

Subscribed and sworn to  
before me this \_\_\_\_ day  
of \_\_\_\_\_, 20\_\_\_\_  
\_\_\_\_\_(L.S.)  
Vice President [or other authorized officer]

AUTHORITYNOTE: Promulgated in accordance with Act 342 of the 2004 Louisiana Regular Legislative Session; R.S. 22:39(D); and the Louisiana Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICALNOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 31:1095 (May 2005).

**§10511. Custodian Affidavit—Form C**

**CUSTODIAN AFFIDAVIT**

(For use where ownership is evidenced by book entry at a Federal Reserve Bank.)

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

\_\_\_\_\_, being  
duly sworn deposes and says that he or she is \_\_\_\_\_  
of \_\_\_\_\_,  
a corporation organized under and pursuant to the laws of the  
\_\_\_\_\_ with the principal place of  
business at \_\_\_\_\_  
(hereinafter called the "corporation"):

That his or her duties involve supervision of activities of the corporation as custodian and records relating thereto;

That the corporation is custodian for certain securities of \_\_\_\_\_ with a place of business at \_\_\_\_\_ (hereinafter called the "insurance company") pursuant to an agreement between the corporation and the insurance company;

That it has caused certain securities to be credited to its book entry account with the Federal Reserve Bank of \_\_\_\_\_ under the TRADES or Treasury Direct systems; and that the schedule attached hereto is a true and complete statement of the securities of the insurance company of which the corporation was custodian as of the close of business on \_\_\_\_\_, which were in a "general" book entry account maintained in the name of the corporation on the books and records of the Federal Reserve Bank of \_\_\_\_\_ at such date;

That the corporation has the responsibility for the safekeeping of such securities both in the possession of the corporation or in the "general" book entry account as is specifically set forth in the agreement between the corporation as custodian and the insurance company; and

That, to the best of his or her knowledge and belief, unless otherwise shown on the schedule, the securities were the property of the insurance company and were free of all liens, claims or encumbrances whatsoever.

Subscribed and sworn to  
before me this \_\_\_\_ day  
of \_\_\_\_\_, 20\_\_\_\_  
\_\_\_\_\_(L.S.)  
Vice President [or other authorized officer]

AUTHORITYNOTE: Promulgated in accordance with Act

342 of the 2004 Louisiana Regular Legislative Session; R.S. 22:39(D); and the Louisiana Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICALNOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 31:1095 (May 2005).

**Chapter 107. Regulation Number  
84—Recognition and Use of the 2001  
CSO Mortality Table in Determining  
Minimum Reserve Liabilities and  
Nonforfeiture Benefits**

**§10701. Authority**

A. This regulation is promulgated by the commissioner of insurance pursuant to authority granted under the Louisiana Insurance Code, Title 22, §22:1 et seq., particularly the Standard Valuation Law, see Title 22, §753 and the Standard Nonforfeiture Law for Life Insurance, see Title 22 §936.

AUTHORITYNOTE: Promulgated in accordance with R.S.22:11, 22:753, 22:936 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICALNOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 31:2541 (October 2005), amended LR 48:2296 (September 2022).

**§10703. Purpose**

A. The purpose of this regulation is to recognize, permit and prescribe the use of the applicable Commissioners Standard Ordinary (CSO) Mortality Table in accordance with R.S. 22:753 (the Standard Valuation Law for Life Insurance), R.S. 22:936 (the Standard Nonforfeiture Law for Life Insurance) and Sections 10909.A and Sections 10909.B of Regulation 85.

AUTHORITYNOTE: Promulgated in accordance with R.S.22:11, 22:753, 22:936 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICALNOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 31:2541 (October 2005), amended LR 48:2296 (September 2022).

**§10705. Definitions**

*2001 CSO Mortality Table*—that mortality table, consisting of separate rates of mortality for male and female lives, developed by the American Academy of Actuaries CSO Task Force from the Valuation Basic Mortality Table developed by the Society of Actuaries Individual Life Insurance Valuation Mortality Task Force, and adopted by the NAIC in December 2002. The 2001 CSO Mortality Table is included in the *Proceedings of the NAIC (2nd Quarter 2002)*. Unless the context indicates otherwise, the "2001 CSO Mortality Table" includes both the ultimate form of that table and the select and ultimate form of that table and includes both the smoker and nonsmoker mortality tables and the composite mortality tables. It also includes both the age-nearest-birthday and age-last-birthday bases of the mortality tables.

