

**BULLETIN NO. 08-24**

**TO: ALL LIFE INSURANCE COMPANIES TRANSACTING  
BUSINESS IN NEW JERSEY**

**FROM: STEVEN M. GOLDMAN, COMMISSIONER**

**RE: USE OF THE 1980 COMMISSIONER'S STANDARD ORDINARY ("CSO")  
MORTALITY TABLE FOR FUNERAL INSURANCE POLICY NONFORFEITURE  
AND VALUATION**

N.J.A.C. 11:4-27 sets forth the requirements for the use of the 2001 Commissioner's Standard Ordinary (CSO) Mortality Table in accordance with N.J.S.A. 17B:19-8a(i), N.J.S.A. 17B:25-19h(viii), N.J.A.C. 11:4-32.3(a) and N.J.A.C. 11:4-32.3(b). N.J.A.C. 11:4-27.3 (2001 CSO Mortality Table Effective Dates) provides that the 2001 CSO Mortality Table may be used as the minimum standard for policies issued on or after January 1, 2005 and before January 1, 2009, and shall be used in determining minimum standards for policies issued on or after January 1, 2009. N.J.S.A. 17B:17-5.1 and N.J.A.C. 11:4-25.2 define a "funeral insurance policy" as "any insurance policy or annuity contract that, at the time of issue, was intended to provide, or which was explicitly marketed for the purpose of providing, funds to the provider, whether directly or indirectly, at the time of the insured's death in connection with a prepaid funeral agreement."

The purpose of this Bulletin is to advise life insurance companies that, effective January 1, 2009, the 1980 CSO Mortality Table may continue to be used in determining the minimum standard valuation of reserves and the minimum standard for nonforfeiture values for funeral insurance products. The Department intends to promulgate amendments to N.J.A.C. 11:4-27.3 to address this matter, which will appear on the Department's website at [www.state.nj.us/dobi/legsregs.htm](http://www.state.nj.us/dobi/legsregs.htm).

Insurers are further advised that if mortality rates from the 1980 CSO Mortality Table are used for nonforfeiture and valuation, they must also be used for the following: (1) compliance with N.J.A.C. 11:4-21 (Limited Death Benefits Forms), specifically N.J.A.C. 11:4-21.3(g); and (2) compliance with N.J.A.C. 11:4-25 (Funeral Insurance Policies), specifically for determining the premium fund mortality rate and the insurance adjusted premium fund as both are defined at N.J.A.C. 11:4-25-2, and for meeting the loss ratio standard set forth at N.J.A.C. 11:4-25.5.

Questions concerning this Bulletin may be addressed to Kevin Clarkson, Life Managing Actuary, by phone at 609-292-5427 x50312 or email at [kevin.clarkson@dobi.state.nj.us](mailto:kevin.clarkson@dobi.state.nj.us).

12/03/08 \_\_\_\_\_  
Date

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

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