



## **FILING INFORMATION NOTICE 2016-1**

DATE: April 7, 2016

FROM: Karen Z. Schutter  
IIPRC Executive Director

RE: **Filing Process to Effectuate the 2017 Commissioners Standard Ordinary (CSO) Mortality Table**

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***Purpose: Filing Information Notices explain steps or clarifications in the process for filing and review of product filings under the applicable Uniform Standards. This Filing Information Notice only applies to the Uniform Standards referenced below.***

### **BACKGROUND:**

The Interstate Insurance Product Regulation Commission (IIPRC) has adopted Uniform Standards covering individual and group life insurance policies.

The applicable policy Uniform Standards for the various life insurance product lines have several references and requirements with respect to mortality tables specifically requiring a demonstration that the nonforfeiture values of the policy comply with the standards of the National Association of Insurance Commissioners (NAIC) Standard Nonforfeiture Law for Life Insurance, model #808, including mortality tables approved for use by the NAIC in determining minimum nonforfeiture values. Pursuant to the Variability of Information provision in the applicable policy Uniform Standards, mortality tables shall only be changed upon prior approval of the IIPRC.

The [Additional Standards for Mortality Table Change](#), originally adopted by the IIPRC on March 28, 2008, specifies the submission requirements with respect to effectuating a change of a mortality table approved for use by the NAIC in determining minimum nonforfeiture values. The Additional Standards for Mortality Table Change can only be used to effectuate changes to products previously approved by the IIPRC and are not available for mix and match.

On April 6, 2016, the NAIC adopted amendments to its Valuation Manual including the adoption of the 2017 Commissioners Standard Ordinary (CSO) mortality table. This Filing

Information Notice outlines the process and procedures associated with filing new products or amending previously-approved products to reflect the 2017 CSO Mortality Table.

## **FILING PROCEDURES:**

### **A. GENERAL INFORMATION**

1. The IIPRC can only accept the 2017 CSO Mortality Table(s) for products submitted to or previously approved by the IIPRC. Pursuant to Section 111 of the [Product Filing Rule](#) and the Additional Standards for Mortality Table Change, the IIPRC will not accept for review or approval the 2017 CSO Mortality Table(s) that are being used for mix and match with a state-approved or state-filed policy.
2. Reserving methodology, accounting methods, financial solvency requirements, and asset transfers are beyond specific product content requirements and the statutory authority of the IIPRC. Filers can include reserving information including state-required certifications, if any, under the Supporting Documentation tab within SERFF in a new or previously approved product filing submission. Reserving information is considered informational only and is not reviewed or approved by the IIPRC. Compacting States where this product filing is approved may view and access the reserve information within the filing through SERFF.

### **B. INFORMATION FOR NEW PRODUCT SUBMISSIONS**

1. For filers developing new products including new forms and actuarial support for the 2017 CSO Mortality Table requirements, the IIPRC is now accepting new product filing submissions allowing filers to leverage the IIPRC's one-stop filing, review, and approval for up to 44 Compacting States. (For product filing submissions that include Montana, please reference [Filing Information Notice 2013:3](#) - *Filing Process for Product Filings that Include Montana to Demonstrate Compliance with Constitutional Unisex Requirement*).
2. If the new product submission is being filed to replace a product previously approved by the IIPRC, filers are required to include the SERFF Tracking Number for the previously-approved product in the Associated Filing section.
3. The filing description should clearly indicate the anticipated effective date after which the company will start issuing the product (e.g., after January 1, 2017). Filers are encouraged to complete the "Implementation Date Requested" field in the SERFF Filing Wizard when preparing a new submission (please ensure the date identified in this field is more than 60 days after the date of submission to accommodate for review time by the IIPRC reviewers and response time by the company).
4. To ensure a smooth review process and minimize objections, filers are strongly encouraged to use the checklists for the Uniform Standards that are applicable to the product filing submission as well as the [Best Practices Checklist](#). Filers are advised to

ensure the actuary preparing the actuarial submission materials reviews the applicable Uniform Standards, specifically the Actuarial Memorandum Requirements and associated appendices for actuarial certifications and templates for demonstrations.

