

**WEST VIRGINIA**  
**SECRETARY OF STATE**  
KEN HECHLER  
**ADMINISTRATIVE LAW DIVISION**

Form #6

DO NOT MARK IN THIS BOX

**FILED**

APR 2 4 03 PM '96

OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

**NOTICE OF FINAL FILING AND ADOPTION OF A LEGISLATIVE RULE AUTHORIZED  
BY THE WEST VIRGINIA LEGISLATURE.**

AGENCY: Insurance Commissioner TITLE NUMBER: 114

AMENDMENT TO AN EXISTING RULE: YES , NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED: \_\_\_\_\_

TITLE OF RULE BEING AMENDED: \_\_\_\_\_

IF NO, SERIES NUMBER OF NEW RULE BEING PROPOSED: Series 45

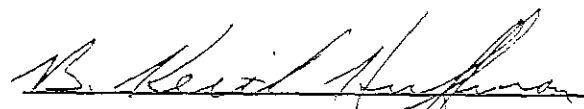
TITLE OF RULE BEING PROPOSED: Recognizing Annuity Mortality Tables  
for use in Determining Reserve Liability

THE ABOVE RULE HAS BEEN AUTHORIZED BY THE WEST VIRGINIA LEGISLATURE.

AUTHORIZATION IS CITED IN (house or senate bill number) SB 171

SECTION 64-7-3 (e), PASSED ON March 7, 1996

THIS RULE IS FILED WITH THE SECRETARY OF STATE. THIS RULE BECOMES EFFECTIVE ON  
THE FOLLOWING DATE: April 2, 1996

  
AUTHORIZED SIGNATURE

## PROMULGATION HISTORY

**West Virginia Insurance Commission  
Recognizing Annuity Mortality Tables for Use in Determining  
Reserve Liabilities for Annuities  
Title 114, Series 45**

6/27/95	Notice of Comment Period Filed
7/27/95	Last Date Comments Were Received
7/28/95	Agency Approved Legislative Rule Filed
10/26/95	Date Reviewed by Legislative Rule-Making Review Committee
11/27/95	Date Modified and Approved Rule Filed
4/02/96	Filing Date
4/02/96	Effective Date

114CSR45

TITLE 114  
LEGISLATIVE RULE  
INSURANCE COMMISSIONER

SERIES 45  
RECOGNIZING ANNUITY MORTALITY TABLES  
FOR USE IN DETERMINING RESERVE LIABILITIES FOR ANNUITIES

Section

- 114-45-1. Authority
- 114-45-2. Purpose
- 113-45-3. Definitions
- 114-45-4. Individual Annuity or Pure Endowment Contracts
- 114-45-5. Group Annuity or Pure Endowment Contracts

114CSR45

TITLE 114  
LEGISLATIVE RULE  
INSURANCE COMMISSIONER

SERIES 45  
RECOGNIZING ANNUITY MORTALITY TABLES  
FOR USE IN DETERMINING RESERVE LIABILITIES FOR ANNUITIES

§ 114-45-1. Authority.

This Legislative rule applies to all life insurance companies and fraternal benefit societies doing business in this State and to all life insurance companies and fraternal benefit societies which are authorized to reinsure life insurance, annuities or accident and health insurance business in this State.

1.2. Authority. -- West Virginia Code §§ 33-2-10 and 33-7-9(e)(2), (3) and (5).

1.3. Filing Date. --

1.4. Effective Date. --

§ 114-45-2. Purpose.

The purpose of this rule is to recognize two mortality tables, the 1983 table "a" and the 1983 GAM (Group Annuity Mortality) table, for use in determining the minimum standard of valuation for annuity and pure endowment contracts.

§ 114-45-3. Definitions.

3.1. 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.

Insurance Commissioner  
Legislative Rule  
Title 114, Series

3.2. As used in this rule "1983 GAM Table" means that mortality table developed by the Society of Actuaries Committee on annuities and adopted as a recognized mortality table for annuities in December 1983 by the National Association of Insurance Commissioners.

§ 114-45-4. Individual Annuity or Pure Endowment Contracts.

4.1. The 1983 table "a" is recognized and approved as an individual annuity mortality table for valuation and, at the option of the life insurance company or fraternal benefit society, may be used for purposes of determining the minimum standard of valuation for any individual annuity or pure endowment contract issued on or after April 6, 1977.

4.2. The 1983 table "a" shall be used for determining the minimum standard of valuation for any individual annuity or pure endowment contract issued on or after January 1, 1997.

§ 114-45-5. Group Annuity or Pure Endowment Contracts.

