

III. UNIVERSAL LIFE PERSISTENCY STUDY*

ACKNOWLEDGMENT

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SECTION I

Introduction

This report presents the results of a study jointly sponsored by LIMRA International and the Society of Actuaries. The study examines individual universal life persistency. This report shows annualized results based on data from calendar years 1988, 1990, and 1992 on business issued by 21 companies during 1982 through 1992.

The purpose of this study is to examine universal life lapsation and persistency by selected policy, agent, insured, and product characteristics. This examination is based on information obtained from life insurance companies, including data from policy master files and product surveys on specific product characteristics and distribution methods. Identifying and quantifying the relationship between lapsation and factors associated with lapsation is useful in product design, valuation, investment management, evaluation of marketing performance and corporate planning.

The study examines policies that lapse because of insufficient cash value and policies that lapse because the cash value is fully withdrawn or surrendered. Lapse measures are based on number of policies, face amounts, annualized planned periodic premiums, and account values. Two premium persistency rates are also calculated for each lapse factor examined.

The remainder of Section I of this report includes information on definitions and methodology used in the study, the in-force policy sample, and a summary and highlights of results. Section II provides a review of lapse results by various factors and brief interpretation. The appendices include detailed tables, number of policy lapses and exposures, the instructions for submitting data used in the analysis, and the list of contributing companies.

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Definitions and Methodology Used in this Study

Universal life (UL) products include individual flexible-premium universal life insurance. Mass-marketed UL products issued on an individual basis, where individuals pay all the premium (including on a payroll deduction basis) and have all the rights to full or partial surrender of account values are also included.

Excluded are individual or group plans where employers pay all or part of the premium, single premium UL, variable UL, semivariable UL (products that offer both variable and fixed guaranteed account investment features), and interest-sensitive plans with fixed premiums or indeterminate premiums.

The rates in this study include a full 12 months exposure and are calculated as follows:

Annualized Termination Rate

$$= 100 \times \frac{\text{Amount lapsing during the year}}{\text{Amount exposed to lapse during the year}} \%$$

where amount exposed recognizes the length of time a policy is exposed to risk of lapsation during the year. For example, a new issue sold on July 1 contributes only one-half year exposure. Lapses contribute exposure until the end of the year. Lapse rates exclude terminations due to death or disability. A death on September 30 contributes three-fourths of a year to exposure.

Lapse rates shown in this study are based on a minimum of 400 policies exposed to risk of lapse. If a particular category does not have 400 policies but has at least 200 policies exposed to lapse and at least 10 policies lapsing, the lapse rate is shown and the category is asterisked. Premium persistency rates are calculated in the same fashion.

How to Read Detailed Tables in Appendix A

Lapse rates are calculated for four units of measure: number of policies, face amount, annualized planned periodic premium, and account value. Detailed lapse tables in Appendix A show lapse rates separately for insufficient cash value (ICV), full surrenders (FS), and total lapse rates for both types of lapses (Total). Two premium persistency rates are also included in the first part of Appendix A: the ratio of current year premium collected to prior year premium collected and the ratio of current year premium collected to annualized planned periodic premium. *Prior year premium collected is only for policies in force during the current year of observation.*

Companies in this study use a variety of product distribution channels. The different distribution channels included in this study are:

- Career ordinary agent of your company, including personal producing general agents (PPGAs)
- Home service agent of your company
- Insurance broker, including agents of other companies and independent agents
- Multiple-line exclusive agents (MLEAs)
- “Other” includes direct response, stockbrokers, and direct marketing to home office staff.

Results by distribution channel are shown separately for career ordinary and life insurance broker. Data from other distribution channels are included in the results but not shown separately by distribution channel type because of an insufficient number of companies.

Companies also provided data on product features for approximately 150 products corresponding to the data provided in random samples of in-force policies. Detailed instructions are included in Appendix C. Selected product data were merged onto policy records in order to examine lapsation and persistency by various product specific factors, as well as by policy, insured, and agent specific factors as provided on the policy extracts.

Companies were also asked to provide data on credited interest rates. One hypothesis holds that full surrenders are a function of the spread between the credited interest rate and an external “market” rate. When the external rate increases one might expect an increase in full surrender activity if a commensurate increase in credited rate does not follow. The period analyzed for this study, however, saw generally declining interest rates and the results for credited interest rate analysis in this study are inconclusive and somewhat contradictory. Credited interest rates resulting in a “negative company spread” of 1% or more actually saw an increase in full surrender activity. Since the majority of policies were within a close tolerance of market rates, many factors besides credited interest rates dominated termination activity. Therefore, it was no surprise that the analysis by credited interest rates in this study did not yield significant results.

The table below shows the “market” rates used for comparison against policy credited interest rates. The market rate is the median credited interest rate on universal life policies from LIMRA’s ordinary life insurance sales surveys:

"Market" Interest Rates			"Market" Interest Rates		
Year	Month	Rate (%)	Year	Month	Rate (%)
88	1	8.8	90	7	8.6
88	2	8.8	90	8	8.5
88	3	8.6	90	9	8.5
88	4	8.5	90	10	8.5
88	5	8.5	90	11	8.5
88	6	8.6	90	12	8.5
88	7	8.6	92	1	8.0
88	8	8.6	92	2	8.0
88	9	8.7	92	3	7.8
88	10	8.7	92	4	7.8
88	11	8.7	92	5	7.8
88	12	8.7	92	6	7.8
90	1	8.5	92	7	7.8
90	2	8.6	92	8	7.5
90	3	8.5	92	9	7.5
90	4	8.5	92	10	7.4
90	5	8.5	92	11	7.4
90	6	8.5	92	12	7.3

Also see Appendices B, C, and D. Appendix B includes detailed tables showing the total number of lapses and exposures corresponding to factors shown in Appendix A. Appendix C includes instructions for submitting data and Appendix D includes a list of contributing companies.

About the Sample

The overall policy sample contains 652,212 policies, of which 596,783 remained in force at the end of the year of exposure; 1,194 terminated by death; 243 left the active in force due to disability; 21,723 were surrendered for full cash value; and 32,269 lapsed because of insufficient cash value:

TERMINATION ACTIVITY DURING YEAR OF EXPOSURE
(OVERALL SAMPLE)

Reason	Percentage of Policies
Full Surrender	3.33%
Insufficient Cash Value	4.95
Death	0.18
Disability	0.04
Still in Force	91.50
	100.00%

Approximately 17% of the data is from calendar year 1988, 20% is from calendar year 1990, and the remaining 63% is from 1992.

Because of the dramatically higher lapse rates (see Table S2) on guaranteed issue and simplified issue business, 42,548 policies are excluded from the results in this study, leaving 609,664 policies in the remaining sample.

