WEST VIRGINIA LEGISLATURE
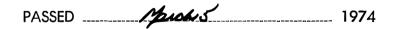
REGULAR SESSION, 1974

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ENROLLED

HOUSE BILL No. _831_

(By Mr. _Beaker, Mr. McManus, and Mr. Seibert_)

— ● —

PASSED _March 5_ 1974

In Effect _From_ Passage

C 641

H. B. 831

(By MR. SPEAKER, MR. MCMANUS, and MR. SEIBERT)

[Passed March 5, 1974; in effect from passage.]

AN ACT to amend and reenact article two, chapter forty-three
of the code of West Virginia, one thousand nine hundred
thirty-one, as amended, relating to a certain valuation of life
estates; relating to the payment of a certain gross sum in lieu
of a life estate; providing that said valuation of a life estate
and said payment thereon be made on the basis of certain
calculations made according to the 1958 Commissioners Stan-
dard Ordinary (C.S.O.) Table of mortality with interest at five
percent per annum; providing a certain rule of calculation
therefor; relating to a certain method of computing the value
of an inchoate right of dower; providing that said valuation of
an inchoate right of dower be made on the basis of certain
calculations made according to a certain table of uniform
seniority for 1958 Commissioners Standard Ordinary (C.S.O.)
mortality showing the addition to be made to the age of the
younger of two lives in order to obtain the equivalent equal
ages and according to a certain table giving the present value

of an annuity of one dollar per annum for the joint existence of two lives of equal ages, said table being based on the 1958 Commissioners Standard Ordinary (C.S.O.) Table of mortality with interest of five percent per annum; and relating to certain examples of said aforementioned valuations.

Be it enacted by the Legislature of West Virginia:

That article two, chapter forty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

ARTICLE 2. VALUATION OF LIFE ESTATES.

§43-2-1. Gross sum in payment of life estates.

1   When a party as a tenant for life, or in dower, or otherwise,

2   is entitled to the annual interest on a sum of money, or is

3   entitled to the use of any estate, or any part thereof, or of

4   the proceeds arising therefrom by a sale or otherwise, and is

5   willing to accept a gross sum in lieu thereof, or the party

6   liable for such interest, or affected by such claim, has the

7   right to pay a gross sum in lieu thereof, or if a court in any

8   proceeding decrees a gross sum to be paid in lieu thereof,

9   or if it shall be desirable for any purpose to ascertain the

10   value thereof, the sum to be paid or the present value thereof

11   shall be estimated according to the then value of an annuity

12   of five percent on the principal sum during the probable life

13   of such person, according to the following table showing the

14   present value, on the basis of interest at five percent, of an

15   annuity of one dollar, payable at the end of each year that

16   a person of a given age shall live:

1958 Commissioners Standard Ordinary (C.S.O.)
Table of Mortality, With Interest at
Five Percent Per Annum

	Age	Present Value of $1 per Annum	Age	Present Value of $1 per Annum
20	0	18.65027	25	17.13029
21	1	18.72242	26	17.02159
22	2	18.69320	27	16.90777
23	3	18.65774	28	16.78855
24	4	18.61927	29	16.66384
25	5	18.57764	30	16.53350
26	6	18.53289	31	16.39723
27	7	18.48487	32	16.25488
28	8	18.43359	33	16.10611
29	9	18.37911	34	15.95074
30	10	18.32144	35	15.78857
31	11	18.26082	36	15.61972
32	12	18.19748	37	15.44411
33	13	18.13146	38	15.26185
34	14	18.06319	39	15.07333
35	15	17.99275	40	14.87860
36	16	17.92001	41	14.67787
37	17	17.84504	42	14.47117
38	18	17.76769	43	14.25836
39	19	17.68766	44	14.03941
40	20	17.60441	45	13.81426
41	21	17.51778	46	13.58299
42	22	17.42739	47	13.34578
43	23	17.33286	48	13.10276
44	24	17.23397	49	12.85419

Age		Present Value of $1 per Annum	Age	Present Value of $1 per Annum
45	50	12.60026	75	5.53981
46	51	12.34127	76	5.27737
47	52	12.07747	77	5.01772
48	53	11.80892	78	4.76245
49	54	11.53588	79	4.51368
50	55	11.25855	80	4.27293
51	56	10.97718	81	4.04097
52	57	10.69219	82	3.81806
53	58	10.40402	83	3.60362
54	59	10.11314	84	3.39659
55	60	9.81994	85	3.19585
56	61	9.52502	86	3.00022
57	62	9.22876	87	2.80842
58	63	8.93163	88	2.61877
59	64	8.63420	89	2.42965
60	65	8.33705	90	2.23938
61	66	8.04095	91	2.04635
62	67	7.74687	92	1.84880
63	68	7.45587	93	1.64453
64	69	7.16916	94	1.42968
65	70	6.88736	95	1.19682
66	71	6.61066	96	.93685
67	72	6.33858	97	.64131
68	73	6.07017	98	.31585
69	74	5.80411	99	0

§43-2-2.   Rule of calculation.

