

**§953. Minimum standards**

1. This subsection applies only to policies and contracts issued prior to January 1, 1948, or such earlier date after July 21, 1945, as shall have been elected by an insurer as the date on and after which it would comply with the standard nonforfeiture law.

Except as otherwise provided in subsection 3, the legal minimum standard of value for such life insurance policies issued on or after the first day of September, 1931, by any life insurer chartered by this State, shall be the American Experience Table of Mortality with interest at 3 1/2% per year. Any such life insurer may, at its option, value its insurance policies issued on and after such day, in accordance with their terms on the basis of the American Men Ultimate Table of Mortality with interest not higher than 3 1/2% per year by the net level premium method. Reserves for all such policies and contracts may be calculated, at the option of the insurer, according to any standards which produce greater aggregate reserves for all such policies and contracts than the minimum reserves required by this subsection.

[PL 1975, c. 342, §1 (AMD).]

2. This subsection applies only to policies and contracts issued on and after January 1, 1948, or the earlier date after July 21, 1945, as shall have been elected by an insurer as the date on and after which it would comply with the standard nonforfeiture law.

Except as otherwise provided in subsection 3 and section 953-A, the minimum standard for the valuation of all those policies and contracts shall be the commissioners reserve valuation method defined in section 954, 3 1/2% interest, or in the case of policies and contracts, other than annuity and pure endowment contracts, issued on or after December 31, 1975, 4% interest, and the following tables, or in the case of these policies and contracts, other than annuity and pure endowment contracts, issued on or after January 1, 1980, 4 1/2% interest, and the following tables.

A. Standard Ordinary Mortality Table. For all ordinary policies of life insurance issued on the standard basis, excluding any disability and accidental death benefits in these policies, -- the Commissioners 1941 Standard Ordinary Mortality Table; provided that the Commissioners 1958 Standard Ordinary Mortality Table shall be the table for the minimum standard for those policies issued on and after January 1, 1966, or such earlier date after September 12, 1959, as shall have been elected by an insurer as the date on and after which it would use such table as the basis for minimum cash surrender values and nonforfeiture benefits under the standard nonforfeiture law and prior to the operative date of the Standard Nonforfeiture Law for Life Insurance, section 2532-A; provided that for any category of those policies issued on female risks all modified net premiums and present values referred to in sections 951 to 957 may be calculated according to an age not more than 3 years younger than the actual age of the insured, or in the case of those policies issued on or after January 1, 1980, according to an age not more than 6 years younger than the actual age of the insured. For those policies issued on or after the operative date of the Standard Nonforfeiture Law for Life Insurance, section 2532-A, the Commissioners 1980 Standard Ordinary Mortality Table, or at the election of the company for any one or more specified plans of life insurance, the Commissioners 1980 Standard Ordinary Mortality Table with Ten-Year Select Mortality Factors or any ordinary mortality table, adopted after 1980 by the National Association of Insurance Commissioners, that is approved by regulation promulgated by the superintendent for use in determining the minimum standard of valuation for the policies. [PL 1983, c. 346, §2 (AMD).]

B. Standard Industrial Mortality Table. For all industrial life insurance policies issued on the standard basis, excluding any disability and accidental death benefits in the policies, -- the 1941 Standard Industrial Mortality Table; provided that the Commissioners 1961 Standard Industrial Mortality Table, or any industrial mortality table, adopted after 1980 by the National Association of Insurance Commissioners, that is approved by regulation promulgated by the superintendent for

use in determining the minimum standard of valuation for those policies, shall be the table for the minimum standard for those policies issued on and after January 1, 1968, or such earlier date after September 1, 1963, as shall have been elected by the insurer as the date on and after which it would use such table as the basis for minimum cash surrender values and nonforfeiture benefits under the standard nonforfeiture law. [PL 1983, c. 346, §2 (AMD).]

C. Standard Annuity Mortality Table or Annuity Mortality Table. For individual annuity and pure endowment contracts, excluding any disability and accidental death benefits in those policies -- the 1937 Standard Annuity Mortality Table or, at the option of the insurer, the Annuity Mortality Table for 1949, Ultimate, or any modification of either of these tables approved by the superintendent. [PL 1983, c. 346, §2 (AMD).]

D. Group Annuity Mortality Table. For group annuity and pure endowment contracts, excluding any disability and accidental death benefits in those policies -- the Group Annuity Mortality Table for 1951, any modification of the table approved by the superintendent, or, at the option of the insurer, any of the tables or modifications of tables specified for individual annuity and pure endowment contracts. [PL 1983, c. 346, §2 (AMD).]