TERMINATION ACTIVITY DURING YEAR OF EXPOSURE
(REMAINING SAMPLE)

Reason	Percentage of Policies
Full Surrender	3.23%
Insufficient Cash Value	4.63
Death	0.18
Disability	0.04
Still in Force	91.92
	100.00%

Approximately 17% of the remaining policy data is from calendar year 1988, 21% is from calendar year 1990, and 62% is from 1992.

Summary of Results

TABLE S1
SUMMARY OF OVERALL LAPSE RESULTS

Unit of Measure		Amount in Force			
Number of Policies		652,212			
Face Amount		\$54,197,694,519			
Planned Periodic Premium (PPP)		\$776,460,078			
Account Value		\$2,092,367,979			
Type of Lapse	Lapse Rates by Unit of Measure				
	Policies	Face Amount	PPP	Cash Value	
Insufficient cash value	5.4%	4.7%	3.3%	0.6%	
Full surrender	3.7	3.8	3.8	3.9	
Total	9.1%	8.5%	7.1%	4.5%	

Underwriting status has a dramatic impact on lapse levels—guaranteed issue and simplified issue business experienced about twice the ordinary total lapse level, the majority of which can be attributed to insufficient cash value lapses (see Table S2).

TABLE S2
LAPSE RESULTS BY UNDERWRITING STATUS AS MEASURED BY NUMBER OF POLICIES

Underwriting Status	Insufficient Cash Value Lapse (ICV)	Full Surrender Lapse (FS)	Total Lapse
Preferred	3.5%	2.7%	6.2%
Standard	4.7	3.9	8.6
Substandard	6.2	2.8	9.0
Guaranteed issue	12.5	5.4	17.9
Simplified issue	14.7	3.1	17.8

The results for the remainder of this report exclude guaranteed and simplified issue policies.

TABLE S3
SUMMARY OF OVERALL LAPSE RESULTS EXCLUDING GUARANTEED ISSUE
AND SIMPLIFIED ISSUE POLICIES

Unit of Measure	Amount in Force			
Number of Policies	609,664			
Face Amount	\$51,988,576,801			
Planned Periodic Premium (PPP)	\$746,295,088			
Account Value	\$2,024,535,759			
Type of Lapse	Lapse Rates by Unit of Measure			
	Policies	Face Amount	PPP	Cash Value
Insufficient cash value	5.1%	4.7%	3.2%	0.6%
Full surrender	3.5	3.7	3.7	3.6
Total	8.6%	8.4%	6.9%	4.2%

Highlights

- In this study, full surrender activity increases with policy year. Lapses due to insufficient cash value activity decrease by policy year. (See Table A-1.) Policy year results are influenced by surrender charge. Policies with a significant surrender charge have total lapse rates around 9–10% in the first policy year with renewal lapse rates generally declining to approximately 5% by policy years 10 and 11 combined. Policies without significant surrender charges have a total first year lapse rate around 12% with renewal lapse rates declining to 6% by the fifth policy year; thereafter, lapse rates increase to around 17% for policy years 10 and 11. (See Table A-6.) Results may need to be monitored by year of issue as back-end loaded products are likely to account for larger proportions of older business in future studies.

- About 60% of the lapses in this study are a result of insufficient cash value. Many policyowners tend to stop payments and let policies lapse. The highest lapse rates (around 60%) occur when premiums have not been paid for 19 to 24 months. Lapses due to full surrender also contribute substantially to early lapses. (See Tables A-1 and A-8.)
- The ratio of current premium collected to annualized planned periodic premium decreases from 88% in the first policy year to less than 50% by policy year 5. There is some improvement in later policy years but the ratio remains below 70%. (See Table A-1.)
- Bank plan and annual payment modes show the lowest lapse rates; quarterly and regular monthly modes have lapse rates about two to three times higher. However, at some companies the procedure to conserve potential lapses on bank draft mode may include transferring them to regular monthly mode. If companies report the mode of payment at point of termination rather than at the point of issue, the difference between regular monthly and bank plan mode are exaggerated. (See Table A-1.)
- Size of face amount proved to be a relatively insignificant factor when examining total lapse activity – peaking in the middle of the distribution at 9.7% for policies with face amounts between \$100,000 and \$249,999. (See Table A-1.)
- One hypothesis holds that the surrender rate is a function between the policies credited interest rate and an external “market” rate. The period analyzed here generally saw declining interest rates and the majority of policies were within a close tolerance of the “market” rate. As a result, other factors dominated the lapse activity and results for credited interest rate spread are not significant. (See Table A-1.)
- By number of policies, life broker lapse rates were considerably lower than those for career agents and PPGAs (7.6% versus 12.1%). (See Table A-2.) Where there was a significant surrender charge, the life broker lapse rate was not very different from that of career agents and PPGAs (7.0% versus 7.9%). (See Tables A-17 and A-19.)
- Policies that pay an agent persistency bonus see significantly lower lapse rates than policies that do not pay a bonus. (See Table A-2.)
- In general, lapse rates decline as issue age increases. For issue ages up through 40 to 49, the majority of lapses come from insufficient cash value. (See Table A-3.)
- Products with a stepped-up credited interest rate bonus for policyowners have approximately half the lapse rate of products that offer no policyowner persistency bonus. (See Table A-4.)

- Approximately 20% of the policies can be classified as front-end loaded. The vast majority of these policies also lack significant surrender charges, if any. Therefore, the results seen for front-end loaded products are very similar to those seen for products with no significant surrender charge. (See Table A-4.)
- The presence of a significant surrender charge leads to a significantly lower lapse rate. (See Table A-4.)
- A great majority (approximately 80%) of the policies are not front-end loaded. As a result, there are many more policies with surrender charges than without. (See Table A-4.) Results show there is a high correlation between the amount of surrender charge and full surrenders—the higher the charge in effect, the lower the surrender rate. (See Table A-1.)

SECTION II. REVIEW OF FACTORS AND TOTAL LAPSE ACTIVITY

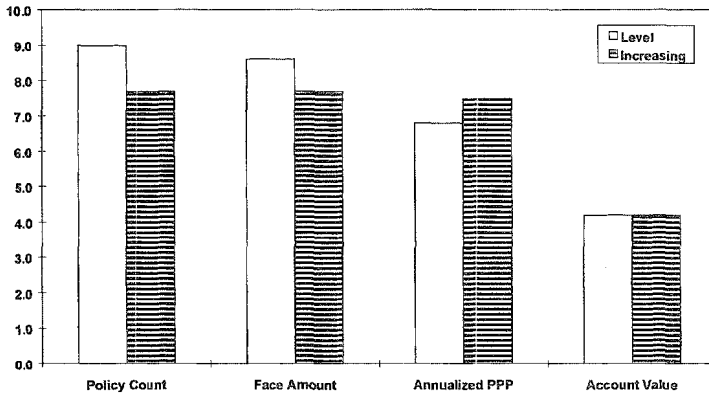
Policy Factors

- Death benefit option
- Policy rider
- Policy year
- Payment mode
- Months since last premium collected
- Face amount
- Annualized planned periodic premium (PPP)
- Target premium
- PPP per \$1,000 of face amount
- Target premium per \$1,000 of face amount
- Initial premium payment
- Account value
- Policy loan
- Loan as a percent of account value
- Account value as a percent of face amount
- Current credited rate under market rate
- Current credited rate over guaranteed minimum rate
- Years remaining in surrender charge schedule
- Surrender charge as a percent of target premium
- Surrender charge as a percent of account value
- Surrender charge per \$1,000 of face amount
- Policy year and significant surrender charge