*2001 CSO Mortality Table (F)*—that mortality table consisting of the rates of mortality for female lives from the

2001 CSO Mortality Table.

*2001 CSO Mortality Table (M)*—that mortality table consisting of the rates of mortality for male lives from the 2001 CSO Mortality Table.

*Composite Mortality Tables*—mortality tables with rates of mortality that do not distinguish between smokers and nonsmokers.

*Smoker and Nonsmoker Mortality Tables*—mortality tables with separate rates of mortality for smokers and nonsmokers.

*Valuation Manual*—manual of valuation instructions as adopted by NAIC that sets forth the minimum reserve and related requirements for jurisdictions where the Standard Valuation Law or legislation including substantially similar terms and provisions has been enacted. The purpose of the VM-20 is to assign the appropriate CSO mortality table and interest rate for use in determining the minimum nonforfeiture standard for life insurance policies issued on or after the operative date of the applicable *Valuation Manual* as authorized and superseded by applicable state requirements.

AUTHORITYNOTE: Promulgated in accordance with R.S.22:11, 22:753, 22:936 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICALNOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 31:2541 (October 2005), amended LR 48:2296 (September 2022).

#### **§10707. CSO Mortality Tables**

A. At the election of the company for any one or more specified plans of insurance and subject to the conditions stated in this regulation, the 2001 CSO Mortality Table may be used as the minimum standard for policies issued on or after January 1, 2005 and before the date specified in Subsection B to which R.S. 22:753, R.S. 22:936 and Sections 10909.A and B of Regulation 85 are applicable. If the company elects to use the 2001 CSO Mortality Table, it shall do so for both valuation and nonforfeiture purposes. Notwithstanding the preceding, the commissioner may specify restrictions on the use of this table for certain categories of life insurance for which the use of this table's mortality assumption is not representative of the business' underlying mortality experience.

B. Subject to the conditions stated in this regulation, the 2001 CSO Mortality Table shall be used in determining minimum standards for policies issued January 1, 2009 through December 31, 2016, to which R.S. 22:753, R.S. 22:936 and Sections 10909.A and B of Regulation 85 are applicable.

C. Subject to the conditions stated in this regulation, either the 2001 CSO Mortality Table or the 2017 CSO Mortality Table may be used in determining the minimum standards for policies issued January 1, 2017 through December 31, 2019, to which R.S. 22:753, R.S. 22:936 and Sections 10909.A and B of Regulation 85 are applicable.

D. Subject to the conditions stated in this regulation, minimum standards for policies issued on or after January 1, 2020 shall be determined using the mortality table in the

Valuation Manual adopted by the NAIC at the time of issuance of the policy.

AUTHORITYNOTE: Promulgated in accordance with R.S.22:11, 22:753, 22:936 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICALNOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 31:2542 (October 2005), amended LR 48:2296 (September 2022).

#### **§10709. Conditions**

A. For each plan of insurance with separate rates for smokers and nonsmokers an insurer may use:

1. composite mortality tables to determine minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits;

2. smoker and nonsmoker mortality tables to determine the valuation net premiums and additional minimum reserves, if any, required by R.S. 22:753 and use composite mortality tables to determine the basic minimum reserves, minimum cash surrender values and amounts of paid-up nonforfeiture benefits; or

3. smoker and nonsmoker mortality to determine minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits.

B. For plans of insurance without separate rates for smokers and nonsmokers the composite mortality tables shall be used.

C. For the purpose of determining minimum reserve liabilities and minimum cash surrender values and amounts of paid-up nonforfeiture benefits, the 2001 CSO Mortality Table, or its successor table adopted by the NAIC and detailed in VM-20, may, at the option of the company for each plan of insurance, be used in its ultimate or select and ultimate form, subject to the restrictions of Section 10911 of Regulation 85 relative to use of the select and ultimate form.

D. When the 2001 CSO Mortality Table, or its successor table adopted by the NAIC and detailed in VM-20, is the minimum reserve standard for any plan for a company, the actuarial opinion in the annual statement filed with the commissioner shall be based on an asset adequacy analysis as specified in §2109.A.1 of Regulation 47 of the Louisiana Insurance Regulations. A commissioner may exempt a company from this requirement if it only does business in this state and in no other state.

AUTHORITYNOTE: Promulgated in accordance with R.S.22:11, 22:753, 22:936 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICALNOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 31:2542 (October 2005), amended LR 48:2296 (September 2022).

