



IMPORTANT INFORMATION ON LIFE 1980 CSO GUIDELINES

Effective January 1, 2009, all life products sold in the United States must be priced using the 2001 CSO Mortality Table. As a result, Old Mutual has redesigned our life product portfolio to meet this legal requirement. In the process, we have also made the decision to remove some products from the portfolio. This Q & A is designed to help answer any questions that you may have, so you can prepare your business plans accordingly. Please make note of the critical dates listed below.

1. **What does CSO mean?**

CSO is an acronym for Commissioners Standard Ordinary mortality tables. These tables are created with the help of the Society of Actuaries to gauge mortality expectations for individuals in the United States. The most recent table was created in 2001, but others were created in 1980, 1958, etc.

2. **Why is the updated table needed?**

Given the improvement in mortality experience in the United States due to better healthcare, better lifestyles (non-smokers & seat-belt users), and better working conditions, the industry's mortality tables must occasionally be updated to reflect these improvements. The new CSO table is used to determine the maximum guaranteed cost of insurance that an insurance company may charge the client for "modern" life insurance products. These new tables will be used to determine the minimum reserve liabilities and non-forfeiture benefits in life insurance contracts. The table is also used to test that a sale meets the definition of life insurance under IRC sections 7702 and 7702A.

3. **Why is Old Mutual moving to the 2001 CSO Mortality Tables?**

State regulations require every life insurance company to use the 2001 CSO Table by January 1, 2009.

4. **What are the transition rules for new business?**

In order to receive a policy for a 1980 CSO life product, the application must be:

- Signed on or before **December 21, 2008**, and
- Received in the Service Center on or before **December 29, 2008 with the appropriate modal premium**

Applications signed after **December 21, 2008**, or applications received after **December 29, 2008**, or applications **not** received with money by **December 29, 2008** will be issued on a policy supported by the 2001 CSO table, assuming one is approved by the state and system supported. Please note that an amendment and signed illustration for IUL contracts will be required on delivery for these cases.



4. (cont'd) The following products are available for sale at different points in time:

“Current Portfolio” Available for sale through December 21, 2008	“Interim Portfolio” Available for sale December 8, 2008 through December 21, 2008	“New Portfolio” Available for sale on and after December 22, 2008
MasterChoice – 1980 CSO version only, state approval permitting	MasterChoice – 1980 CSO and 2001 CSO, state approval permitting	MasterChoice – 2001 CSO version only, state approval permitting
MasterElite – 1980 CSO version only, state approval permitting	MasterElite – 1980 CSO and 2001 CSO, state approval permitting	MasterElite – 2001 CSO version only, state approval permitting
Home Certain	Home Certain	No longer available
Home Certain NY	Home Certain NY	No longer available
SecureMaster UL	SecureMaster UL	No longer available
Saver’s Select	Saver’s Select	No longer available
Value Select	Value Select	No longer available
ValueMaster UL	ValueMaster UL	No longer available
WealthMaster UL	WealthMaster UL	No longer available

5. May an application be taken on December 22, 2008 or later and backdated on or before December 21, 2008 to have access to a product?

No, this is not permitted.

6. When will the 2001 CSO versions of MasterChoice and MasterElite be available?

The 2001 CSO versions of MasterChoice and MasterElite will be introduced to the field December 8, 2008. They may be sold immediately, subject to state approval. Note that the 1980 CSO and 2001 CSO versions of these products will be available for sale at the same time between December 8, 2008 and December 21, 2008. As a result, please make certain to submit a signed illustration when submitting applications for new business. The illustration is what will be used to determine whether the product requested is a 1980 CSO supported product or a 2001 CSO supported product. Illustration software for the 2001 CSO versions of MasterChoice and MasterElite will be available December 8, 2008, subject to state availability.

Please note: A Statement in Lieu of Illustration will be accepted in the place of a signed illustration provided that the the product (MasterChoice/MasterElite 1980/2001) is clearly marked on the Statement.



- 7. How long will illustration software be available for the “Interim Portfolio” of products?**
Illustration software support for the “Interim Portfolio” will be available through December 21, 2008. On December 22, 2008, the software will require an update. On and after December 22, 2008, only the “New Portfolio” of products will be illustratable.
- 8. How long will the “Current Portfolio” of life product marketing materials be available via Saleslink?**
The current marketing materials will be available for download and order through December 12, 2008.
- 9. Will there be an internal exchange program so that recently issued 1980 CSO life policies can be re-issued as 2001 CSO supported products?**
No. Should the policy-owner wish to buy a 2001 CSO supported life contract, the old contract will need to be either canceled or turned in under the free-look provision. A new application must be submitted with the 2001 CSO product requested. Note that the applied for 2001 CSO product must be approved by the appropriate state at the time the application is taken. Previously submitted underwriting evidence will be used unless the information is considered out of date at the time of the submission of the new application.
- 10. Where can I find information about state approvals for the new 2001 CSO compliant version of MasterChoice and MasterElite?**
Visit Saleslink at www.omfn.com for the latest state approvals and watch for weekly communication updates.