Death Benefit Option (Chart 1). Seventy-one percent of the policies have the level death benefit option. When looking at lapse rates by policy count or face amount, policies with this option have higher lapse rates than those with

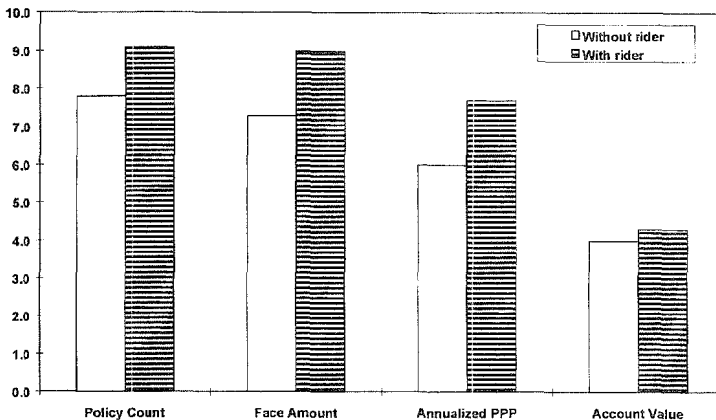
the increasing death benefit option. By annualized premium, lapse rates on the increasing death benefit option have the higher lapse rate and by account value both options have the same lapse rate. One reason for the higher premium lapse rate for increasing death benefit plans is a higher level of full surrender activity for policies with large planned periodic premiums. (See Table A-1.)

CHART 1
LAPSE RATES BY DEATH BENEFIT OPTION AND UNIT OF MEASURE



Policy Rider (Chart 2). Nearly 60% of the policies have one or more riders attached to the base policy. Lapse rates as measured by policy count, face amount, and annualized planned periodic premium are about 1.5 percentage points higher for policies with riders than those without riders. (See Table A-1.)

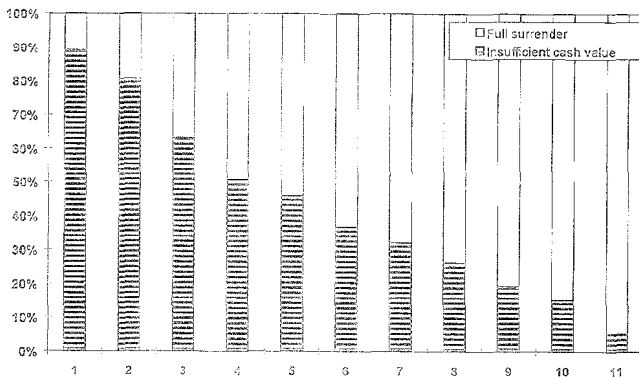
CHART 2
LAPSE RATES ON POLICIES WITH AND WITHOUT RIDERS BY UNIT OF MEASURE



For the remainder of Section II, results will be shown using policy count as the unit of measure unless shown otherwise. Detailed tables showing results based on policy count, face amount, annualized planned premium, and account value can be found in Appendix A. Premium persistency rates can also be found in Appendix A.

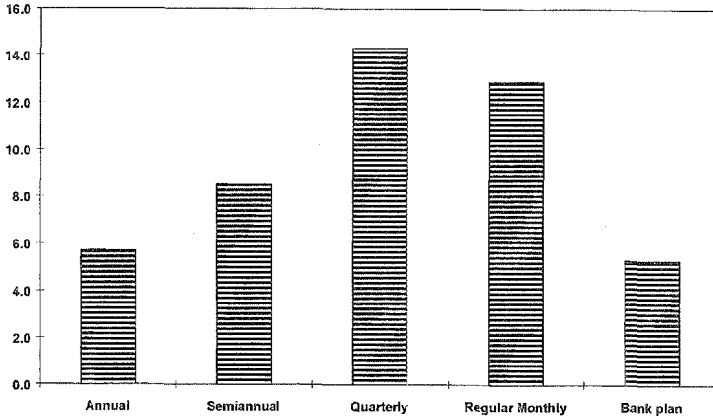
Type of Lapse by Policy Year (Chart 3). In the first two policy years more than 80% of the lapses are a result of insufficient cash value. The reverse is true by policy year 9 where most of the lapses are a result of full surrenders. Older policies have had longer to build up more substantial account values and are therefore less likely to lapse as a result of insufficient cash value. In addition, older policies are more likely to be fully surrendered as the surrender charge, if any, declines. (See Table A-1.)

CHART 3
DISTRIBUTION OF TYPE OF LAPSES BY POLICY YEAR (AS MEASURED BY POLICY COUNT)



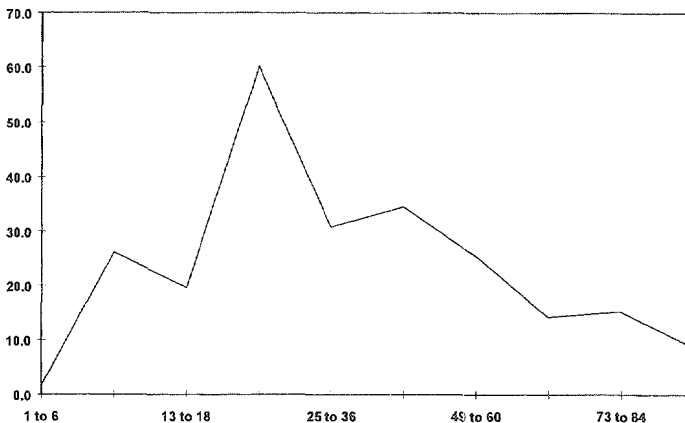
Payment Mode (Chart 4). Policies with quarterly and regular monthly premiums had the highest lapse rates while annual and bank plan business had the lowest lapse rates. However, at some companies the procedure to conserve potential lapses on bank draft mode may include transferring them to regular monthly mode. If companies report the mode of payment at point of termination rather than at point of issue, the differences between regular monthly and bank plan mode are exaggerated. (See Table A-1.)