5. Filers are not required to submit completed checklists; however, the IIPRC will accept completed checklists attached as Supporting Documentation provided the completed checklists include citations to the provisions in the forms that satisfy the required provision in the Uniform Standards.
6. Filers are encouraged to submit a [Pre-Filing Communication Form](#) with questions regarding the Uniform Standards or the filing process prior to product filing submission in order to further ensure a smooth review process and minimize objections.

**C. INFORMATION FOR UPDATING PRODUCT FILINGS PREVIOUSLY APPROVED BY THE IIPRC**

1. Filers are not permitted to reopen and amend a previously-approved product filing for changes with respect to using the 2017 CSO Mortality Table; rather, a new submission is required.
2. Updated information for a product filing previously approved by the IIPRC for purposes of changes for the 2017 CSO Mortality Table must be submitted in a new product filing and may include: 1) replacement pages identifying the 2017 CSO Mortality Table(s); 2) new or updated Specification Pages or Statement of Variability; and/or 3) an endorsement. In addition, the updated information must include a new or updated Actuarial Memorandum.
3. The Filing Description must clearly identify the product filing(s) previously-approved by the IIPRC that will be changed by the information in the new submission and these previously-approved product filings shall be included in *Associated Filings*.

**Filings with Replacement Pages**

4. Additional Standards for Mortality Table Change permits the filing of replacement pages for life insurance forms whose sole purpose is to effectuate a change of a mortality table approved by the NAIC for nonforfeiture purposes and further requires the filing of the entire form if there are any other changes in addition to the mortality table.
5. For product filing submissions that include replacement pages as permitted by the Additional Standards for Mortality Table Change, please provide the following information:
  - a. A listing of the previously-approved form numbers which the replacement pages will be used with, including the SERFF Tracking Number of the product filing that includes the approved form(s). *Please note this is in addition to completing the Associated Filings information;*

- b. A description of the change;
- c. A certification that the replacement pages will be used for new issues only and that no changes have been made to the form;
- d. The effective date of the change for new issues and a statement the change shall not apply to in-force policies.
- e. A form identification number shall appear at the bottom of the replacement pages in the left hand corner. The form number shall be adequate to distinguish the replacement pages from any others used by the company. The form identification number shall include a prefix of ICCxx (where xx represents the year the replacement pages were submitted for filing).

**Filings with Updated Specification Page(s) or Statement of Variability**

- 6. If there are changes to the previously-approved forms, including approved Specification Pages, and such changes are in addition to a change in mortality table(s), new forms with new form numbers will be required. Filers are welcome, though not required, to submit redlined versions as Supporting Documentation showing the changes made between the newly-submitted forms and the previously-approved forms.
- 7. If references to the mortality table(s) in the previously-approved product filing are bracketed as variable on the Specification Pages and marked accordingly in the Statement of Variability, the filer is not required to submit forms showing the change and shall submit a new filing submission with the updated Statement of Variability on the Supporting Documentation Schedule along with the Actuarial Memorandum as required below. If there are no forms on the Form Schedule, the filer must use the following Filing Type – **“Supporting Documentation Update”**.

