

1.1 **Department of Commerce**

1.2 **Adopted Permanent Rules Governing Annuity Mortality Tables**

1.3 **2752.0010 DEFINITIONS.**

1.4 Subpart 1. **Terms.** For purposes of this chapter, the terms in this part have the
1.5 meanings given them.

1.6 Subp. 2. **1983 Table "a."** "1983 Table 'a'" means the mortality table developed by
1.7 the Society of Actuaries Committee to Recommend a New Mortality Basis for Individual
1.8 Annuity Valuation, adopted as a recognized mortality table for annuities in June 1982 by
1.9 the National Association of Insurance Commissioners, and published on page 454, NAIC
1.10 Proceedings, Volume II, 1982.

1.11 Subp. 3. **1983 GAM Table.** "1983 GAM Table" means the mortality table
1.12 developed by the Society of Actuaries Committee on Annuities, adopted as a recognized
1.13 mortality table for annuities in December 1983 by the National Association of Insurance
1.14 Commissioners, and published on pages 414-415, NAIC Proceedings, Volume I, 1984.

1.15 Subp. 4. **1994 GAR Table.** "1994 GAR Table" means the mortality table developed
1.16 by the Society of Actuaries Group Annuity Valuation Table Task Force, adopted as a
1.17 recognized mortality table for annuities in December 1996 by the National Association of
1.18 Insurance Commissioners, and published on pages 866-867, Transactions of the Society of
1.19 Actuaries, Volume XLVII, 1995.

1.20 Subp. 5. **Annuity 2000 Mortality Table.** "Annuity 2000 Mortality Table" means
1.21 the mortality table developed by the Society of Actuaries Committee on Life Insurance
1.22 Research, adopted as a recognized mortality table for annuities in December 1996 by
1.23 the National Association of Insurance Commissioners, and published on page 240,
1.24 Transactions of the Society of Actuaries, Volume XLVII, 1995.

2.1 Subp. 6. **Generational Mortality Table.** "Generational Mortality Table" means a
2.2 mortality table containing a set of mortality rates that decrease for a given age from one
2.3 year to the next based on a combination of a Period Table and a projection scale containing
2.4 rates of mortality improvement.

2.5 Subp. 7. **Period Table.** "Period Table" means a table of mortality rates applicable to
2.6 a given calendar year (the Period).

2.7 Subp. 8. **2012 Individual Annuity Reserving (IAR) Table.** "2012 Individual
2.8 Annuity Reserving (IAR) Table" means the Generational Mortality Table developed by
2.9 the Society of Actuaries Committee on Life Insurance Research, adopted as a recognized
2.10 mortality table for annuities in December 2012 by the National Association of Insurance
2.11 Commissioners, and containing rates, q_x^{2012+n} , derived from a combination of the 2012 IAM
2.12 Period Table and Projection Scale G2, using the methodology stated in part 2752.0025.

2.13 Subp. 9. **2012 Individual Annuity Mortality Period Life (2012 IAM Period)**
2.14 **Table.** "2012 Individual Annuity Mortality Period Life (2012 IAM Period) Table" means
2.15 the Period Table containing loaded mortality rates for calendar year 2012. This table
2.16 contains rates, q_x^{2012} , developed by the Society of Actuaries Committee on Life Insurance
2.17 Research, was adopted as a recognized mortality table for annuities in December 2012 by
2.18 the National Association of Insurance Commissioners, and is shown in parts 2752.0011
2.19 and 2752.0012, Tables 1 and 2.

2.20 Subp. 10. **Projection Scale G2 (Scale G2).** "Projection Scale G2 (Scale G2)" is a
2.21 table of annual rates, $G2_x$, of mortality improvement by age for projecting future mortality
2.22 rates beyond calendar year 2012. This table was developed by the Society of Actuaries
2.23 Committee on Life Insurance Research, was adopted as a recognized table of mortality
2.24 improvement rates for annuities in December 2012 by the National Association of
2.25 Insurance Commissioners, and is shown in parts 2752.0013 and 2752.0014, Tables 3 and 4.