CHART 4
LAPSE RATES BY PAYMENT MODE (AS MEASURED BY POLICY COUNT)



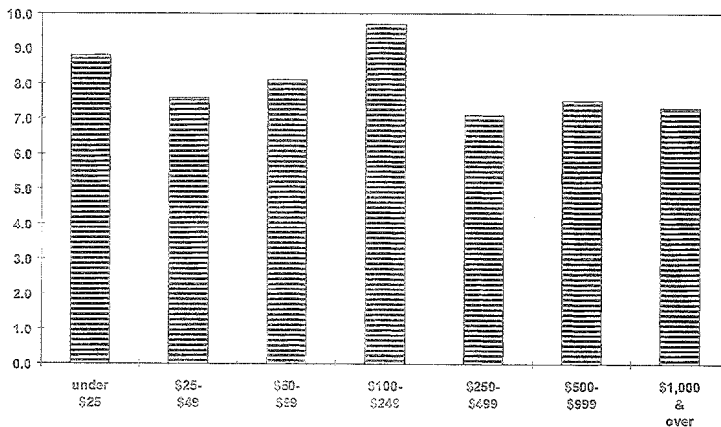
Months Since Last Premium Collected (Chart 5). One may hypothesize that the longer the time elapsed since the last premium, the higher the lapse rates. Lapse rates peak at the extremely high annualized rate of 60.2%. Early lapses are predominantly lapses with no account value. Lapse rates start dropping after two years but still remain fairly high. Lapse rates return to more normal levels for policies with no premium payment for more than seven years. Some companies had to estimate data necessary for this analysis. (See Table A-1.)

CHART 5
LAPSE RATES BY NUMBER OF MONTHS SINCE LAST PREMIUM
(AS MEASURED BY POLICY COUNT)



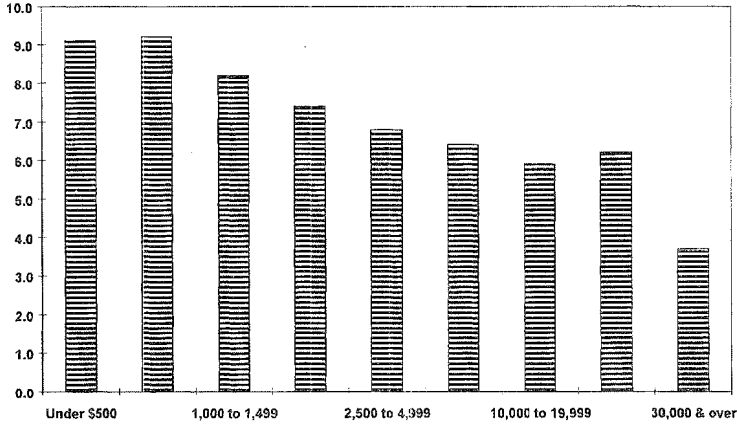
Size of Face Amount (Chart 6). Face amounts are amounts in force as of the beginning of the year or at issue for new policies and include amounts from term riders on the primary insured, if any. Face amount proved to be a relatively insignificant factor, with total lapse rates peaking in the middle of the distribution at 9.7% for face amounts between \$100,000 and \$249,999. There is approximately a 25% reduction from the peak for policies with face amount of \$250,000 and over. (See Table A-1.)

CHART 6
LAPSE RATES BY FACE AMOUNTS IN THOUSANDS (AS MEASURED BY POLICY COUNT)



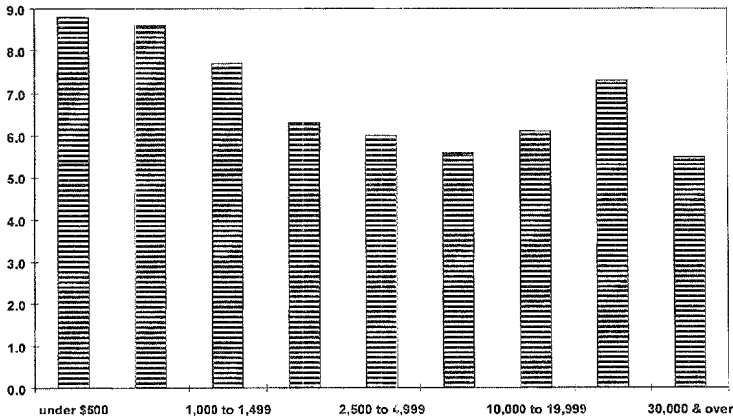
Size of Annualized Planned Periodic Premium (Chart 7). As annualized planned periodic premium increases, lapse rates generally decrease. Some companies refer to annualized PPP as stipulated premium. Total lapse rates are around 9% for PPPs under \$1,000. The lowest rate is below 4% for policies with PPPs of \$30,000 or more. (See Table A-1.)

CHART 7
LAPSE RATES BY SIZE OF ANNUALIZED PLANNED PERIODIC PREMIUM
(AS MEASURED BY POLICY COUNT)



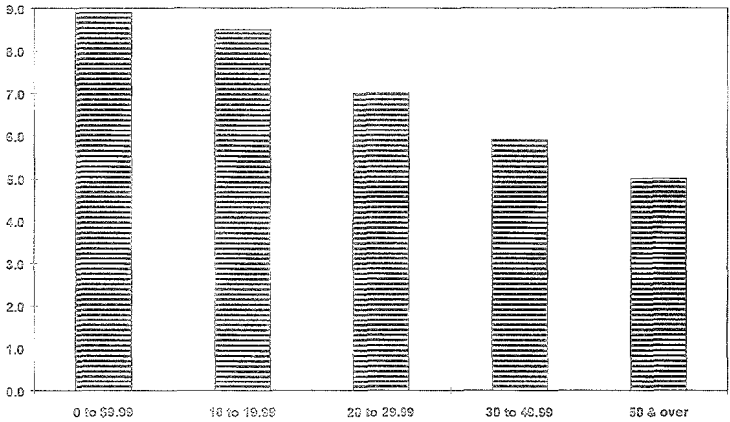
Size of Target Premium (Chart 8). Lapse activity by size of target premium is similar to results for size of PPP, however, total lapse rates are less closely correlated to size of target premium than size of PPP. Target premium is the amount on which a higher commission rate is paid and for some companies is the same as minimum premium. The highest total lapse rate approaches 9% for the smallest sizes and declines steadily to less than 6% for policies with target premiums between \$5,000 and \$9,999. Exposures for larger size categories are relatively small. (See Table A-1.)

