



State of New Jersey
DEPARTMENT OF BANKING AND INSURANCE
PO Box 325
TRENTON, NJ 08625-0325
TEL (609) 292-7272

JON S. CORZINE
Governor

STEVEN M. GOLDMAN
Commissioner

BULLETIN NO. 08-02

**TO: ALL LIFE INSURANCE COMPANIES AND FRATERNAL
BENEFIT ORGANIZATIONS AUTHORIZED TO ISSUE
LIFE INSURANCE IN NEW JERSEY**

FROM: STEVEN M. GOLDMAN, COMMISSIONER

**RE: 2001 CSO MORTALITY TABLE: USE REQUIRED FOR
FORMS EFFECTIVE JANUARY 1, 2009**

The purpose of this Bulletin is to remind companies that, pursuant to N.J.A.C. 11:4-27 et seq., they will be required to use the 2001 CSO Mortality Table for policies issued on or after January 1, 2009, and to provide guidance on the submission of individual life forms to comply with this requirement. (2001 CSO Mortality Table includes all appendices to N.J.A.C. 11:4-27.)

Pursuant to N.J.A.C. 11:4-27.3(b), use of the 2001 CSO Mortality Table is required in determining minimum reserves, non-forfeiture values, and cash surrender values for all forms within the scope of N.J.A.C. 11:4-27.1 et seq. with effective dates January 1, 2009 and thereafter. Forms using some other reserve or non-forfeiture basis (including the 1980 CSO Mortality Table) are withdrawn from filing (or acknowledgement) as of January 1, 2009. Issuance of such a form on or after that date will be considered a violation of the applicable filing statutes and regulations.

N.J.A.C. 11:4-27.1 et seq. allowed, but did not require, companies to use the 2001 CSO Mortality Table for the calculation of minimum reserve liabilities and non-forfeiture benefits for forms effective on or after January 1, 2005. On December 8, 2004, the Department issued Bulletin No. 04-26 to provide guidance on the optional use of the 2001 CSO Mortality Table for both valuation and non-forfeiture. Effective with the issuance of this Bulletin, Bulletin No. 04-26 is superseded.

Companies requiring approval or acknowledgement of policy forms using the 2001 CSO Mortality Table should submit such forms as soon as possible. Policy

forms submitted for prior approval will be reviewed in accordance with the Department's normal time frames: 60 days for new submissions and 30 days for re-submissions. (These filings will be accepted through SERFF to the same extent as any other life or annuity filing. Currently, SERFF filing is limited to applications, endowments, and riders, but an expansion is planned as of 7/1/2008.) Forms submitted for acknowledgement under the so-called "40 States Rule" will be reviewed within the required 30 days time frame. (40 States Forms are not eligible for SERFF.)

In accordance with N.J.A.C. 11:4-27.3, upon the approval or acknowledgement by the Department of any individual life form based on the 2001 CSO Mortality Table, the company must discontinue the use of any comparable form based on the 1980 CSO Mortality Table.

A company may submit a filing modifying a previously approved form that used the 1980 CSO Tables by submitting: 1) revised policy pages (with new distinct identifying form numbers); or 2) an amendment; or 3) an endorsement to modify the basis of computation and all related tables of values. Regardless of which type of submission is made, in all cases the submission must be accompanied by an updated actuarial memorandum. A complete actuarial memorandum and copy of the base policy form should be included with any filing of types 1), 2), or 3) above.

A previously approved term insurance form without non-forfeiture values and which does not identify the mortality table in the form may use the 2001 CSO for valuation purposes if an informational filing consisting of a cover letter identifying the form, with an updated actuarial memorandum, is made to the Department.

Companies are reminded that all form submissions shall be made in accordance with N.J.A.C. 11:4-40.1 et seq.

Forms that distinguish smoking status and that are issued to juveniles shall comply with N.J.A.C. 11:4-27.7 which became effective on December 17, 2007.

Effective July 1, 2008, the Department will return, without action, any new submission using the 1980 CSO Mortality Table because the forms in such submissions may not be approved by January 1, 2009, and would only be usable for a short time. Prior to July 1, 2008, the Department will ask companies to confirm that they wish to pursue filings based on the 1980 CSO Mortality Table.

Questions regarding this Bulletin may be faxed to 609-633-0527 or submitted by mail to :

Office of Life and Health
New Jersey Dept. of Banking and Insurance
PO Box 325
20 West State Street
Trenton NJ 08625-0325

You may also contact us by phone by calling 609-292-5427 ext. 50316 and indicating that you have a question about the 2001 CSO Mortality Table or this Bulletin.

2/28/08
Date

/s/ Steven M. Goldman
Steven M. Goldman
Commissioner

INOORD\IRM08-01.doc