#### **§10711. Applicability of the 2001 CSO Mortality Table or Its Successor Table to Regulation 85**

A. The 2001 CSO Mortality Table, or its successor table adopted by the NAIC and detailed in VM-20, may be used in applying Regulation 85 in the following manner, subject to the transition dates for use of the 2001 CSO Mortality Table,

or its successor table adopted by the NAIC and detailed in VM-20, in §10707 of this regulation.

1. Section 10905.A.(2).(b). The net level reserve premium is based on the ultimate mortality rates in the 2001 CSO Mortality Table, or its successor table adopted by the NAIC and detailed in VM-20.

2. Section 10907. All calculations are made using the 2001 CSO Mortality Table, or its successor table adopted by the NAIC and detailed in VM-20, and, if elected, the optional minimum mortality standard for deficiency reserves stipulated in §10909.B of this regulation. The value of " $qx+k+t+1$ " is the valuation mortality rate for deficiency reserves in policy year  $k+t$ , using the unmodified select mortality rates if modified select mortality rates are used in the computation of deficiency reserves.

3. Section 10909.A. The 2001 CSO Mortality Table, or its successor table adopted by the NAIC and detailed in VM-20, is the minimum standard for basic reserves.

4. Section 10909.B. The 2001 CSO Mortality Table, or its successor table adopted by the NAIC and detailed in VM-20, is the minimum standard for deficiency reserves. If select mortality rates are used, they may be multiplied by X percent for durations in the first segment, subject to the conditions specified in §10909.B.3.a. through i. In demonstrating compliance with those conditions, the demonstrations may not combine the results of tests that utilize the 1980 CSO Mortality Table with those tests that utilize the 2001 CSO Mortality Table, or its successor table adopted by the NAIC and detailed in VM-20, unless the combination is explicitly required by regulation or necessary to be in compliance with relevant actuarial standards of practice.

5. Section 10911.C. The valuation mortality table used in determining the tabular cost of insurance shall be the ultimate mortality rates in the 2001 CSO Mortality Table, or its successor table adopted by the NAIC and detailed in VM-20.

6. Section 10911.E.4. The calculations specified in §10911.E shall use the ultimate mortality rates in the 2001 CSO Mortality Table or its successor table adopted by the NAIC and detailed in VM-20.

7. Section 10911.F.4. The calculations specified in §10911.F shall use the ultimate mortality rates in the 2001 CSO Mortality Table or its successor table adopted by the NAIC and detailed in VM-20.

8. Section 10911.G.2. The calculations specified in §10911.G shall use the ultimate mortality rates in the 2001 CSO Mortality Table or its successor table adopted by the NAIC and detailed in VM-20.

9. Section 10913.A.1.b. The one-year valuation premium shall be calculated using the ultimate mortality rates in the 2001 CSO Mortality Table or its successor table adopted by the NAIC and detailed in VM-20.

B. Nothing in this Section shall be construed to expand the applicability of Regulation 85 to include life insurance

policies exempted under §10905.A of Regulation 85.

AUTHORITYNOTE: Promulgated in accordance with R.S.22:11, 22:753, 22:936 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICALNOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 31:2542 (October 2005), amended LR 48:2297 (September 2022).

### §10713. Gender-Blended Tables

A. For any ordinary life insurance policy delivered or issued for delivery in this state on and after January 1, 2005, through December 31, 2016, that utilizes the same premium rates and charges for male and female lives or is issued in circumstances where applicable law does not permit distinctions on the basis of gender, a mortality table that is a blend of the 2001 CSO Mortality Table (M) and the 2001 CSO Mortality Table (F) may, at the option of the company for each plan of insurance, be substituted for the 2001 CSO Mortality Table for use in determining minimum cash surrender values and amounts of paid-up nonforfeiture benefits. No change in minimum valuation standards is implied by this Subsection of the regulation.

B. For any ordinary life insurance policy delivered or issued for delivery in this state on and after January 1, 2017, until the operative date of VM-20 as established by the NAIC, that utilizes the same premium rates and charges for male and female lives or is issued in circumstances where applicable law does not permit distinctions on the basis of gender, a mortality table that is a blend of the 2017 CSO Mortality Table (M) and the 2017 CSO Mortality Table (F) may, at the option of the company for each plan of insurance, be substituted for the 2017 CSO Mortality Table for use in determining minimum cash surrender values and amounts of paid-up nonforfeiture benefits. No change in minimum valuation standards is implied by this Subsection of the regulation.