CHART 8
LAPSE RATES BY SIZE OF TARGET PREMIUM (AS MEASURED BY POLICY COUNT)



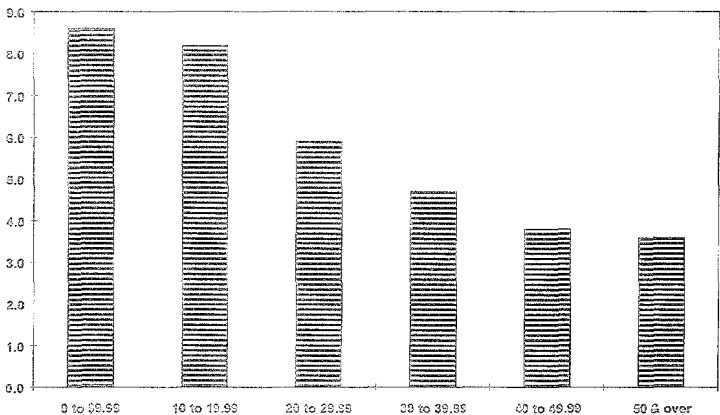
Annualized PPP per \$1,000 of Face Amount (Chart 9). Nearly 63% of policies have annualized planned periodic premiums per \$1,000 of face amount under \$10. Total lapse rates decline steadily from near 9% for these policies to 5% for policies with PPPs per \$1,000 of \$50 or more. These results are closely correlated with the results for issue age categories. (See Table A-1.)

CHART 9
LAPSE RATES BY ANNUALIZED PLANNED PERIODIC PREMIUM PER \$1,000
(AS MEASURED BY POLICY COUNT)



Target Premium per \$1,000 of Face Amount (Chart 10). Around 65% of the policies have target premiums per \$1,000 of face amount under \$10. A

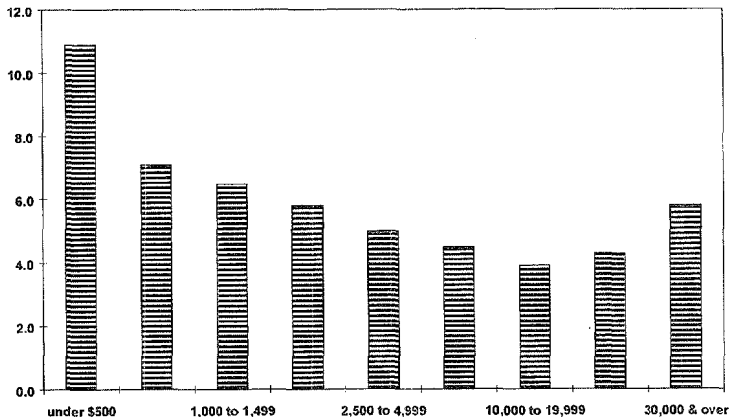
CHART 10
LAPSE RATES BY TARGET PREMIUM PER \$1,000 (AS MEASURED BY POLICY COUNT)



pattern similar to PPP per \$1,000 is seen for target premium per \$1,000. Lapse rates decrease from around 8.5% to less than 4% for the largest size category, \$50 or more. (See Table A-1.)

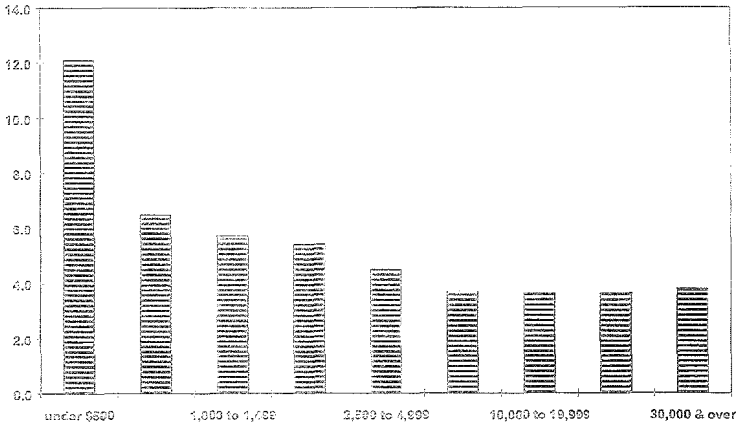
Size of Initial Premium (Chart 11). Initial premium is the first modal premium including rollovers and other large one-time payments. Three-quarters of the policies had initial premiums less than \$500. These policies have the highest lapse rates (10.9%). As the size of the initial premium rises, lapse rates tend to decline. Lapse rates increased somewhat for the largest size categories – these categories had relatively small exposures. (See Table A-1.)

CHART 11
LAPSE RATES BY SIZE OF INITIAL PREMIUM (AS MEASURED BY POLICY COUNT)



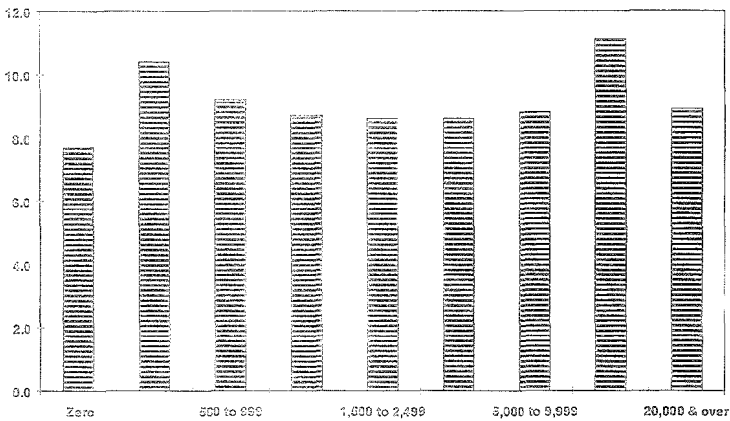
Size of Account Value (Chart 12). Account values are values before surrender charges at the beginning of the year. Eighty-four percent of the policies have account values less than \$5,000. As expected, the smaller the account value, the more likely a policy will lapse. The effect of size, however, is diminished for policies with account values of \$5,000 and above. Note: Where necessary, some estimates of account value are made using initial premiums for new policies or year-end account values and surrendered amounts for in-force policies. (See Table A-1.)

CHART 12
LAPSE RATES BY SIZE OF ACCOUNT VALUE (AS MEASURED BY POLICY COUNT)



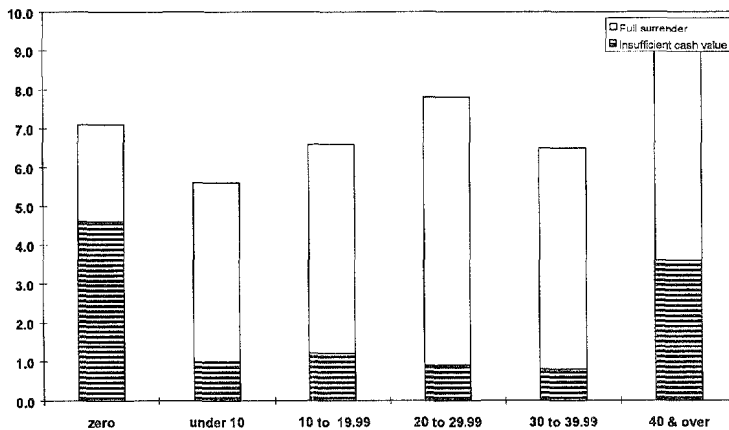
Size of Policy Loan (Chart 13). Policies with no loans have a total lapse rate of 7.7% and most policies in this study do not have loans. Policies without loans are more likely to lapse due to insufficient cash value than be fully surrendered. Of the 4.6% of UL policies that do have an outstanding loan during the year of observation, lapse rates are highest when the loan is between \$10,000 and \$19,999 at 11.1%. (See Table A-1.)

