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STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

Obsolete and Withdrawn
By Administrative
Letter 2015-09

July 28, 1983

Administrative Letter 1983-6

MEMORANDUM

TO: All Companies Licensed to Sell Life Insurance

RE: Adoption of New Mortality Tables under 1982 Amendments to the Standard Nonforfeiture Law: Sections 38.1-456, 38.1-461, 38.1-462, and 38.1-464 through 38.1-467 of the Code of Virginia, as amended.

This office has received a number of inquiries from insurers concerning the manner in which they may adopt the new mortality tables for use with policies to be issued in Virginia.

Section 38.1-465.3K of the Code of Virginia, as amended, specifies that all companies must comply by no later than January 1, 1989, but that a company may elect to comply at an earlier date upon written notice to the Commission.

The purpose of this Administrative Letter is to provide guidelines for those companies wishing to comply on a plan-by-plan basis earlier than January 1, 1989.

Subject to the conditions set forth below, companies may elect an operative date for one or more plans at a time, rather than converting their entire portfolio as of one effective date, provided that the entire portfolio has been converted by January 1, 1989.

As used herein, the following terms are defined as follows:

1. "Plan" means a particular plan of insurance, defined on the same basis as is required by Section 38.1-403 of the Code of Virginia, as amended. For example, each of the following would be considered a "plan": One Year Renewable and Convertible Term; Five Year Renewable and Convertible Term, 20 Pay Life, Life Paid-Up at 65, Flexible Premium Adjustable Life, Variable Life.

2. "Like Plans" means plans providing the same benefit structure, cash value structure, if any, and the same pattern of premium payment and premium paying period, but which are based upon different mortality tables.

3. "Generic Form" means a generic group, such as ordinary vs. group, term vs. permanent, flexible cash value vs. fixed cash value, separate account vs. fixed account, etc.

A company may elect to make the new tables operational for one or more plans at a time, provided that:

A. Sales are discontinued in this Commonwealth on all like plans.

B. Sales are discontinued, in all other states which have enacted the new legislation, on all like plans, provided the state of sale has allowed changes to the new mortality tables on a plan-by-plan basis; and

C. Once the new law has been made operational for one plan, the new law shall be operational for all subsequent new plans of the same generic form to be marketed in this Commonwealth unless the insurer can demonstrate to the Commission's satisfaction the need to continue the use of any other mortality tables.

As an example, if a company elects to file a Life Paid-Up at 65 policy using 1980 CSO tables, its present 1958 CSO Life Paid-Up at 65 policy must be discontinued in Virginia and in all other states which have adopted the new law and which allow plan-by-plan implementation. Further, from then on, the insurer may not file any new permanent plans of insurance unless they, too, are based upon the new tables. Until, however, the company has filed a 1980 CSO - based term policy it could continue to issue its 1958 CSO - based term and other permanent plans while simultaneously issuing its new 1980 CSO - based Life Paid-Up at 65 plan.

Any questions concerning the above guidelines, as well as any notices or filings, should be directed, **IN WRITING**, to

Robert L. Wright, CLU
Supervisor, Forms and Rate Section
Life and Health Division
Bureau of Insurance
P. O. Box 1157
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Sincerely,

James M. Thomson
Commissioner of Insurance

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