



COMMONWEALTH OF PUERTO RICO  
OFFICE OF THE COMMISSIONER OF INSURANCE

December 14, 2005

RULING LETTER NO.: N-AM-12-68-2005

TO ALL INSURERS AUTHORIZED TO UNDERWRITE LIVE INSURANCE IN  
PUERTO RICO

**2001 COMMISSIONERS STANDARD ORDINARY MORTALITY TABLE**

Dear Sirs and Madams:

In December of 2002, the National Association of Insurance Commissioners, NAIC, adopted the 2001 Commissioners Standard Ordinary Mortality Table (CSO 2001 Mortality Table), which included a new minimum valuation standard.

The CSO 2001 Mortality Table includes the following tables: Ultimate Mortality Table, Ultimate and Select Mortality Table, Smokers Mortality Table, Nonsmokers Mortality Table, and the Composite Mortality Table. Also included are age-nearest-birthday and age-last-birthday mortality tables.

As provided in Rule XLVIII of the Regulations of the Puerto Rico Insurance Code, all insurers writing life insurance may use this table for all policies. The table is included in the NAIC publication "Proceedings" (2<sup>nd</sup> Quarter 2002). In view of the fact that the NAIC did not develop a new extended term insurance table to substitute the 1980 CET Table, , the CSO 2001 Mortality Table should be used to calculate values and dividends for extended term insurance benefits.

The CSO 2001 Mortality Table shall be used as a minimum standard for reserves valuation for all ordinary life insurance policies issued in Puerto Rico, beginning **January 1, 2005**, excluding any disability or accidental death benefits in such policies.

Insurers shall file a written notice with the Commissioner stating the date for adopting this table if it is before **January 1, 2009**. Nevertheless, if by that date an insurer has not indicated another date, the date of adoption for such insurer will be **January 1, 2009**, since the CSO 2001 Mortality Table should be used for **all** policies issued on or after that date. The date selected by the insurer and notified to this Office shall be applied prospectively.

For policies and contracts issued before January 1, 1978, the provision of Rule 48 of the Regulations of the Puerto Rico Insurance Code shall be applicable in this regard. For policies and contracts issued after January, 1978, and before January 1, 2005, the standard valuation in effect on the date of issue of said policies and contracts shall be applicable.

Any ordinary mortality table adopted by the NAIC after January, 2009 may be used to determine the minimum valuation standard for ordinary life insurance policies pursuant to Rule XLVIII and Section 5.080 of the Puerto Rico Insurance Code, following the notification process specified in this letter.

All insurers authorized to write life insurance in Puerto Rico Strict are ordered to strictly comply with this letter.

Very truly yours,

SIGNED

Dorelisse Juarbe-Jiménez  
Commissioner of Insurance