E. Class (3) Disability Table. For total and permanent disability benefits in or supplementary to ordinary policies or contracts -- for policies or contracts issued on or after January 1, 1966, the tables of Period 2 disablement rates and the 1930 to 1950 termination rates of the 1952 Disability Study of the Society of Actuaries, with due regard to the type of benefit or any tables of disablement rates and termination rates, adopted after 1980 by the National Association of Insurance Commissioners, that are approved by regulation promulgated by the superintendent for use in determining the minimum standard of valuation for those policies; for policies or contracts issued on or after January 1, 1961 and prior to January 1, 1966, either those tables or, at the option of the insurer, the Class (3) Disability Table (1926); and for policies issued prior to January 1, 1961, the Class (3) Disability Table (1926). Any such table shall, for active lives, be combined with a mortality table permitted for calculating the reserves for life insurance policies. [PL 1983, c. 346, §2 (AMD).]

F. Inter-Company Double Indemnity Mortality Table. For accidental death benefits in or supplementary to policies -- for policies issued on or after January 1, 1966, the 1959 Accidental Death Benefits Table or any accidental death benefits table, adopted after 1980 by the National Association of Insurance Commissioners, that is approved by regulation promulgated by the superintendent for use in determining the minimum standard of valuation for those policies; for policies issued on or after January 1, 1961 and prior to January 1, 1966, either that table or, at the option of the insurer, the Inter-Company Double Indemnity Mortality Table; and for policies issued prior to January 1, 1961, the Inter-Company Double Indemnity Mortality Table. Either table shall be combined with a mortality table permitted for calculating the reserves for life insurance policies. [PL 1983, c. 346, §2 (AMD).]

G. Group Life Insurance Tables. For group life insurance, life insurance issued on the substandard basis and other special benefits -- such table as may be approved by the superintendent. [PL 1983, c. 346, §2 (AMD).]

[PL 1983, c. 346, §2 (AMD).]

3. Except as provided in section 953-A, the minimum standard for the valuation of all individual annuity and pure endowment contracts issued on or after the effective date of this subsection, as defined herein, and for all annuities and pure endowments purchased on or after the effective date under group annuity and pure endowment contracts, shall be the commissioners reserve valuation method defined in section 954 and the following tables and interest rates.

A. 1971 Individual Annuity Mortality Table. For individual annuity and pure endowment contracts, excluding any disability and accidental death benefits in those contracts -- the 1971

Individual Annuity Mortality Table, or any individual annuity mortality table, adopted after 1980 by the National Association of Insurance Commissioners, that is approved by regulation promulgated by the superintendent for use in determining the minimum standard of valuation for those contracts, or any modification of these tables approved by the superintendent, and 6% interest for single premium immediate annuity contracts, and 4% interest for all other individual annuity and pure endowment contracts, or in the case of these contracts issued on or after January 1, 1980, 7 1/2% interest for individual single premium immediate annuity contracts, 5 1/2% interest for single premium deferred annuity and pure endowment contracts and 4 1/2% interest for all other individual annuity and pure endowment contracts. [PL 1983, c. 346, §2 (AMD).]

B. 1971 Group Annuity Mortality Table. For all annuities and pure endowments purchased under group annuity and pure endowment contracts, excluding any disability and accidental death benefits purchased under those contracts -- the 1971 Group Annuity Mortality Table, or any group annuity mortality table, adopted after 1980 by the National Association of Insurance Commissioners, that is approved by regulation promulgated by the superintendent for use in determining the minimum standard of valuation for those annuities and pure endowments, or any modification of these tables approved by the superintendent, and 6% interest, or in the case of annuities and pure endowments purchased under those contracts on or after January 1, 1980, 7 1/2% interest. [PL 1983, c. 346, §2 (AMD).]

This subsection shall not apply to any insurer before January 1, 1979, unless the insurer shall have filed with the superintendent an election to comply with the provisions of this subsection after a specified date before January 1, 1979, provided that an insurer may elect different dates on which this subsection shall apply to individual and pure endowment contracts and to group annuity and pure endowment contracts. If an insurer makes no such election, this subsection shall apply to that insurer on January 1, 1979.

[PL 1983, c. 346, §2 (AMD).]

#### SECTION HISTORY

PL 1969, c. 132, §1 (NEW). PL 1973, c. 585, §12 (AMD). PL 1975, c. 342, §§1-3 (AMD). PL 1979, c. 453, §§2-4 (AMD). PL 1983, c. 346, §2 (AMD).

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