**Filings with Endorsement**

- 8. Instead of replacement pages, an endorsement may be filed to effectuate the change with respect to using the 2017 CSO Mortality Table for previously-approved IIPRC forms. The filer must include the following information:
  - a. A listing of the previously-approved form numbers which the endorsement will be used with, including the SERFF Tracking Number of the product filing that includes the approved form(s). *Please note this is in addition to completing the Associated Filings information;*
  - b. A description of the change;
  - c. A certification that the endorsement will be used for new issues only and that no changes have been made to the form;

- d. The effective date of the change for new issues and a statement the change shall not apply to in-force policies.
9. An Actuarial Memorandum should also be attached under the applicable submission requirement in Supporting Documentation. An Actuarial Memorandum must be prepared, dated, and signed by the member of the American Academy of Actuaries who provides the information concerning the determination of the nonforfeiture values for the life insurance forms, including forms as modified by the replacement pages. This Actuarial Memorandum should comply with the applicable Uniform Standards for the product or products for which the mortality table change applies and include an updated certification of compliance with minimum nonforfeiture requirements for new issues.

**APPLICABLE IIPRC FORMS:**

None

**EFFECTIVE DATE:**

IMMEDIATELY

**CONTACT INFORMATION:**

Questions regarding this Notice should be directed to:

Interstate Insurance product Regulation Commission

444 North Capitol Street, NW

Hall of the States, Suite 700

Washington, DC 20001-1509

Telephone: (202) 471-3962

Facsimile: (816) 460-7476

E-mail: [comments@insurancecompact.org](mailto:comments@insurancecompact.org)

**STATUTORY REFERENCES:** Articles IV(3) and (6), and X(2) of the *Interstate Insurance Product Regulation Compact* as adopted by Compacting States.

**OPERATING PROCEDURE REFERENCES:** Section 103 and 111 of the *Operating Procedure for the Filing and Approval of Product Filings (“Product Filing Rule”)*.

**APPLICABLE UNIFORM STANDARDS:**

- Additional Standards for Mortality Table Change (IIPRC-L-08-MTC)
- Individual Term Life Insurance Policy Standards (IIPRC-L-04-I);
- Individual Single Premium Term Life Insurance Policy Standards (IIPRC-L-04-I-1);
- Individual Joint Last to Die Survivorship Term Life Insurance Policy Standards (IIPRC-L-04-I-2);
- Individual Single Premium Joint Last to Die Survivorship Term Life Insurance Policy Standards (IIPRC-L-04-I-3);
- Additional Standards for Additional Term Life Insurance Benefits (IIPRC-L-04-I-LB-ATL);
- Individual Whole Life Insurance Policy Standards (IIPRC-L-07-I);

- Individual Single Premium Whole Life Insurance Policy Standards (IIPRC-L-07-I-1);
- Individual Joint Last to Die Survivorship Whole Life Insurance Policy Standards (IIPRC-L-07-I-2);
- Individual Current Assumption Whole Life Insurance Policy Standards (IIPRC-L-07-I-5);
- Individual Single Premium Joint Last to Die Survivorship Whole Life Insurance Policy Standards (IIPRC-L-07-I-3);
- Individual Endowment Insurance Policy Standards (IIPRC-L-02-I);
- Individual Single Premium Endowment Insurance Policy Standards (IIPRC-L-02-I-1);
- Individual Joint Last to Die Survivorship Endowment Insurance Policy Standards (IIPRC-L-02-I-2);
- Individual Single Premium Joint Last to Die Survivorship Endowment Insurance Policy Standards (IIPRC-L-02-I-3);
- Individual Flexible Premium Variable Adjustable Life Insurance Policy Standards (IIPRC-L-06-I);
- Individual Modified Single Premium Variable Life Insurance Policy Standards (IIPRC-L-06-I-1);
- Individual Joint Last to Die Survivorship Flexible Premium Variable Adjustable Life Insurance Policy Standards (IIPRC-L-06-I-2)
- Individual Modified Single Premium Joint First to Die Variable Life Insurance Policy Standards (IIPRC-L-06-I-3);
- Individual Flexible Premium Adjustable Life (IIPRC-L-09-I);
- Individual Modified Single Premium Adjustable Life Insurance Policy Standards (IIPRC-L-09-I-1); and
- Individual Joint Last to Die Survivorship Flexible Premium Adjustable Life Insurance Policy Standards (IIPRC-L-09-I-2).