5.1. The 1983 GAM table and the 1983 table "a" are recognized and approved as group annuity mortality tables for valuation and, at the option of the life insurance company or fraternal benefit society, either table may be used for purposes of valuation for any annuity or pure endowment purchased on or after April 6, 1977 under a group annuity or pure endowment contract.

5.2. The 1983 GAM table shall be used for determining the minimum standard of valuation for any annuity or pure endowment purchased on or after January 1, 1997 under a group annuity or pure endowment contract.



STATE OF WEST VIRGINIA  
Offices of the Insurance Commissioner

Legal Division

GASTON CAPERTON  
Governor

HANLEY C. CLARK  
Insurance Commissioner

April 2, 1996

HAND DELIVERED

Ms. Judy Cooper, Director  
Administrative Law Division  
Office of Secretary of State  
State Capitol  
Charleston, West Virginia 25305

Dear Ms. Cooper:

Attached for filing with your office is the "final filing" form for the rule Series 45 titled "Recognizing Annuity Mortality Tables for Use in Determining Reserve Liabilities for Annuities." This rule was authorized in Senate Bill 171 and passed by the Legislature on March 7, 1996.

We are also providing your office with a computer disk containing the aforementioned rule and a hard copy of the promulgation history of that rule. The filing date and effective date have already been inserted onto the computer disk.

If you have any questions about the enclosed forms or the computer disk, please do not hesitate to call me.

Sincerely,

A handwritten signature in cursive script that reads "B. Keith Huffman".

B. Keith Huffman  
General Counsel

BKH/sar  
Attachment

1926

H. B. 4261

(By Delegates Douglas, Gallagher, Faircloth, Compton,  
Linch and Riggs )

(Introduced January 29, 1996 ; referred to the  
Committee on Banking and Insurance then the Judiciary.)

114-45

A BILL to amend and reenact section four, article seven,  
chapter sixty-four of the code of West Virginia, one  
thousand nine hundred thirty-one, as amended, relating  
to authorizing the insurance commissioner to  
promulgate legislative rules relating to recognizing  
mortality tables for use in determining reserve  
liability for annuities.

Be it enacted by the Legislature of West Virginia:

That section four, article seven, chapter sixty-four  
of the code of West Virginia, one thousand nine hundred  
thirty-one, as amended, be amended and reenacted, to read  
as follows:

**ARTICLE 7. AUTHORIZATION FOR DEPARTMENT OF TAX AND REVENUE**

**TO PROMULGATE LEGISLATIVE RULES.**

**§64-7-4. Insurance commissioner.**

4261

1           (a) The legislative rules filed in the state register  
2 on the seventeenth day of August, one thousand nine hundred  
3 ninety-three, authorized under the authority of sections  
4 four and five, article twenty-eight, chapter thirty-three,  
5 of this code, modified by the insurance commissioner to  
6 meet the objections of the legislative rule-making review  
7 committee and refiled in the state register on the  
8 seventeenth day of June, one thousand nine hundred  
9 ninety-four, relating to the insurance commissioner  
10 (individual accident and sickness insurance minimum  
11 standards, 114 CSR 12), are authorized.

12           (b) The legislative rules filed in the state register  
13 on the fifteenth day of August, one thousand nine hundred  
14 ninety-four, authorized under the authority of section ten,  
15 article two, chapter thirty-three, of this code, modified  
16 by the insurance commissioner to meet the objections of the  
17 legislative rule-making review committee and refiled in the  
18 state register on the twenty-eighth day of November, one  
19 thousand nine hundred ninety-four, relating to the  
20 insurance commissioner (regulation of credit life insurance  
21 and credit accident and sickness insurance, 114 CSR 6), are  
22 authorized.

23           (c) The legislative rules filed in the state register  
24 on the twelfth day of August, one thousand nine hundred

1 ninety-four, authorized under the authority of section ten,  
2 article two, chapter thirty-three, of this code, modified  
3 by the insurance commissioner to meet the objections of the  
4 legislative rule-making review committee and refiled in the  
5 state register on the twenty-third day of November, one  
6 thousand nine hundred ninety-four, relating to the  
7 insurance commissioner (credit for reinsurance, 114 CSR  
8 40), are authorized.

9 (d) The legislative rules filed in the state register  
10 on the twenty-eighth day of July, one thousand nine hundred  
11 ninety-five, authorized under the authority of section  
12 nine, article seven, chapter thirty-three, of this code,  
13 modified by the insurance commissioner to meet the  
14 objections of the legislative rule-making review committee  
15 and refiled in the state register on the twenty-seventh day  
16 of November, one thousand nine hundred ninety-five,  
17 relating to the insurance commissioner (recognizing  
18 mortality tables for use in determining reserve liability  
19 for annuities, 114 CSR 45), are authorized.

