TRANSACTIONS OF SOCIETY OF ACTUARIES
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REPORT ON THE STATUS OF THE 1958 CSO TABLE

Mr. Hoskins has asked me to report on the status of the 1958 CSO Table with respect to approval for use in the various states as well as some indication as to when it might be adopted by the companies.

The Life Insurance Association has furnished the following information regarding state approval.

In 27 states legislation has been passed to implement the NAIC recommendations relative to the 1958 CSO and CET Mortality Tables and 3-year setback for females. In one state, Connecticut, the Commissioner has approved use of the new tables. There are also 4 jurisdictions in which no action is necessary to authorize their use.

This leaves 19 jurisdictions in which amendments of the law are needed but will not be effected in 1959. In 2 of these, Alaska and South Carolina, bills are pending but have been carried forward to the 1960 legislative session. The remaining 17 jurisdictions where the new tables are not yet authorized are: Arizona,* Arkansas, Colorado, District of Columbia,* Idaho, Kentucky,* Louisiana,* Massachusetts,* Michigan,* Mississippi,* Montana, New Mexico, New Jersey,* Oklahoma, Oregon, Tennessee, and Utah. In 8 of these states (designated with an asterisk), the legislatures meet in 1960; in the remaining 9, the legislatures will not meet again until 1961.

Many of you recently received a letter from me asking when your company expected to adopt the 1958 CSO Table for reserves and nonforfeiture values, and I should like to thank you for your prompt replies.

Letters were sent out to the 241 companies doing business in the U.S. with over $100 million of life insurance in force. From the 227 replies received, it appears that no companies are yet using the new table for reserves and nonforfeiture values: 32 companies indicated they plan to adopt the new table in 1960, and 54 companies stated they plan to go over to the new basis in 1961; 12 companies set a date of 1961 or 1962. Most of the other replies were somewhat indefinite, although a large number of companies indicated they would probably adopt the new tables in 1962 if permitted by that time in all jurisdictions where they operate.

I have the statistics broken down between stock and mutual, large, medium, and small companies, but I do not think any conclusions can be drawn from this breakdown, except that perhaps more uncertainty and less haste exist on the part of the large companies. This may be the result of two things: first, the large companies generally operate over a wider area and would have to wait for approval in more states before they could change; and second, as far as the stock companies are concerned, the larger companies, generally speaking, do not have the deficiency reserve problem which might influence small companies to change to the 1958 tables at the earliest possible date.

GEORGE W. YOUNG