**Section 1414.50 Transition Rules**

a) For preneed insurance policies issued on or after January 1, 2009, and before January 1, 2012, the 2001 CSO may be used as the minimum standard for reserves and minimum standard for nonforfeiture benefits for both male and female insureds.

b) If an insurer elects to use the 2001 CSO as a minimum standard for any policy issued on or after January 1, 2009, and before January 1, 2012, the insurer shall provide, as a part of the actuarial opinion memorandum submitted in support of the company's asset adequacy testing, an annual written notification to the insurance supervisory official of the state or jurisdiction in which the company is domiciled. The notification shall include:

1) A complete list of all preneed policy forms that use the 2001 CSO as a minimum standard;

2) A certification signed by the appointed actuary stating that the reserve methodology employed by the company in determining reserves for the preneed policies issued after the effective date, and using the 2001 CSO as a minimum standard, develops adequate reserves (For the purposes of this certification, the preneed insurance policies using the 2001 CSO as a minimum standard cannot be aggregated with any other policies.); and

3) Supporting information regarding the adequacy of reserves for preneed insurance policies issued after January 1, 2009 and using the 2001 CSO as a minimum standard for reserves.

c) Preneed insurance policies issued on or after January 1, 2012 and before January 1, 2017 must use the 1980 CSO Valuation Tables in the calculation of minimum nonforfeiture values and minimum reserves.

(Source: Amended at 42 Ill. Reg. 14257, effective July 12, 2018)