3.1 **2752.0011 2012 INDIVIDUAL ANNUITY MORTALITY PERIOD LIFE; FEMALE.**

3.2

Table 1

3.3

2012 IAM Period Table

3.4

Female, Age Nearest Birthday

3.5	AGE	$1000 \cdot q_x^{2012}$	AGE	$1000 \cdot q_x^{2012}$	AGE	$1000 \cdot q_x^{2012}$	AGE	$1000 \cdot q_x^{2012}$
3.6	0	1.621	30	0.300	60	3.460	90	88.377
3.7	1	0.405	31	0.321	61	3.916	91	97.491
3.8	2	0.259	32	0.338	62	4.409	92	107.269
3.9	3	0.179	33	0.351	63	4.933	93	118.201
3.10	4	0.137	34	0.365	64	5.507	94	130.969
3.11	5	0.125	35	0.381	65	6.146	95	146.449
3.12	6	0.117	36	0.402	66	6.551	96	163.908
3.13	7	0.110	37	0.429	67	7.039	97	179.695
3.14	8	0.095	38	0.463	68	7.628	98	196.151
3.15	9	0.088	39	0.504	69	8.311	99	213.150
3.16	10	0.085	40	0.552	70	9.074	100	230.722
3.17	11	0.086	41	0.600	71	9.910	101	251.505
3.18	12	0.094	42	0.650	72	10.827	102	273.007
3.19	13	0.108	43	0.697	73	11.839	103	295.086
3.20	14	0.131	44	0.740	74	12.974	104	317.591
3.21	15	0.156	45	0.780	75	14.282	105	340.362
3.22	16	0.179	46	0.825	76	15.799	106	362.371
3.23	17	0.198	47	0.885	77	17.550	107	384.113
3.24	18	0.211	48	0.964	78	19.582	108	400.000
3.25	19	0.221	49	1.051	79	21.970	109	400.000
3.26	20	0.228	50	1.161	80	24.821	110	400.000
3.27	21	0.234	51	1.308	81	28.351	111	400.000
3.28	22	0.240	52	1.460	82	32.509	112	400.000
3.29	23	0.245	53	1.613	83	37.329	113	400.000

4.1	24	0.247	54	1.774	84	42.830	114	400.000
4.2	25	0.250	55	1.950	85	48.997	115	400.000
4.3	26	0.256	56	2.154	86	55.774	116	400.000
4.4	27	0.261	57	2.399	87	63.140	117	400.000
4.5	28	0.270	58	2.700	88	71.066	118	400.000
4.6	29	0.281	59	3.054	89	79.502	119	400.000
4.7							120	1000.000

4.8 **2752.0012 2012 INDIVIDUAL ANNUITY MORTALITY PERIOD LIFE; MALE.**

4.9

Table 2

4.10

2012 IAM Period Table

4.11

Male, Age Nearest Birthday

4.12	AGE	$1000 \cdot q_x^{2012}$	AGE	$1000 \cdot q_x^{2012}$	AGE	$1000 \cdot q_x^{2012}$	AGE	$1000 \cdot q_x^{2012}$
4.13	0	1.605	30	0.741	60	5.096	90	109.993
4.14	1	0.401	31	0.751	61	5.614	91	123.119
4.15	2	0.275	32	0.754	62	6.169	92	137.168
4.16	3	0.229	33	0.756	63	6.759	93	152.171
4.17	4	0.174	34	0.756	64	7.398	94	168.194
4.18	5	0.168	35	0.756	65	8.106	95	185.260
4.19	6	0.165	36	0.756	66	8.548	96	197.322
4.20	7	0.159	37	0.756	67	9.076	97	214.751
4.21	8	0.143	38	0.756	68	9.708	98	232.507
4.22	9	0.129	39	0.800	69	10.463	99	250.397
4.23	10	0.113	40	0.859	70	11.357	100	268.607
4.24	11	0.111	41	0.926	71	12.418	101	290.016
4.25	12	0.132	42	0.999	72	13.675	102	311.849
4.26	13	0.169	43	1.069	73	15.150	103	333.962
4.27	14	0.213	44	1.142	74	16.860	104	356.207
4.28	15	0.254	45	1.219	75	18.815	105	380.000
4.29	16	0.293	46	1.318	76	21.031	106	400.000

5.1	17	0.328	47	1.454	77	23.540	107	400.000
5.2	18	0.359	48	1.627	78	26.375	108	400.000
5.3	19	0.387	49	1.829	79	29.572	109	400.000
5.4	20	0.414	50	2.057	80	33.234	110	400.000
5.5	21	0.443	51	2.302	81	37.533	111	400.000
5.6	22	0.473	52	2.545	82	42.261	112	400.000
5.7	23	0.513	53	2.779	83	47.441	113	400.000
5.8	24	0.554	54	3.011	84	53.233	114	400.000
5.9	25	0.602	55	3.254	85	59.855	115	400.000
5.10	26	0.655	56	3.529	86	67.514	116	400.000
5.11	27	0.688	57	3.845	87	76.340	117	400.000
5.12	28	0.710	58	4.213	88	86.388	118	400.000
5.13	29	0.727	59	4.631	89	97.634	119	400.000
5.14							120	1000.000