CHART 13
LAPSE RATES BY SIZE OF POLICY LOAN (AS MEASURED BY POLICY COUNT)



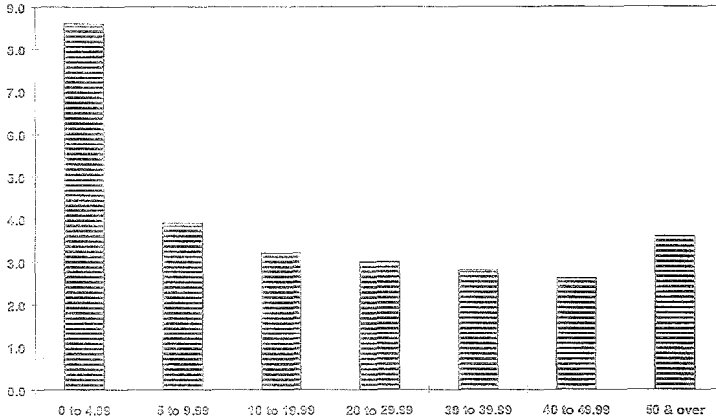
Policy Loan as a Percentage of Account Value (Chart 14). Total lapse rates vary across categories of policy loan as a percentage of account value. Policies with no loans have the majority of lapses coming from insufficient cash value. Lapse rates on policies with loans generally increase 5–10% as loan amount relative to account value increases. The majority of lapses on loaned policies are due to full surrenders. (See Table A-1.)

CHART 14
LAPSE RATES BY LOAN AMOUNT AS A PERCENTAGE OF ACCOUNT VALUE
(AS MEASURED BY POLICY COUNT)



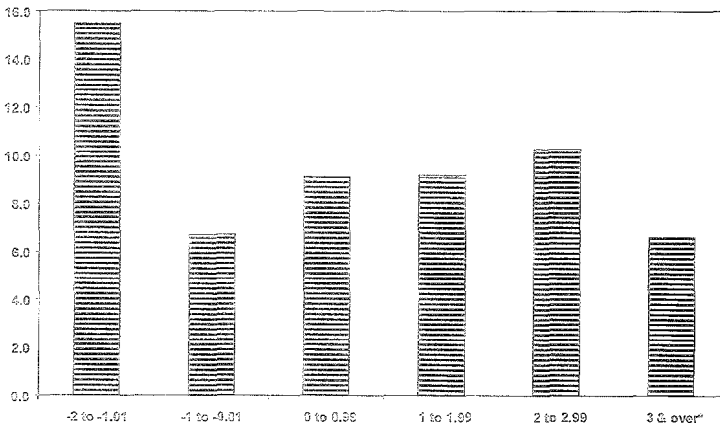
Account Value as a Percentage of Face Amount (Chart 15). Nearly 90% of the policies in this study have account values of less than 10% of the face amount. Those with account values under 5% of face amount experienced the highest lapse rate at 8.6%. Lapse rates decline until account values reach 50% or more of the face amount. Age of the insured is one factor influencing these results. (See Table A-1.)

CHART 15
LAPSE RATES BY ACCOUNT VALUE AS A PERCENTAGE OF FACE AMOUNT
(AS MEASURED BY POLICY COUNT)



Current Credited Interest Rate Under "Market" Rate ("Company Spread") (Chart 16). Sixty-six percent of the policies have current credited interest rates which are greater than "market" rates. Unexpectedly, when current credited rates exceed market rates by more than one percentage point, lapses tend to be higher than when the credited rate is within 1% of the market rate. When the credited rate is below the market rate by one to two percentage points,

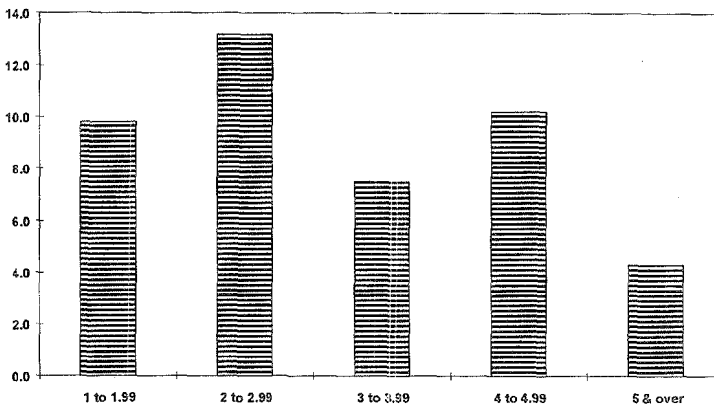
CHART 16
LAPSE RATES BY CURRENT INTEREST RATE UNDER MARKET RATE "COMPANY'S SPREAD
ON CREDITED INTEREST RATE" (AS MEASURED BY POLICY COUNT)



lapse rates increase to 9–10%. Since the vast majority of policies were within close proximity of the market rate, other factors dominated lapse activity, consequently these results are inconclusive. (See Table A-1.)

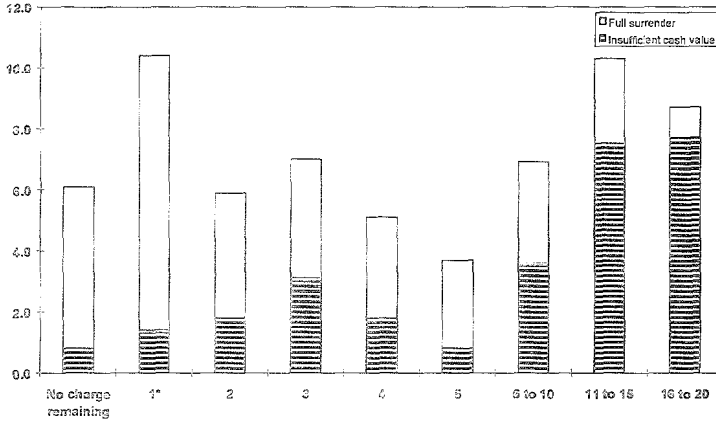
Current Credited Interest Rates over Guaranteed Minimum Rate (Chart 17). Ninety-three percent of the policies have current credited rates of 3% or more over the guaranteed minimum interest rate—guaranteed minimum is the lowest rate for the life of the policy. The highest lapse rate is 13.2% for policies crediting between 2 and 2.99% over the guaranteed minimum rate, and most lapses are due to insufficient cash value. The vast majority of policies had current interest rate spread over the guaranteed minimum rate within 3–5%; therefore, other factors dominated lapse activity, consequently these results are inconclusive. (See Table A-1.)

