



October 25, 2019

2017 CSO and PBR Updates

All U.S. life insurance carriers are required to transition their life insurance products to the 2017 Commissioners Standard Ordinary Mortality tables (CSO) and hold reserves calculated in compliance with the Principle-Based Reserving (PBR) regulation by 1/1/2020.

OPTerm 10, 15, 20, 25, 30, 35, and 40

- While OPTerm has been filed and approved for use under the 2017 CSO and PBR, LGA will not begin using either until 1/1/2020.
- On 1/1/2020, only the post level term premium rates will be changing. The level premium rates will not be affected by the transition to the 2017 CSO.
- The issue date (i.e. the date the policy is printed) of the policy will determine which post level term rate scale the policy owner will receive.
- Policies with issues dates on or after 1/1/2020, including any policies that are backdated to save age or reissued in 2020, will be subject to the 2017 CSO table, and will receive the new PLT premium scale.

Examples of how this would work:

- Policy issued in 2019 / Effective date in 2019 = 2001 table
- Policy issued in 2020 / Effective date in 2019 = 2017 table
- Policy issued in 2019 / Effective date in 2020 = 2001 table
- Policy issued in 2020 / Effective date in 2020 = 2017 table
- Policy issued in 2019, Reissue in 2020 = 2017 table

Life Step UL

To ensure compliance with the changes to the 2017 CSO and VM-20, the current Life Step UL will be discontinued and replaced by a new version of the product. The pricing for Life Step is expected to increase on 1/1/2020.

- New business applications must be issued and paid by 12/31/2019 to receive the current version of Life Step.
- Applications for conversion into the current version of Life Step must also be issued and paid by 12/31/2019. Please allow for at least 7 days for processing.
- Any Life Step UL policy issued on or after 1/1/2020 will be issued under the new policy form.
- There will be no change to the Life Step application packet.