

**ALABAMA DEPARTMENT OF INSURANCE  
ADMINISTRATIVE CODE**

**CHAPTER 482-1-076  
PROCEDURES FOR RECOGNIZING A NEW ANNUITY MORTALITY TABLE FOR USE  
IN DETERMINING RESERVE LIABILITIES FOR ANNUITIES**

**482-1-076-.07      Application Of The 2012 IAR Mortality Table.**

(1) In using the 2012 IAR Mortality Table, the mortality rate for a person age  $x$  in year  $(2012 + n)$  is calculated as follows:

$$q_{x^{2012+n}} = q_{x^{2012}}(1 - G_{x^{2012}}^2)^n$$

(2) The resulting  $q_{x^{2012+n}}$  shall be rounded to three decimal places per 1,000, e.g., 0.741 deaths per 1,000. Also, the rounding shall occur according to the formula above, starting at the 2012 period table rate.

(3) For example, for a male age 30,  $q_{x^{2012}} = 0.741$ .

$q_{x^{2013}} = 0.741 * (1 - 0.010) ^ 1 = 0.73359$ , which is rounded to 0.734.

$q_{x^{2014}} = 0.741 * (1 - 0.010) ^ 2 = 0.7262541$ , which is rounded to 0.726.

(4) A method leading to incorrect rounding would be to calculate  $q_{x^{2014}}$  as  $q_{x^{2013}} * (1 - 0.010)$ , or  $0.734 * 0.99 = 0.727$ . It is incorrect to use the already rounded  $q_{x^{2013}}$  to calculate  $q_{x^{2014}}$ .

**Author:** Commissioner of Insurance

**Statutory Authority:** Code of Ala. 1975, §§27-2-17; 27-36A-1 - 27-36A-20.

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