CHART 17
LAPSE RATES BY CURRENT INTEREST RATE OVER GUARANTEED MINIMUM RATE
(AS MEASURED BY POLICY COUNT)



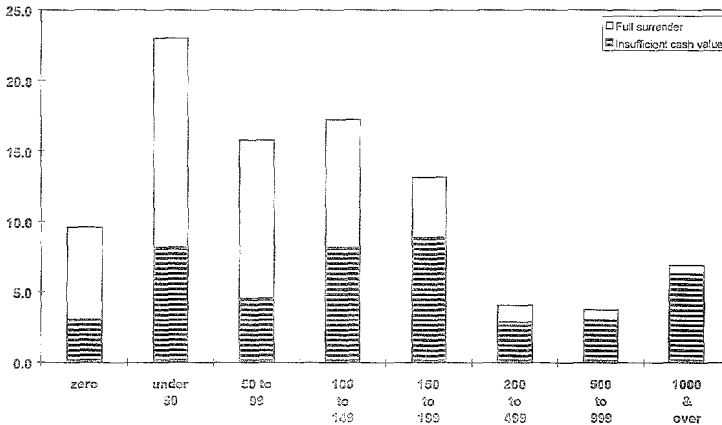
Years Remaining in the Surrender Charge Schedule (Chart 18). More than 90% of the policies have approximately 6 to 20 years remaining in the surrender charge period. Therefore, caution should be used in reviewing the lapse results for policies with less than 6 years remaining. The highest total lapse rate is for policies with one year, as of last anniversary, remaining in the surrender charge schedule; this category has less than 400 exposed policies. The total lapse rate for policies with 11 to 15 years to go is essentially the same but for different reasons – these policies lapse mainly because of insufficient cash value, whereas policies with one year remaining lapse primarily because of full surrender. (See Table A-1.)

CHART 18
LAPSE RATES BY YEARS REMAINING IN SURRENDER CHARGE SCHEDULE
(AS MEASURED BY POLICY COUNT)



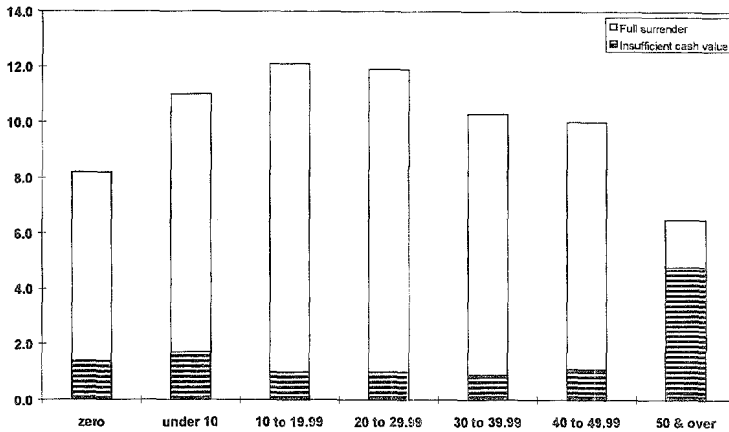
Surrender Charge as a Percentage of Target Premium (Chart 19). Surrender charges are based on actual surrender charges levied during the year on surrendered policies and are based on surrender charge schedules for policies not fully surrendered during the year. The highest total lapse rate is seen for policies with positive surrender charges under 50% of target premium where the majority of lapses are due to full surrender. A large drop-off in lapses occurs at the 50-99% level and the 200-500% level. (See Table A-1.)

CHART 19
LAPSE RATES BY SURRENDER CHARGE AS A PERCENTAGE OF TARGET PREMIUM
(AS MEASURED BY POLICY COUNT)



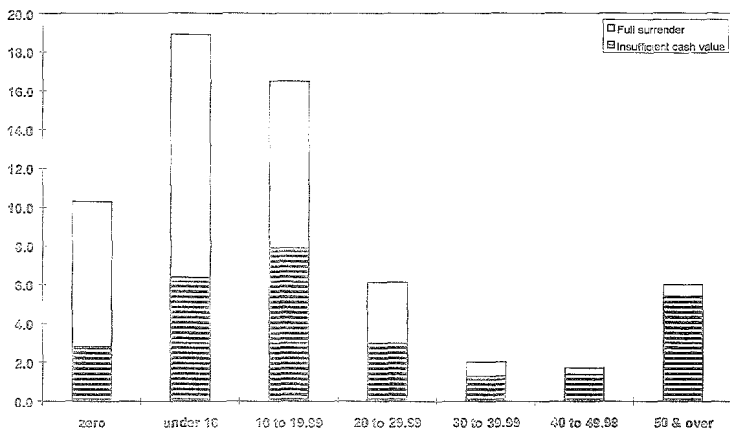
Surrender Charge as a Percentage of Account Value. Chart 20 shows lapse rates for surrender charges expressed as a percent of account value. Nearly 70% of the policies have surrender charges amounting to 50% or more of account value. This group has the lowest total lapse rate of 6.5% primarily resulting from reduced full surrender activity. Policies below the 50% level show the reverse pattern where full surrender lapses comprise the bulk of lapse activity. (See Table A-1.)

CHART 20
LAPSE RATES BY SURRENDER CHARGE AS A PERCENTAGE OF ACCOUNT VALUE
(AS MEASURED BY POLICY COUNT)



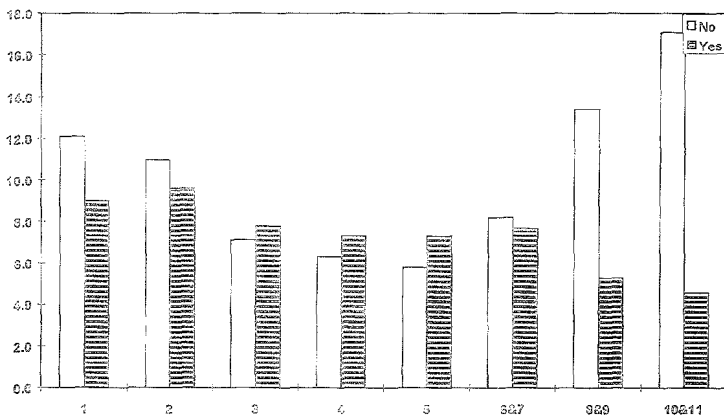
Surrender Charge per \$1,000 of Face Amount (Chart 21). When surrender charges are expressed as a rate per thousand of face amount, little impact is seen on total lapses for positive surrender charge rates below \$20 — approximately 16% of the policies. Overall, the total lapse rates range from a high of 18.9% to a low of 1.7%. Full surrender rates range from 12.5% for policies with positive charges below \$10 to 3% and below for policies with charges of \$20 and above. Age of insured is one factor correlated with these results. (See Table A-1.)