20

21 NOTE: The purpose of this bill is to authorize the  
22 Insurance Commissioner to promulgate legislative rules  
23 relating to recognizing mortality tables for use in  
24 determining reserve liability for annuities.

25

26 Strike-throughs indicate language that would be  
27 stricken from the present law, and underscoring indicates  
28 new language that would be added.

1  
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9

SENATE BILL NO. 191

(By Senators Ross, Anderson, Boley,  
Buckalew, Grubb and Macnaughtan)

[Introduced January 29, 1996; referred  
to the Committee on

BANKING AND INSURANCE

THE JUDICIARY

114-45

10 A BILL to amend and reenact section four, article seven,  
11 chapter sixty-four of the code of West Virginia, one  
12 thousand nine hundred thirty-one, as amended, relating  
13 to authorizing the insurance commissioner to  
14 promulgate legislative rules relating to recognizing  
15 mortality tables for use in determining reserve  
16 liability for annuities.

17 Be it enacted by the Legislature of West Virginia:

18 That section four, article seven, chapter sixty-four  
19 of the code of West Virginia, one thousand nine hundred  
20 thirty-one, as amended, be amended and reenacted, to read  
21 as follows:

22 **ARTICLE 7. AUTHORIZATION FOR DEPARTMENT OF TAX AND REVENUE**  
23 **TO PROMULGATE LEGISLATIVE RULES.**

24 **§64-7-4. Insurance commissioner.**

1           (a) The legislative rules filed in the state register  
2 on the seventeenth day of August, one thousand nine hundred  
3 ninety-three, authorized under the authority of sections  
4 four and five, article twenty-eight, chapter thirty-three,  
5 of this code, modified by the insurance commissioner to  
6 meet the objections of the legislative rule-making review  
7 committee and refiled in the state register on the  
8 seventeenth day of June, one thousand nine hundred  
9 ninety-four, relating to the insurance commissioner  
10 (individual accident and sickness insurance minimum  
11 standards, 114 CSR 12), are authorized.

12           (b) The legislative rules filed in the state register  
13 on the fifteenth day of August, one thousand nine hundred  
14 ninety-four, authorized under the authority of section ten,  
15 article two, chapter thirty-three, of this code, modified  
16 by the insurance commissioner to meet the objections of the  
17 legislative rule-making review committee and refiled in the  
18 state register on the twenty-eighth day of November, one  
19 thousand nine hundred ninety-four, relating to the  
20 insurance commissioner (regulation of credit life insurance  
21 and credit accident and sickness insurance, 114 CSR 6), are  
22 authorized.

23           (c) The legislative rules filed in the state register  
24 on the twelfth day of August, one thousand nine hundred

1 ninety-four, authorized under the authority of section ten,  
2 article two, chapter thirty-three, of this code, modified  
3 by the insurance commissioner to meet the objections of the  
4 legislative rule-making review committee and refiled in the  
5 state register on the twenty-third day of November, one  
6 thousand nine hundred ninety-four, relating to the  
7 insurance commissioner (credit for reinsurance, 114 CSR  
8 40), are authorized.

9 (d) The legislative rules filed in the state register  
10 on the twenty-eighth day of July, one thousand nine hundred  
11 ninety-five, authorized under the authority of section  
12 nine, article seven, chapter thirty-three, of this code,  
13 modified by the insurance commissioner to meet the  
14 objections of the legislative rule-making review committee  
15 and refiled in the state register on the twenty-seventh day  
16 of November, one thousand nine hundred ninety-five,  
17 relating to the insurance commissioner (recognizing  
18 mortality tables for use in determining reserve liability  
19 for annuities, 114 CSR 45), are authorized.

20

21 - NOTE: The purpose of this bill is to authorize the  
22 Insurance Commissioner to promulgate legislative rules  
23 relating to recognizing mortality tables for use in  
24 determining reserve liability for annuities.

25

26 Strike-throughs indicate language that would be  
27 stricken from the present law, and underscoring indicates  
28 new language that would be added.

KEN HECHLER  
Secretary of State

MARY P. RATLIFF  
Deputy Secretary of State

STEPHEN N. REED  
Deputy Secretary of State

CATHERINE FREROTTE  
Executive Assistant

Telephone: (304) 558-6000  
Corporations: (304) 558-8000  
FAX: (304) 558-0900



WILLIAM H. HARRINGTON  
Chief of Staff

JUDY COOPER  
Director, Administrative Law

PENNEY BARKER  
Supervisor, Corporations

STATE OF WEST VIRGINIA

SECRETARY OF STATE

Building 1, Suite 157-K  
1900 Kanawha Blvd., East  
Charleston, WV 25305-0770

(Plus all the volunteer help we can get)

