(b) Nothing in this Rule shall be construed to expand the applicability of 11 NCAC 11F .0400 to include life insurance policies exempted under 11 NCAC 11F .0401(a).

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