1   Calculate the interest at five percent upon the sum to the
2   income of which or upon the value of the property to the use of
3   which the person is entitled. Multiply this interest by the pre-
4   sent value of an annuity of one dollar as set opposite the per-
5   son's age in the table, and the product is the gross value of the
6   life estate of such person therein.

§43-2-3.   Examples.

1   Suppose a person whose age is fifty is tenant for life in the
2   whole of an estate worth $18,000. The annual interest on that
3   sum at five percent is $900. The present value of an annuity
4   of one dollar at the age of fifty, as appears by the table, is
5    $12.60026, which multiplied by $900, the amount of the an-
6   nual interest, gives $11,340.23 as the gross value of such life
7   estate in the premises, or the proceeds thereof. Then suppose
8   a tenant in dower whose age is fifty is entitled to dower in an
9   estate worth $18,000. The annual interest at five percent on
10   $6,000, the third part thereof, is $300, which, multiplied by
11   as before, gives $3,780.08 as the gross value of such estate of
12   dower.

§43-2-4.   Method of computing value of inchoate right of dower.

1   The present value of an inchoate right of dower shall be
2   determined by finding the present value of an annuity, for the
3   life of the spouse entitled to dower, equal to the interest at
4   five percent on one third of the value of the property or prin-
5   cipal sum in which he or she is entitled to dower, and then
6   subtracting from such value the present value of an annuity of
7   the same amount for the joint lives of the husband and wife.
8   Such determination shall be made by the following method:

9   (a) Compute the difference between the age of the husband
10   at his nearest birthday and the age of the wife at her nearest
11   birthday.

12   (b) From Table I (Uniform Seniority) hereto appended, add
13   the number given for the difference of age computer in sub-

14 division (a) to the younger of the husband's and wife's ages.
15 The resulting number is the equivalent "equal ages" of a hus-
16 band and wife of different ages.

17   (c) From Table II (Present Value of an Annuity of One
18 Dollar for the Joint Existence of Two Lives of Equal Ages)
19 hereto appended, find the present value of an annuity of one
20 dollar payable during the joint existence of two lives at the age
21 which is next younger than the "equal ages" computed in sub-
22 division (b).

23   (d) Subtract from the value found as directed in subdivision
24 (c) the value for the next higher "equal ages" as given in
25 Table II.

26   (e) Multiply the remainder obtained as directed in sub-
27 division (d) by the fractional part of the "equal ages" found as
28 directed in subdivision (b).

29   (f) Subtract the product obtained as directed in subdivision
30 (e) from the value obtained from Table II as directed in sub-
31 division (c).

32   (g) Subtract the remainder obtained as directed in sub-
33 division (f) from the value of an annuity of one dollar on the
34 life of the spouse entitled to the inchoate right of dower ac-
35 cording to the figures given for his or her age by the table in
36 section one of this article.

37   (h) Multiply the remainder obtained as directed in sub-
38 division (g) by five percent of one third of the value of the
39 property or principal sum in which such spouse has an inchoate
40 right of dower, and the result thus obtained is the present
41 value of the inchoate dower right.

42   **TABLE I.**

43   **Uniform Seniority for 1958**
44   **Commissioners Standard Ordinary (C. S. O.)**
45   **Mortality Showing the Addition**
46   **to be Made to the Age of the**
47   **Younger of Two Lives in Order to**
48   **Obtain the Equivalent Equal Ages**

	Difference of Age	Addition to Younger Age	Difference of Age	Addition to Younger Age
49	1	.512	21	14.940
50	2	1.046	22	15.819
51	3	1.603	23	16.707
52	4	2.183	24	17.604
53	5	2.785	25	18.509
54	6	3.409	26	19.422
55	7	4.055	27	20.342
56	8	4.721	28	21.268
57	9	5.407	29	22.201
58	10	6.113	30	23.139
59	11	6.837	31	24.082
60	12	7.580	32	25.030
61	13	8.340	33	25.982
62	14	9.116	34	26.938
63	15	9.907	35	27.898
64	16	10.714	36	28.862
65	17	11.534	37	29.828
66	18	12.368	38	30.707
67	19	13.214	39	31.769
68	20	14.072	40	32.744

	Difference of Age	Addition to Younger Age	Difference of Age	Addition to Younger Age
69	41	33.720	59	51.522
70	42	34.699	60	52.517
71	43	35.679	61	53.514
72	44	36.661	62	54.510
73	45	37.645	63	55.507
74	46	38.630	64	55.504
75	47	39.617	65	57.502
76	48	40.604	66	58.499
77	49	41.593	67	59.497
78	50	42.582	68	60.495
79	51	43.573	69	61.493
80	52	44.564	70	62.491
81	53	45.556	71	63.490
82	54	46.549	72	64.489
83	55	47.543	73	65.487
84	56	48.537	74	66.486
85	57	49.531	75	67.485
86	58	50.526		

