

SECTION .0800 - PREFERRED CLASS STRUCTURE MORTALITY TABLE

11 NCAC 11F .0801 MODEL REGULATION PERMITTING THE RECOGNITION OF PREFERRED MORTALITY TABLES FOR USE IN DETERMINING MINIMUM RESERVE LIABILITIES

- (a) The North Carolina Department of Insurance incorporates by reference, including subsequent amendments and editions, the National Association of Insurance Commissioners Model No. 815, Model Regulation Permitting the Recognition of Preferred Mortality Tables for Use in Determining Minimum Reserve Liabilities. Copies of Model No. 815 may be obtained from: The National Association of Insurance Commissioners, 2301 McGee Street, Kansas City, MO 64108-1662; the North Carolina Department of Insurance, Actuarial Services Division, 1201 Mail Service Center, Raleigh, NC 27699-1201; and from the Department of Insurance web page at <http://www.ncdoi.com/>.
- (b) For purposes of this Rule, Section 2 of Model No. 815 shall read as follows:
The purpose of this regulation is to recognize, permit and prescribe the use of mortality tables that reflect differences in mortality between Preferred and Standard lives in determining minimum reserve liabilities in accordance with G.S. 58-58-50 (c)(2)(a), 11 NCAC 11F .0403(a), and 11 NCAC 11F .0403(b).
- (c) For purposes of this Rule, Section 4 of Model No. 815 shall read as follows:
At the election of the company, for each calendar year of issue, for any one or more specified plans of insurance and subject to satisfying the conditions stated in this regulation, the 2001 CSO Preferred Class Structure Mortality Table may be substituted in place of the 2001 CSO Smoker or Nonsmoker Mortality Table as the minimum valuation standard for policies issued on or after January 1, 2007. For policies issued on or after January 1, 2005 and before January 1, 2007, these tables may be substituted with the consent of the Commissioner and subject to the conditions of Section 5. In determining such consent, the Commissioner shall consider the consent of the insurance regulator of the company's state of domicile. No such election shall be made until the company demonstrates that at least 20% of the business to be valued on this table is in one or more of the preferred classes. A table from the 2001 CSO Preferred Class Structure Mortality Table used in place of a 2001 CSO Mortality Table, pursuant to the requirements of this regulation, shall be treated as part of the 2001 CSO Mortality Table only for purposes of reserve valuation pursuant to the requirements of 11 NCAC 11F .0601, 11 NCAC 11F .0602, 11 NCAC 11F .0603, and 11 NCAC 11F .0604.
- (d) For purposes of this Rule, Paragraph C of Section 3, and Paragraph C of Section 5 of Model No. 815 are not applicable.
- (e) For purposes of this Rule, Sections 1 and 7 of Model No. 815 are not applicable.

History Note: *Authority G.S. 58-2-40; 58-58-50(k);*
 Eff. April 1, 2007;
 Amended Eff. March 1, 2010;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December
 20, 2015.