5.15 **2752.0013 PROJECTION SCALE G2; FEMALE.**

5.16

Table 3

5.17

Projection Scale G2

5.18

Female, Age Nearest Birthday

5.19	AGE	G2 _x	AGE	G2 _x	AGE	G2 _x	AGE	G2 _x
5.20	0	0.010	30	0.010	60	0.013	90	0.006
5.21	1	0.010	31	0.010	61	0.013	91	0.006
5.22	2	0.010	32	0.010	62	0.013	92	0.005
5.23	3	0.010	33	0.010	63	0.013	93	0.005
5.24	4	0.010	34	0.010	64	0.013	94	0.004
5.25	5	0.010	35	0.010	65	0.013	95	0.004
5.26	6	0.010	36	0.010	66	0.013	96	0.004
5.27	7	0.010	37	0.010	67	0.013	97	0.003
5.28	8	0.010	38	0.010	68	0.013	98	0.003
5.29	9	0.010	39	0.010	69	0.013	99	0.002

6.1	10	0.010	40	0.010	70	0.013	100	0.002
6.2	11	0.010	41	0.010	71	0.013	101	0.002
6.3	12	0.010	42	0.010	72	0.013	102	0.001
6.4	13	0.010	43	0.010	73	0.013	103	0.001
6.5	14	0.010	44	0.010	74	0.013	104	0.000
6.6	15	0.010	45	0.010	75	0.013	105	0.000
6.7	16	0.010	46	0.010	76	0.013	106	0.000
6.8	17	0.010	47	0.010	77	0.013	107	0.000
6.9	18	0.010	48	0.010	78	0.013	108	0.000
6.10	19	0.010	49	0.010	79	0.013	109	0.000
6.11	20	0.010	50	0.010	80	0.013	110	0.000
6.12	21	0.010	51	0.010	81	0.012	111	0.000
6.13	22	0.010	52	0.011	82	0.012	112	0.000
6.14	23	0.010	53	0.011	83	0.011	113	0.000
6.15	24	0.010	54	0.011	84	0.010	114	0.000
6.16	25	0.010	55	0.012	85	0.010	115	0.000
6.17	26	0.010	56	0.012	86	0.009	116	0.000
6.18	27	0.010	57	0.012	87	0.008	117	0.000
6.19	28	0.010	58	0.012	88	0.007	118	0.000
6.20	29	0.010	59	0.013	89	0.007	119	0.000
6.21							120	0.000

2752.0014 PROJECTION SCALE G2; MALE.

6.22

Table 4

6.23

Projection Scale G2

6.24

Male, Age Nearest Birthday

6.25

6.26	AGE	$G2_x$	AGE	$G2_x$	AGE	$G2_x$	AGE	$G2_x$
6.27	0	0.010	30	0.010	60	0.015	90	0.007
6.28	1	0.010	31	0.010	61	0.015	91	0.007
6.29	2	0.010	32	0.010	62	0.015	92	0.006

7.1	3	0.010	33	0.010	63	0.015	93	0.005
7.2	4	0.010	34	0.010	64	0.015	94	0.005
7.3	5	0.010	35	0.010	65	0.015	95	0.004
7.4	6	0.010	36	0.010	66	0.015	96	0.004
7.5	7	0.010	37	0.010	67	0.015	97	0.003
7.6	8	0.010	38	0.010	68	0.015	98	0.003
7.7	9	0.010	39	0.010	69	0.015	99	0.002
7.8	10	0.010	40	0.010	70	0.015	100	0.002
7.9	11	0.010	41	0.010	71	0.015	101	0.002
7.10	12	0.010	42	0.010	72	0.015	102	0.001
7.11	13	0.010	43	0.010	73	0.015	103	0.001
7.12	14	0.010	44	0.010	74	0.015	104	0.000
7.13	15	0.010	45	0.010	75	0.015	105	0.000
7.14	16	0.010	46	0.010	76	0.015	106	0.000
7.15	17	0.010	47	0.010	77	0.015	107	0.000
7.16	18	0.010	48	0.010	78	0.015	108	0.000
7.17	19	0.010	49	0.010	79	0.015	109	0.000
7.18	20	0.010	50	0.010	80	0.015	110	0.000
7.19	21	0.010	51	0.011	81	0.014	111	0.000
7.20	22	0.010	52	0.011	82	0.013	112	0.000
7.21	23	0.010	53	0.012	83	0.013	113	0.000
7.22	24	0.010	54	0.012	84	0.012	114	0.000
7.23	25	0.010	55	0.013	85	0.011	115	0.000
7.24	26	0.010	56	0.013	86	0.010	116	0.000
7.25	27	0.010	57	0.014	87	0.009	117	0.000
7.26	28	0.010	58	0.014	88	0.009	118	0.000
7.27	29	0.010	59	0.015	89	0.008	119	0.000
7.28							120	0.000

