

## CSO Transition, Impact on Pending 2001 CSO Cases At Year-End

➤ **Update note:** Bulletin updated November 14 to provide the latest information about **1035 Exchange Guidelines**.

Beginning in 2020, generally, all newly-issued life insurance policies are required to use 2017 Commissioners' Standard Ordinary (2017 CSO) Mortality Tables.

### All QoL products are now available with 2017 CSO Mortality Tables.

Please note that some pending open cases remain for policies based on the previous mortality tables (2001 CSO). These include applications submitted before the 2017 CSO version of the requested product was available.

### 2001 CSO policies must be issued with an effective date of no later than December 31, 2019.

Your dedicated Case Relationship Manager will work closely with you to identify and monitor your pending 2001 CSO cases, and develop a plan geared for your agency's unique case needs.

### Back-Dating 2001 CSO cases

Back-dating cases for 2001 CSO policies to a 2019 date will be offered through January 31, 2020. If back-dating is requested, a disclosure/acknowledgement form ([AGLC200049](#)) must be signed by the client and received in good order at the Home Office no later than Dec. 31, 2019. A sample form is provided on page 2.

- For back-dated 2001 CSO policies, any incurred premiums, policy charges and expenses will be required to pay the policy current.
- If back-dating does not occur by Jan. 31, 2020, a 2017 CSO-compliant product will be offered and additional requirements will be needed.

### 1035 Exchanges for 2001 CSO policies

- Funding for 1035 exchanges for 2001 CSO policies must be received from the transferring carrier **no later than December 26, 2019**. This is our year-end cutoff date for all 1035 exchange funding. If funds from the transferring carrier are received after December 26, 2019, a 2017 CSO-compliant product will be offered and additional requirements will be needed.
- **Additional option:** Alternatively, the insured may pay the minimum initial out-of-pocket premium by December 26, 2019, to continue toward issuance of a 2001 CSO-compliant policy. Note: If this option is taken, any funds subsequently received from the transferring carrier after December 26 will be applied to the policy as a lump-sum payment at the time of receipt. **Funds received from the transferring carrier in this scenario will not be applied as initial premium.**
- Effective November 4, 2019, any newly approved 1035 cases require a signed disclosure/acknowledgement form ([AGLC200049](#)) before funds can be requested from the transferring carrier.
- Back-dating to a 2019 date will not be available for 1035 exchanges for 2001 CSO policies issued in 2020.

### Helpful tips and pointers

See our [Pending Business Tips](#) flyer for pointers and best practices to keep your cases flowing smoothly.