

3901-6-10.2

**Gender blended mortality tables.****(A) Authority**

This rule is issued pursuant to section 3901.041 of the Revised Code.

**(B) Purpose**

The purpose of this rule is to implement section 3915.071 of the Revised Code by permitting individual life insurance policies to provide the same cash surrender values and paid-up nonforfeiture benefits to both men and women. No change in minimum valuation standards is implied by this rule.

**(C) Definitions**

- (1) "Commissioners 1980 standard ordinary mortality tables" or "1980 CSO" "with or without ten-year select mortality factors" means those tables consisting of separate rates of mortality for male and female lives referred to in division (D) of section 3915.071 of the Revised Code.
- (2) "Commissioners 1980 standard ordinary mortality tables (M)", or "1980 CSO (M)," "with or without ten-year select mortality factors" means that mortality table consisting of the rates of mortality for male lives from the 1980 "CSO" with or without ten-year select mortality factors.
- (3) "Commissioners 1980 standard ordinary mortality tables (F), " or "1980 CSO (F)," "with or without ten-year select mortality factors" means that mortality table consisting of the rates of mortality for female lives from the 1980 "CSO" with or without ten-year select mortality factors.
- (4) "Commissioners 1980 extended term insurance table," or "1980 CET," means that table consisting of separate rates of mortality for male and female lives referred to in division (I) of section 3915.071 of the Revised Code.
- (5) "Commissioners 1980 extended term insurance table (M)," or "1980 CET (M)," means that mortality table consisting of the rates of mortality for male lives from the 1980 "CET".
- (6) "Commissioners 1980 extended term insurance table (F)," or "1980 CET (F)," means that mortality table consisting of the rates of mortality for female lives from the 1980 "CET".
- (7) "Commissioners 1980 standard ordinary and commissioners 1980 extended term smoker and nonsmoker mortality tables" mean those tables consisting of separate rates of mortality for smokers and nonsmokers derived from the 1980 "CSO" and "CET" mortality tables by the "Society of Actuaries Task Force" on smoker/nonsmoker mortality adopted by the "National Association of Insurance Commissioners" in December, 1983.

(D) Rule

(1) For any policy of insurance on the life of either a male or female insured delivered or issued for delivery in this state on or after August 1, 1983:

(a) A mortality table which is a blend of the commissioners 1980 standard table (M) and the commissioners 1980 standard ordinary table (F), with or without ten-year select mortality factors, may be at the option of the company be substituted for the commissioners 1980 standard ordinary table with or without ten-year select mortality factors; and

(b) A mortality table which is of the same blend as used in paragraph (D)(1)(a) of this rule but applied to form a blend of the commissioners 1980 extended term insurance table (M) and the commissioners 1980 extended term insurance table (F) may at the option of the company be substituted for the commissioners 1980 extended term insurance table; and

(c) Gender blended tables with ten-year select mortality factors may be derived and at the option of the company be substituted for the commissioners 1980 standard ordinary table with ten-year select mortality factors. Such tables may be derived by applying select factors to gender blended tables without select factors where the select factors are derived by using the following formula:

$$Z_{F}T_t = \frac{(Z) F_t^M + .6 (1 - Z) F_t^F}{Z + .6 (1 - Z)}$$

Where:

$Z_{F}T_t$  is the gender blended select factor for year  $T_t$ ;

$F_t^M$  is the male select factor for year  $T_t$ ;

$F_t^F$  is the female select factor for year  $T_t$ ;

$Z$  is the ratio of male lives to the total lives at the pivotal age.

For use in determining minimum cash surrender values and amounts of paid-up nonforfeiture benefits.

(2) The following blendings will be considered as the basis for acceptable gender blended tables. However, other blendings shall be acceptable:

(a) One hundred per cent male zero per cent female for tables to be designated as the "1980 CSO-A" and "1980 CET-A" tables.

(b) Eighty per cent male twenty per cent female for tables to be designated as the "1980 CSO-B" and "1980 CET-B" tables.

(c) Sixty per cent male forty per cent female for tables to be designated as the "1980 CSO-C" and "1980 CET-C" tables.

(d) Fifty per cent male fifty per cent female for tables to be designated as the "1980 CSO-D" and "1980 CET-D" tables.

