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IRS Blesses 2017 Mortality Tables

Revenue Procedure 2018-10 opens a 2010 safe harbor to any standard table that extends past age 100

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(Image: Thinkstock)

The **Internal Revenue Service** (https://www.thinkadvisor.com/tag/irs/) has opened its arms to life insurers' use of any new ocial, standard mortality tables that extend past age 100.

IRS Revenue Procedure 2018-20 could make designing and pricing life insurance policies a little easier for insurers that want to let purchasers keep coverage in place past age 100.

The Internal Revenue Code limits taxpayers' use of life insurance tax breaks by putting restrictions on the types of mortality tables used to create the coverage. Before 2001, U.S. life insurance mortality tables ended at age 100. When the insureds turned 100, their life insurance coverage usually ended. In 2001, the **National Association of Insurance Commissioners (NAIC)** (https://www.thinkadvisor.com/tag/naic/) adopted new mortality tables, the 2001 Commissioners' Standard Ordinary (CSO) Mortality Tables, that ended at age 121. The IRS endorsed use of the 2001 CSO Mortality Tables in IRS Revenue Procedure 2010-28.

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Last year, the NAIC followed up with a new set of tables, the 2017 CSO Mortality Tables, that extend to age 121.

In the new revenue procedure, the IRS makes the Revenue Procedure 2010-28 endorsement, or “safe harbor,” available to the 2017 CSO tables and to any other prevailing commissioners’ standard tables that extend beyond age 100.

The revenue procedure could be especially helpful for consumers who need life insurance to protect the issuers of loans they have taken out late in life, or who are using life insurance in long-term care planning or general retirement income planning arrangements.

The new revenue procedure applies starting today.

The IRS lists Kathryn Sneade as the revenue procedure contact person.

A copy of the revenue procedure is available **here** (https://images.thinkadvisor.com/thinkadvisor/article/2018/02/23/2018- february-rp-18-20.pdf). —

Allison Bell

Allison Bell, ThinkAdvisor's insurance editor, previously was LifeHealthPro's health insurance editor. She has a bachelor's degree in economics from Washington University in St. Louis and a master's degree in journalism from the Medill School of Journalism at Northwestern University. She can be reached at abell@alm.com or on Twitter at @Think_Allison.