

State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION
Division of Insurance
233 Richmond Street
Providence, RI 02903

INSURANCE REGULATION 94

**ANNUITY MORTALITY TABLE FOR USE IN DETERMINING RESERVE
LIABILITIES FOR ANNUITIES**

Table of Contents

Section 1	Authority
Section 2	Purpose
Section 3	Definitions
Section 4	Individual Annuity or Pure Endowment Contracts
Section 5	Application of the 1994 GAR Table
Section 6	Severability
Section 7	Effective Date

Section 1 **Authority**

This rule promulgated by the Director of Business Regulation pursuant to R.I. Gen. Laws § 27-4.5-11.

Section 2 **Purpose**

The purpose of this rule is to define terms used in R.I. Gen. Laws § 27-4.5-4, to specify the application of the 1994 GAR Table and, as provided in R.I. Gen. Laws § 27-4.5-4(c), to recognize the 1983 Table "a" for certain special benefits.

Section 3 **Definitions**

- A. As used in this rule "1983 Table 'a'" means that mortality table developed by the Society of Actuaries Committee to Recommend a New Mortality Basis for Individual Annuity Valuation and adopted as a recognized mortality table for annuities in June 1982 by the National Association of Insurance Commissioners. [See 1982 Proceedings of the NAIC II, page 454.]
- B. As used in R.I. Gen. Laws § 27-4.5-4, "1994 GAR Table" means that mortality table developed by the Society of Actuaries Group Annuity

Valuation Table Task Force and shown at XLVII Transactions of the Society of Actuaries 866-867 (1995).

- C. As used in R.I. Gen. Laws § 27-4.5-4, "Annuity 2000 Mortality Table" means that mortality table developed by the Society of Actuaries Committee on Life Insurance Research and shown at XLVII Transactions of the Society of Actuaries 240 (1995).

Section 4 **Individual Annuity or Pure Endowment Contracts**

- A. R.I. Gen. Laws § 27-4.5-4(a) and (b) shall apply as provided in those sections, except that, as provided in R.I. Gen. Laws § 27-4.5-4(c), the following Section 4(B) shall apply to the special benefits described therein.
- B. The 1983 Table "a" without projection is to be used for determining the minimum standards of valuation for an individual annuity or pure endowment contract issued on or after January 1, 2000, solely when the contract is based on life contingencies and is issued to fund periodic benefits arising from:
- (1) Settlements of various forms of claims pertaining to court settlements or out of court settlements from tort actions;
 - (2) Settlements involving similar actions such as worker's compensation claims; or
 - (3) Settlements of long term disability claims where a temporary or life annuity has been used in lieu of continuing disability payments.

Section 5 **Application of the 1994 GAR Table**

In using the 1994 GAR Table, the mortality rate for a person age x in year $(1994 + n)$ is calculated as follows:

$$q_{x^{1994+n}} = q_{x^{1994}} (1 - AA_{x^s})^n$$

where $q_{x^{1994}}$ and AA_{x^s} are as specified in the 1994 GAR Table.

Section 6 **Severability**

If any provision of this rule or its application to any person or circumstances is for any reason held to be invalid, the remainder of the Regulation and the application of its provisions to other persons or circumstances shall not be affected.

Section 7 Effective Date

The effective date of this Regulation is January 1, 2000.

EFFECTIVE DATE:	January 1, 2000
AMENDED:	None
REFILED:	December 19, 2001