(e) Forty per cent male sixty per cent female for tables to be designated as the "1980 CSO-E" and "1980 CET-E" tables.

(f) Twenty per cent male eighty per cent female for tables to be designated as the "1980 CSO-F" and "1980 CET-F" tables.

(g) Zero per cent male one hundred per cent female for tables to be designated as the "1980 CSO-G" and "1980 CET-G" tables.

The tables described in paragraphs (D)(2)(a) and (D)(2)(g) of this rule are not to be used with respect to policies issued on or after January 1, 1985, except where the proportion of persons insured is anticipated to be ninety per cent or more of one sex or the other or except for certain policies converted from group insurance. Such group conversions issued on or after January 1, 1986, must use mortality tables based on the blend of lives by sex expected for such policies if such group conversions may be required to comply with applicable state and/or federal laws regarding discrimination based on gender.

(E) Alternate rule for smoker/nonsmoker

In determining minimum cash surrender values and amounts of paid-up nonforfeiture benefits for any policy of insurance on the life of either a male or female insured on a form of insurance with separate rates for smokers and nonsmokers delivered or issued for delivery in this state after the operative date of section 3915.071 of the Revised Code for that policy form, in addition to the mortality tables that may be used according to paragraph (D) of this rule.

(1) A mortality table which is a blend of the male and female rates of mortality according to the 1980 "CSO" smoker mortality table, in the case of lives classified as smokers, or the 1980 "CSO" nonsmoker mortality table, in the case of lives classified as nonsmokers, with or without ten-year select mortality factors, may at the option of the company be substituted for the 1980 "CSO" table, with or without ten-year select mortality factors, and

(2) A mortality table which is of the same blend as used in paragraph (E)(1) of this rule but applied to form a blend of the male and female rates of mortality according to the corresponding 1980 "CET" smoker mortality table or 1980 "CET" nonsmoker mortality table may at the option of the company be substituted for the 1980 "CET" table.

The following blended mortality tables will be considered acceptable:

"SA:" 100% male 0% female smoker tables designated as "1980 CSO-SA" and "1980 CET-SA" tables.

"SB:" 80% male 20% female smoker tables designated as "1980 CSO-SB" and "1980 CET-SB" tables.

"SC:" 60% male 40% female smoker tables designated as "1980 CSO-SC" and "1980 CET-SC" tables.

"SD:" 50% male 50% female smoker tables designated as "1980 CSO-SD" and "1980 CET-SD" tables.

"SE:" 40% male 60% female smoker tables designated as "1980 CSO-SE" and "1980 CET-SE" tables.

"SF:" 20% male 80% female smoker tables designated as "1980 CSO-SF" and "1980 CET-SF" tables.

"SG:" 0% male 100% female smoker tables designated as "1980 CSO-SG" and "1980 CET-SG" tables.

"NA:" 100% male 0% female nonsmoker tables designated as "1980 CSO-NA" and "1980 CET-NA" tables.

"NB:" 80% male 20% female nonsmoker tables designated as "1980 CSO-NB" and "1980 CET-NB" tables.

"NC:" 60% male 40% female nonsmoker tables designated as "1980 CSO-NC" and "1980 CET-NC" tables.

"ND:" 50% male 50% female nonsmoker tables designated as "1980 CSO-ND" and "1980 CET-ND" tables.

"NE:" 40% male 60% female nonsmoker tables designated as "1980 CSO-NE" and "1980 CET-NE" tables.

"NF:" 20% male 80% female nonsmoker tables designated as "1980 CSO-NF" and "1980 CET-NF" tables.

"NG:" 0% male 100% female nonsmoker tables designated as "1980 CSO-NG" and "1980 CET-NG" tables.

Tables "SA," "SG," "NA" and "NG" are not acceptable as blended tables unless the proportion of persons insured is anticipated to be ninety per cent or more of one sex or the other.

#### (F) Unfair discrimination

It shall not be a violation of section 3911.19 of the Revised Code for an insurer to issue the same kind of policy of life insurance on both a sex distinct and sex neutral basis.

(G) Severability

Each paragraph of this rule and every part of each paragraph is an independent paragraph and part of a paragraph, and the holding of any paragraph or a part thereof to be unconstitutional, void, or ineffective for any cause does not affect the validity or constitutionality of any other paragraph or part thereof.

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Certification

11/04/2008

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Date

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