

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

- **Update note:** *Bulletin updated November 14 to provide the latest information about AG Extend IUL and 1035 Exchange Guidelines (page 2)*

Beginning in 2020, generally, all life insurance policies are required to use 2017 Commissioners' Standard Ordinary (2017 CSO) Mortality Tables. Currently, only one AGL/USL product remains on the previous mortality tables (2001 CSO):

- **AG Extend IUL:** Term conversion product, all states.

A new 2017 CSO-compliant version of this product – Protection Extend IUL – will become available December 9, 2019. For additional details including time-sensitive transition rules, please see the [product launch bulletin](#).

Pending Cases for 2001 CSO Products

As we near the end of the year, a small percentage of pending cases will remain for products based on the 2001 CSO tables. In addition to AG Extend IUL, these cases will include applications submitted before the 2017 CSO version of the requested product was available.

These 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.

- If the client signed the form as part of an illustration, the form requirement has been met. The form was required for illustrations run after July 29 for AG Extend IUL and AG Platinum Choice VUL 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.

See page 2 for updated information regarding 1035 Exchanges for 2001 CSO Policies

Pending Cases: Processing Tips to Keep In Mind

- ✓ **Enable case notifications in Connex** to ensure you can respond quickly when requirements are posted. Access the Notifications Settings through your [Connex](#) Profile.
- ✓ **If you selected one of these options** in the Special Instructions section of the Transmittal sheet — *Approved other than Applied for do not issue until we have confirmed acceptance* or *At approval, hold for issue instructions* — provide issuance instructions as soon as they are available.
- ✓ **If you plan to submit a Bank Draft Authorization form**, submit it as soon as possible to avoid possible delays due to validation errors.
- ✓ **If you change the mode for any UL product**, a new illustration will be required. Please run and submit the new illustration as soon as possible.
- ✓ **If you plan to add new riders**, submit the change as soon as possible. The case will need to be sent back to Underwriting for review and additional forms may be needed.
- ✓ **If you plan to back-date a policy for a 2001 CSO product to a 2019 date**, notify your Case Relationship Manager as soon as possible to ensure all requirements are met.
- ✓ **For 1035 Exchanges**, external funds are requested at time of issue so make sure the Absolute Assignment and Replacement forms are in good order.

1035 Exchanges for 2001 CSO Policies: Updated Guidelines

- Funding for 1035 exchanges for 2001 CSO policies must be received from the transferring carrier **no later than December 26, 2019**. 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.