C. For any ordinary life insurance policy delivered or issued for delivery in this state on and after the operative date of VM-20 as established by the NAIC, that utilizes the same premium rates and charges for male and female lives or is issued in circumstances where applicable law does not permit distinctions on the basis of gender, a mortality table that is prescribed in VM-20 that is a blend of the prescribed mortality tables male and female rates may, at the option of the company for each plan of insurance, be substituted for the prescribed mortality table for use in determining minimum cash surrender values and amounts of paid-up nonforfeiture benefits. No change in minimum valuation standards is implied by this Subsection of the regulation.

D. The company may choose from among the blended tables developed by the American Academy of Actuaries CSO Task Force and adopted by the NAIC in December 2002.

E. It shall not, in and of itself, be a violation of R.S. 22:1211 et seq. for an insurer to issue the same kind of policy of life insurance on both a sex-distinct and sex-neutral basis.

AUTHORITYNOTE: Promulgated in accordance with

R.S.22:11, 22:753, 22:936 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 31:2543 (October 2005), amended LR 48:2297 (September 2022).

#### §10715. Separability

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

AUTHORITY NOTE: Promulgated in accordance with R.S.22:3, 22:163, 22:168 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 31:2543 (October 2005).

#### §10717. Effective Date

A. This regulation shall take effect upon final publication in the *Louisiana Register*.

AUTHORITY NOTE: Promulgated in accordance with R.S.22:11, 22:753, 22:936 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 31:2543 (October 2005), amended LR 48:2298 (September 2022).

## Chapter 109. Regulation Number 85—Valuation of Life Insurance Policies

#### §10901. Purpose

A. The purpose of this regulation is to provide:

1. tables of select mortality factors and rules for their use;
2. rules concerning a minimum standard for the valuation of plans with nonlevel premiums or benefits; and
3. rules concerning a minimum standard for the valuation of plans with secondary guarantees.

B. The method for calculating basic reserves defined in this regulation will constitute the commissioners' reserve valuation method for policies to which this regulation is applicable.

AUTHORITY NOTE: Promulgated in accordance with R.S.22:3, 22:163, 22:168 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 31:2550 (October 2005).

#### §10903. Authority

A. This regulation is promulgated by the commissioner of insurance pursuant to authority granted under the Louisiana Insurance Code, Title 22, Section 22:1 et seq., particularly the Standard Valuation Law, see Title 22, §163.B.1.a and the Standard Nonforfeiture Law for Life Insurance, see Title 22 §168.G(8)(f).

AUTHORITY NOTE: Promulgated in accordance with R.S.22:3, 22:163, 22:168 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 31:2550 (October 2005).

#### §10905. Applicability

A. This regulation shall apply to all life insurance policies, with or without nonforfeiture values, issued on or after the effective date of this regulation, subject to the following exceptions and conditions.

##### 1. Exceptions

a. This regulation shall not apply to any individual life insurance policy issued on or after the effective date of this regulation if the policy is issued in accordance with and as a result of the exercise of a reentry provision contained in the original life insurance policy of the same or greater face amount, issued before the effective date of this regulation, that guarantees the premium rates of the new policy. This regulation also shall not apply to subsequent policies issued as a result of the exercise of such a provision, or a derivation of the provision, in the new policy.

b. This regulation shall not apply to any universal life policy that meets all the following requirements:

- i. secondary guarantee period, if any, is five years or less;
- ii. specified premium for the secondary guarantee period is not less than the net level reserve premium for the secondary guarantee period based on the *CSO valuation tables* as defined in §10907 and the applicable valuation interest rate; and
- iii. the initial surrender charge is not less than 100 percent of the first year annualized specified premium for the secondary guarantee period.

c. This regulation shall not apply to any variable life insurance policy that provides for life insurance, the amount or duration of which varies according to the investment experience of any separate account or accounts.

d. This regulation shall not apply to any variable universal life insurance policy that provides for life insurance, the amount or duration of which varies according to the investment experience of any separate account or accounts.

e. This regulation shall not apply to a group life insurance certificate unless the certificate provides for a stated or implied schedule of maximum gross premiums required in order to continue coverage in force for a period in excess of one year.

##### 2. Conditions

a. Calculation of the minimum valuation standard for policies with guaranteed nonlevel gross premiums or guaranteed nonlevel benefits (other than universal life policies), or both, shall be in accordance with the provisions of §10911.

b. Calculation of the minimum valuation standard for flexible premium and fixed premium universal life insurance policies, that contain provisions resulting in the