

Amendment No. (for drafter's use only)

CHAMBER ACTION

Senate

House

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1 Representative Stargel offered the following:

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3 **Amendment (with title amendment)**

4 On page 209, between lines 5 and 6, insert:

5 Section 167. Paragraph (h) of subsection (9) of section
6 627.476, Florida Statutes, is amended to read:

7 627.476 Standard Nonforfeiture Law for Life Insurance.--

8 (9) CALCULATION OF ADJUSTED PREMIUMS AND PRESENT VALUES
9 FOR POLICIES ISSUED AFTER OPERATIVE DATE OF THIS SUBSECTION.--

10 (h) All adjusted premiums and present values referred to
11 in this section shall for all policies of ordinary insurance be
12 calculated on the basis of the Commissioners' 1980 Standard
13 Ordinary Mortality Table or, at the election of the insurer for
14 any one or more specified plans of life insurance, the
15 Commissioners' 1980 Standard Ordinary Mortality Table with Ten-
16 Year Select Mortality Factors; shall for all policies of

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17 industrial insurance be calculated on the basis of the
18 Commissioners' 1961 Standard Industrial Mortality Table; and
19 shall for all policies issued in a particular calendar year be
20 calculated on the basis of a rate of interest not exceeding the
21 nonforfeiture interest rate as defined in this subsection for
22 policies issued in that calendar year. However:

23 1. At the option of the insurer, calculations for all
24 policies issued in a particular calendar year may be made on the
25 basis of a rate of interest not exceeding the nonforfeiture
26 interest rate, as defined in this subsection, for policies
27 issued in the immediately preceding calendar year.

28 2. Under any paid-up nonforfeiture benefit, including any
29 paid-up dividend additions, any cash surrender value available,
30 whether or not required by subsection (2), shall be calculated
31 on the basis of the mortality table and rate of interest used in
32 determining the amount of such paid-up nonforfeiture benefit and
33 paid-up dividend additions, if any.

34 3. An insurer may calculate the amount of any guaranteed
35 paid-up nonforfeiture benefit, including any paid-up additions
36 under the policy, on the basis of an interest rate no lower than
37 that specified in the policy for calculating cash surrender
38 values.

39 4. In calculating the present value of any paid-up term
40 insurance with accompanying pure endowment, if any, offered as a
41 nonforfeiture benefit, the rates of mortality assumed may be not
42 more than those shown in the Commissioners' 1980 Extended Term
43 Insurance Table for policies of ordinary insurance and not more

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44 than the Commissioners' 1961 Industrial Extended Term Insurance
45 Table for policies of industrial insurance.

46 5. In lieu of the mortality tables specified in this
47 section, at the option of the insurance company and subject to
48 rules adopted by the commission, the insurance company may
49 substitute:

50 a. The 1958 CSO or CET Smoker and Nonsmoker Mortality
51 Tables, whichever is applicable, for policies issued on or after
52 the operative date of this subsection and before January 1,
53 1989;

54 b. The 1980 CSO or CET Smoker and Nonsmoker Mortality
55 Tables, whichever is applicable, for policies issued on or after
56 the operative date of this subsection;

57 c. A mortality table that is a blend of the sex-distinct
58 1980 CSO or CET mortality table standard, whichever is
59 applicable, or a mortality table that is a blend of the sex-
60 distinct 1980 CSO or CET smoker and nonsmoker mortality table
61 standards, whichever is applicable, for policies that are
62 subject to the United States Supreme Court decision in *Arizona*
63 *Governing Committee v. Norris* to prevent unfair discrimination
64 in employment situations.

65 6. Ordinary mortality tables, adopted after 1980 by the
66 National Association of Insurance Commissioners, adopted by rule
67 by the commission for use in determining the minimum
68 nonforfeiture standard may be substituted for the Commissioners'
69 1980 Standard Ordinary Mortality Table with or without Ten-Year
70 Select Mortality Factors or for the Commissioners' 1980 Extended
71 Term Insurance Table.

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72 ~~7.6-~~ For insurance issued on a substandard basis, the
73 calculation of any such adjusted premiums and present values may
74 be based on appropriate modifications of the aforementioned
75 tables.