RECEIVED

APR 23 1996

LEGAL DIVISION  
W. VA. INS. DEPT

TO: Donna Ouensebery

AGENCY: Insurance Commission

FROM: JUDY COOPER, DIRECTOR, ADMINISTRATIVE LAW DIVISION

DATE: April 19, 1996

THE ATTACHED RULE FILED BY YOUR AGENCY HAS BEEN ENTERED INTO OUR COMPUTER SYSTEM. PLEASE REVIEW, PROOF AND RETURN IT WITH ANY CORRECTIONS. IF THERE ARE NO CORRECTIONS, PLEASE SIGN THIS MEMO AND RETURN IT TO THIS OFFICE. YOU WILL BE SENT A FINAL VERSION OF THE RULE FOR YOUR RECORDS.

PLEASE RETURN EITHER THE CORRECTED RULE OR THIS FORM WITHIN TEN (10) WORKING DAYS OF THE DATE YOU RECEIVED THIS REQUEST. CALL IF YOU HAVE ANY QUESTIONS.

SERIES: 45 TITLE: 114 Insurance Commission

\* THE ATTACHED RULE HAS BEEN REVIEWED AND IS CORRECT.

SIGNED: \_\_\_\_\_

TITLE OF PERSON SIGNING: \_\_\_\_\_

DATE: \_\_\_\_\_

OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

MAY 13 2 42 PM 1996

FILED

\*\*\*\*\*

\* THE ATTACHED RULE HAS BEEN REVIEWED AND NEEDS CORRECTING. THE CORRECTIONS HAVE BEEN MARKED.

SIGNED: Donna Ouensebery

TITLE OF PERSON SIGNING: Associate Counsel

DATE: 5/10/96

NOTE: IF YOU ARE NOT THE PERSON WHO HANDLES THIS RULE, PLEASE FORWARD TO THE CORRECT PERSON.



KEN HECHLER  
Secretary of State

MARY P. RATLIFF  
Deputy Secretary of State

STEPHEN N. REED  
Deputy Secretary of State

CATHERINE FREROTTE  
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Supervisor, Corporations

## STATE OF WEST VIRGINIA

### SECRETARY OF STATE

Building 1, Suite 157-K  
1900 Kanawha Blvd., East  
Charleston, WV 25305-0770

(Plus all the volunteer  
help we can get)

March 12, 1996

Donna S Quesenberry  
Insurance  
PO Box 50540  
2019 Washington Street East  
Charleston, WV 25305-0540

**SB 171 authorizing, Title 114, Series 45, Recognizing Mortality Tables for use in Determining Reserve Liability for Annuities** passed the Legislature on **March 7, 1996**. It is now awaiting the Governor's signature.

You have sixty (60) days after the Governor signs **SB 171** to final file the legislative rule with the Secretary of State's office. To final file your legislative rule, fill in the blanks on the enclosed form #6, the "Final Filing" form and file the form with our office with a promulgation history of the rule. Authorization for your legislative rule is cited in **SB 171 Section 64-7-3(e)**. The agency may set the effective date of the legislative rule up to ninety (90) days from the date the legislative rule is final filed with the Secretary of State's office. Please have an authorized signature on the bottom line.

**\*\*\*IMPORTANT: IF YOUR AGENCY HAS COMPLETED THE LEGISLATIVE RULE ON A WORD PERFECT OR WORD PERFECT COMPATIBLE COMPUTER SYSTEM THAT USES A 3 1/2" DISK, YOU MUST SUBMIT A CLEAN COPY WITH ALL UNDERLINING AND STRIKE-THROUGHS, HEADERS OR FOOTERS REMOVED, TO OUR OFFICE WHEN FINAL FILING THE RULE. REMEMBER, THE TEXT OF THE COMPUTER FILED RULE MUST BE IDENTICAL - WORD FOR WORD, COMMA FOR COMMA, WITH ALL UNDERLINING, STRIKE-THROUGHS, HEADERS OR FOOTERS REMOVED, AS THE HARD COPY AUTHORIZED BY THE LEGISLATURE. NOTICE: ALL ELECTRONIC FILINGS NOT COMPLYING WITH THIS WILL BE REJECTED AND SENT BACK TO THE AGENCY TO BE RESUBMITTED!**

After the final rule is entered into the data base, the rule will be sent back to the agency for review and proofing. The agency has ten (10) working days to send a confirmation or corrections to the Secretary of States. If the agency fails to return this within ten (10) working days, the rule will be filed in the data base with a disclaimer attached stating that the agency failed to review the rule. Following confirmation, corrections or failure to review, as the case may be, the Secretary of State shall submit to the agency a final version of the rule for their records.

If you have any questions or need any assistance, please do not hesitate to contact our office.

Thank you,  
Administrative Law Division