8.1 **2752.0020 INDIVIDUAL ANNUITY OR PURE ENDOWMENT CONTRACTS.**

8.2 Subpart 1. **Approved table for annuity or pure endowment contract issued on**
8.3 **or after August 1, 1978.** Except as provided in subparts 2, 3, and 4, the 1983 Table "a"
8.4 and the Annuity 2000 Mortality Table are recognized and approved as individual annuity
8.5 mortality tables for valuation and, at the option of the company, either of these tables may
8.6 be used for purposes of determining the minimum standard of valuation for an individual
8.7 annuity or pure endowment contract issued on or after August 1, 1978.

8.8 Subp. 2. **Approved table for annuity or pure endowment contract issued on**
8.9 **or after January 1, 1999.** Except as provided in subparts 3 and 4, the Annuity 2000
8.10 Mortality Table shall be used for determining the minimum standard of valuation for an
8.11 individual annuity or pure endowment contract issued on or after January 1, 1999.

8.12 Subp. 3. **Approved table for annuity or pure endowment contract based on life**
8.13 **contingencies issued to fund periodic benefits.** The 1983 Table "a" without projection is
8.14 to be used for determining the minimum standard of valuation for an individual annuity or
8.15 pure endowment contract issued on or after January 1, 1999, solely when the contract is
8.16 based on life contingencies and is issued to fund periodic benefits arising from:

8.17 A. settlements of various forms of claims pertaining to court settlements or
8.18 out-of-court settlements from tort actions;

8.19 B. settlements involving similar actions such as workers' compensation claims;
8.20 or

8.21 C. settlements of long-term disability claims where a temporary or life annuity
8.22 has been used in lieu of continuing disability payments.

8.23 Subp. 4. **Approved table for annuity or pure endowment contract issued on or**
8.24 **after January 1, 2015.** Except as provided in subpart 3, the 2012 IAR Table shall be used

9.1 for determining the minimum standard of valuation for any individual annuity or pure
 9.2 endowment contract issued on or after January 1, 2015.

9.3 **2752.0025 APPLICATION OF THE 2012 IAR TABLE.**

9.4 In using the 2012 IAR Table, the mortality rate for a person age x in year (2012+n)
 9.5 is calculated as follows:

$$9.6 \quad q_x^{2012+n} = q_x^{2012} (1 - G2_x)^n$$

9.7 where the q_x^{2012} and $G2_x$ are as specified in the 2012 IAM Period Table and Projection
 9.8 Scale G2, respectively.

9.9 The resulting q_x^{2012+n} shall be rounded to three decimal places per 1,000, e.g., 0.741
 9.10 deaths per 1,000. Also, the rounding shall occur according to the method in the example
 9.11 below, starting at the 2012 IAM Period Table rate.

9.12 For example, for a male age 30, $q_{30}^{2012} = 0.741$.

$$9.13 \quad q_{30}^{2013} = 0.741 * (1 - 0.010) ^ 1 = 0.73359, \text{ which is rounded to } 0.734.$$

$$9.14 \quad q_{30}^{2014} = 0.741 * (1 - 0.010) ^ 2 = 0.7262541, \text{ which is rounded to } 0.726.$$

9.15 A method leading to incorrect rounding would be to calculate q_{30}^{2014} as $q_{30}^{2013} * (1 -$
 9.16 $0.010)$, or $0.734 * 0.99 = 0.727$.

9.17 It is incorrect to use the already rounded q_{30}^{2013} to calculate q_{30}^{2014} .

9.18 **REPEALER.** Minnesota Rules, part 2752.0015, is repealed.