76
77 ===== T I T L E A M E N D M E N T =====

78 On page , line(s) ,
79 remove:

80
81 and insert:
82 amending s. 627.476, F.S.; providing an additional criterion for
83 adjusting certain premiums and present values for certain
84 policies;

85
86 Section 2. Paragraph (h) of subsection (9) of section
87 627.476, Florida Statutes, is amended to read:

88 627.476 Standard Nonforfeiture Law for Life Insurance.--
89 (9) CALCULATION OF ADJUSTED PREMIUMS AND PRESENT VALUES
90 FOR POLICIES ISSUED AFTER OPERATIVE DATE OF THIS SUBSECTION.--

91 (h) All adjusted premiums and present values referred to
92 in this section shall for all policies of ordinary insurance be
93 calculated on the basis of the Commissioners' 1980 Standard
94 Ordinary Mortality Table or, at the election of the insurer for
95 any one or more specified plans of life insurance, the
96 Commissioners' 1980 Standard Ordinary Mortality Table with Ten-
97 Year Select Mortality Factors; shall for all policies of
98 industrial insurance be calculated on the basis of the
99 Commissioners' 1961 Standard Industrial Mortality Table; and

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100 shall for all policies issued in a particular calendar year be
101 calculated on the basis of a rate of interest not exceeding the
102 nonforfeiture interest rate as defined in this subsection for
103 policies issued in that calendar year. However:

104 1. At the option of the insurer, calculations for all
105 policies issued in a particular calendar year may be made on the
106 basis of a rate of interest not exceeding the nonforfeiture
107 interest rate, as defined in this subsection, for policies
108 issued in the immediately preceding calendar year.

109 2. Under any paid-up nonforfeiture benefit, including any
110 paid-up dividend additions, any cash surrender value available,
111 whether or not required by subsection (2), shall be calculated
112 on the basis of the mortality table and rate of interest used in
113 determining the amount of such paid-up nonforfeiture benefit and
114 paid-up dividend additions, if any.

115 3. An insurer may calculate the amount of any guaranteed
116 paid-up nonforfeiture benefit, including any paid-up additions
117 under the policy, on the basis of an interest rate no lower than
118 that specified in the policy for calculating cash surrender
119 values.

120 4. In calculating the present value of any paid-up term
121 insurance with accompanying pure endowment, if any, offered as a
122 nonforfeiture benefit, the rates of mortality assumed may be not
123 more than those shown in the Commissioners' 1980 Extended Term
124 Insurance Table for policies of ordinary insurance and not more
125 than the Commissioners' 1961 Industrial Extended Term Insurance
126 Table for policies of industrial insurance.

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127 5. In lieu of the mortality tables specified in this
128 section, at the option of the insurance company and subject to
129 rules adopted by the commission, the insurance company may
130 substitute:

131 a. The 1958 CSO or CET Smoker and Nonsmoker Mortality
132 Tables, whichever is applicable, for policies issued on or after
133 the operative date of this subsection and before January 1,
134 1989;

135 b. The 1980 CSO or CET Smoker and Nonsmoker Mortality
136 Tables, whichever is applicable, for policies issued on or after
137 the operative date of this subsection;

138 c. A mortality table that is a blend of the sex-distinct
139 1980 CSO or CET mortality table standard, whichever is
140 applicable, or a mortality table that is a blend of the sex-
141 distinct 1980 CSO or CET smoker and nonsmoker mortality table
142 standards, whichever is applicable, for policies that are
143 subject to the United States Supreme Court decision in *Arizona*
144 *Governing Committee v. Norris* to prevent unfair discrimination
145 in employment situations.

146 6. Ordinary mortality tables, adopted after 1980 by the
147 National Association of Insurance Commissioners, adopted by rule
148 by the commission for use in determining the minimum
149 nonforfeiture standard may be substituted for the Commissioners'
150 1980 Standard Ordinary Mortality Table with or without Ten-Year
151 Select Mortality Factors or for the Commissioners' 1980 Extended
152 Term Insurance Table.

153 ~~7.6.~~ For insurance issued on a substandard basis, the
154 calculation of any such adjusted premiums and present values may

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155 | be based on appropriate modifications of the aforementioned
156 | tables.

157 |
158 | ===== T I T L E A M E N D M E N T =====

159 | On page 16, line 1, after the semicolon, insert:
160 | amending s. 627.476, F.S.; providing an additional criterion for
161 | adjusting certain premiums and present values for certain
162 | policies;