

Section 807.—Rules for Certain Reserves

Insurance companies; prevailing mortality and morbidity tables. The prevailing mortality and morbidity tables for contracts issued since 1999 are set forth for use by insurance companies to compute their reserves.

Rev. Rul. 2001-38

For purposes of section 807(d)(5) of the Internal Revenue Code, this ruling clarifies and supplements the schedule of prevailing commissioners' standard tables of mortality and morbidity set forth in Part I of Rev. Rul. 92-19, 1992-1 C.B. 227. This information is to be used by in-

surance companies in computing their reserves for (1) life insurance and supplementary total and permanent disability benefits, (2) individual annuities and pure endowments, and (3) group annuities and pure endowments.

Schedule of Prevailing Commissioners' Standard Tables — Products Issued In 1992-2000 Inclusive.

TABLES¹

| Year ² | Life Insurance and Supplementary Total and Permanent Disability Benefits | | | Individual Annuities and Pure Endowments | Group Annuities and Pure Endowments |
|-------------------|--|-------------------|----------------------------|--|-------------------------------------|
| | <i>Ordinary Contracts Life</i> | <i>Disability</i> | <i>Industrial Policies</i> | | |
| 1992 | | | | | |
| 1993 | | | | | |
| 1994 | | | | | |
| 1995 | | | | | |
| 1996 | | | | | |
| 1997 | | | | | |
| 1998 | | | | | |
| 1999 | | | | Annuity 2000 Mortality Table | 94 GAR |
| 2000 | | | | | |

NOTES TO THE SCHEDULE OF PREVAILING COMMISSIONERS' TABLES

1. Stated in the schedule is the most recent mortality table permitted as of January 1 of the year for valuation of policies of the specified type issued in that year under the valuation laws of at least 26 states. For policies issued prior to 1992, please refer to Rev. Rul. 92-19, 1992-1 C.B. 227 which clarified and supplemented Rev. Rul. 87-26, 1987-1 C.B. 158.

The abbreviations used stand for the following mortality tables:

Annuity 2000 Mortality Table:

The Annuity 2000 Mortality Table is an individual, mortality table and is a sex distinct table. This table is not applicable to contracts based on settlements of various forms of claims pertaining to court settlements or out of court settlements from tort actions, settlements involving similar actions such as worker compensation claims or settlements of long term disability claims where a temporary or life annuity has been used in lieu of continuing disability payment. For these contracts, the 1983 Table "a" should be used.

94 GAR: 1994 Group Annuity Reserving Table

The 94 GAR is a sex-distinct table to determine the reserves for a group.

2. The year indicated is the first year the table may be used for federal income tax purposes. Section 807(d)(5)(A) states that the specified table may be used as the prevailing table from the beginning of the calendar year in which the table becomes prevailing. The former table, however, may be used as the prevailing table for that calendar year and three subsequent years. Rev. Rul. 87-26.

EFFECT ON OTHER REVENUE RULINGS

Rev. Rul. 92-19 is supplemented by the addition to Part I of that ruling of the commissioners' standard tables of mortality and morbidity under § 807 for certain insurance products issued after January 1, 1999. Parts II, III, and IV are not affected by this ruling.

DRAFTING INFORMATION

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