87		**TABLE II.**		
88		**Present Value of an Annuity of One Dollar per**		
89		**Annum for the Joint Existence of Two Lives of**		
90		**Equal Ages, According to the 1958**		
91		**Commissioners Standard Ordinary (C.S.O.)**		
92		**Table of Mortality, with Interest at**		
93		**Five Percent Per Annum**		

	Equal Ages		Equal Ages	
94	0	17.84678	20	16.55681
95	1	18.00731	21	16.44706
96	2	17.97440	22	16.33279
97	3	17.93063	23	16.21341
98	4	17.88226	24	16.08861
99	5	17.82905	25	15.95776
100	6	17.77115	26	15.82051
101	7	17.70832	27	15.67685
102	8	17.64068	28	15.52640
103	9	17.56837	29	15.36911
104	10	17.49151	30	15.20491
105	11	17.41061	31	15.03338
106	12	17.32620	32	14.85442
107	13	17.23844	33	14.66756
108	14	17.14824	34	14.47265
109	15	17.05581	35	14.26949
110	16	16.96101	36	14.05846
111	17	16.86404	37	13.83963
112	18	16.76475	38	13.61334
113	19	16.66264	39	13.38044

	Equal Ages			Equal Ages	
114	40	13.14123	71		4.42687
115	41	12.89623	72		4.19567
116	42	12.64564	73		3.97151
117	43	12.38935	74		3.75233
118	44	12.12749	75		3.53702
119	45	11.86009	76		3.32527
120	46	11.58742	77		3.11782
121	47	11.30991	78		2.91618
122	48	11.02791	79		2.72260
123	49	10.74196	80		2.53865
124	50	10.45247	81		2.36506
125	51	10.16002	82		2.20202
126	52	9.86508	83		2.04891
127	53	9.56780	84		1.90462
128	54	9.26863	85		1.76803
129	55	8.96788	86		1.63815
130	56	8.66595	87		1.51387
131	57	8.36347	88		1.39387
132	58	8.06108	89		1.27684
133	59	7.75942	90		1.16163
134	60	7.45897	91		1.04729
135	61	7.16051	92		.93307
136	62	6.86446	93		.81815
137	63	6.57132	94		.70079
138	64	6.28170	95		.57580
139	65	5.99623	96		.43646
140	66	5.71571	97		.27539
141	67	5.44127	98		.10488
142	68	5.17412	99		0
143	69	4.91568	100		0
144	70	4.66658			

§43-2-5. Examples.

1   Suppose it is desired to find the present value of the
2   wife's inchoate right of dower in real estate worth $150,000
3   where the husband's age is forty and the wife's age is
4   thirty-five. Pursuing the method prescribed in section four
5   of this article, each step results, as follows:

6   (a) The difference in age is five years.

7   (b) The corresponding decimal from Table I is 2.785,
8   which added to 35 gives 37.785, the equivalent "equal ages"
9   of a husband aged 40 and wife aged 35.

10   (c) From Table II it is found that the present value of
11 an annuity of one dollar payable during the joint existence
12 of two lives aged 37, the age next younger than 37.785, is
13 $13.83963.

14   (d) From Table II it is found that the present value of
15 such an annuity for two lives aged 38 is $13.61334, which
16 subtracted from $13.83963 leaves $0.22629.

17   (e) $0.22629, the result obtained in subdivision (d),
18 multipiled by 0.785, the fractional part of the "equal ages"
19 found in subdivision (b), gives $0.17764.

20   (f) $0.17764 subtracted from $13.83963, the figures taken
21 from Table II as directed in subdivision (c), leaves $13.66199,
22 which is the present value of an annuity of one dollar
23 payable during the joint existence of two lives aged 37.785
24 years.

25   (g) $13.66199 subtracted from $15.78857, the value of
26 an annuity of one dollar on the life of the wife at age
27 thirty-five with interest at five percent, as found in the
28 table in section one of this article, leaves $2.12658.

29   (h) $2.12658 multiplied by five percent of one third of
30 $150,000 or $2500, equals $5316.45, which is the present
31 value of the inchoate right of dower of the wife in the example
32 given.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

_____
        Chairman Senate Committee

_____
            Chairman House Committee

Originated in the House.

Takes effect from passage.

_____
        Clerk of the Senate

_____
        Clerk of the House of Delegates

_____
        President of the Senate

_____
        Speaker House of Delegates

The within_____*approved*_____this the _18th_

day of_____*March*_____, 1974.

_____
            Governor

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