CHART 21
LAPSE RATES BY SURRENDER CHARGE PER \$1,000 OF FACE AMOUNT
(AS MEASURED BY POLICY COUNT)



Lapse Rates by Policy Year and Significant Surrender Charge (Chart 22). Policies without a significant surrender charge have declining lapse rates for the first five policy years. Thereafter, lapse rates increase steadily, to a high of 17.1% in policy years 10 and 11. Policies with a significant surrender charge show lower total lapse rates in the first two policy years and experience lower full surrender activity across all policy years. (See Table A-6.)

CHART 22
LAPSE RATES BY POLICY YEAR AND SIGNIFICANT SURRENDER CHARGE
(AS MEASURED BY POLICY COUNT)

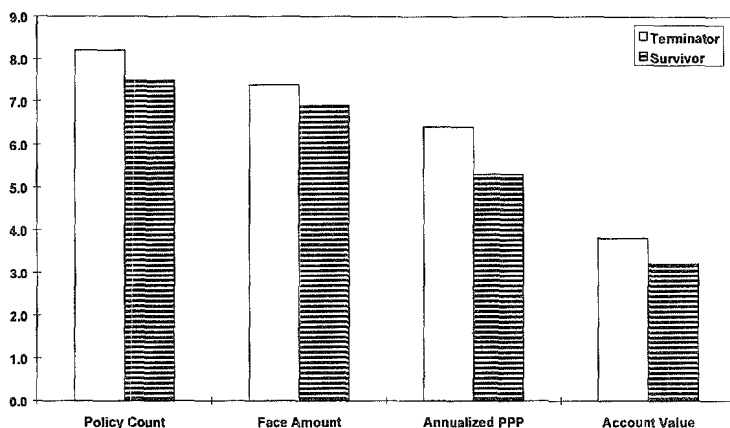


Agent Factors

- Agent survival status
- Distribution channel and surrender charge
- Agent persistency bonus
- Agent year of service
- Calendar years since agent termination

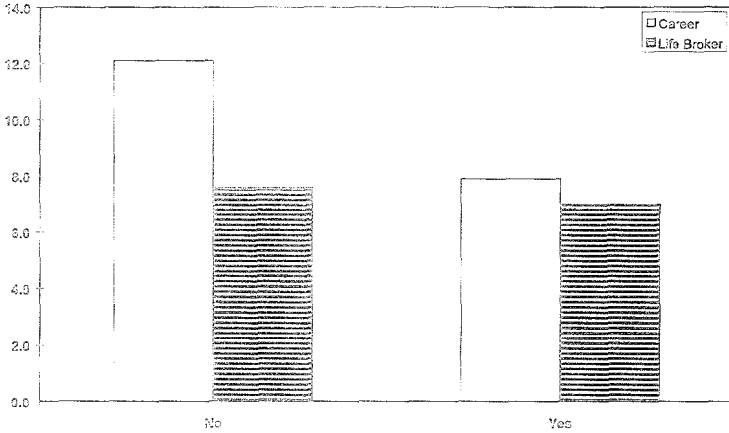
Agent Survival Status (Chart 23). Lapse rates on business where the selling agent has terminated from the company are slightly higher than business where the agent is still active. The difference between lapse rates is about 0.5 to 1 percentage point. Some companies rewrite agent compensation contracts regularly and may count old contracts as terminated thus underestimating the lapse results of true terminators only. (See Table A-2.)

CHART 23
LAPSE RATES BY AGENT SURVIVAL STATUS



Distribution Channel and Surrender Charge (Chart 24). Lapse rates on policies written by life brokers is lower than those written by career ordinary agents and personal producing general agents. (See Table A-2.) For policies without significant surrender charges, life broker lapse rates were considerably lower than those for career agents and PPGAs (7.6% versus 12.1%). Where there was a significant surrender charge, the life broker lapse rate was not very different than that of career agents and PPGAs (7.0% versus 7.9%). (See Table A-17.) The same general pattern is also seen when examined by policy year. (See Table A-21.)

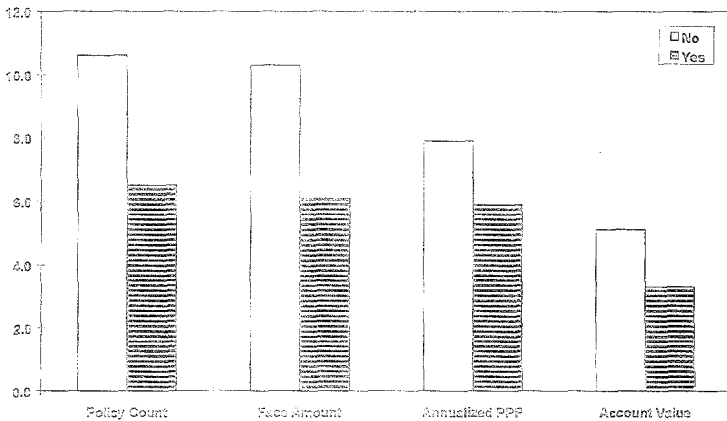
CHART 24
LAPSE RATES BY DISTRIBUTION CHANNEL AND SIGNIFICANT SURRENDER CHARGE STATUS
(AS MEASURED BY POLICY COUNT)



Lapse rates are not shown for multiple-line exclusive agents and home service agents but the data are included in the analysis throughout the study. For the three companies distributing through multiple-line exclusive agents, the total lapse rate is similar to that for career ordinary agents although approximately 80% of the multiple-line lapses are a result of insufficient cash value.

Product Pays an Agent Persistency Bonus (Chart 25). Products that pay an agent persistency bonus have significantly lower lapse levels across all measures. Approximately 44% of the policies pay an agent persistency bonus and

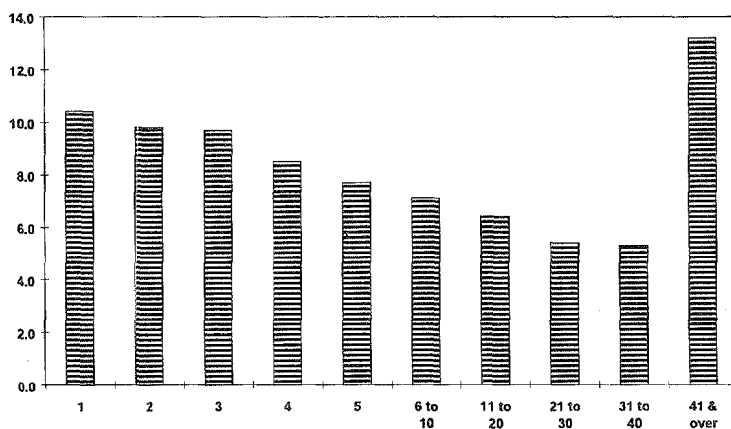
CHART 25
LAPSE RATES BY WHETHER PRODUCT PAYS AGENT PERSISTENCY BONUS



the lower lapse level is largely due to improvements in insufficient cash value lapses. (See Table A-2.)

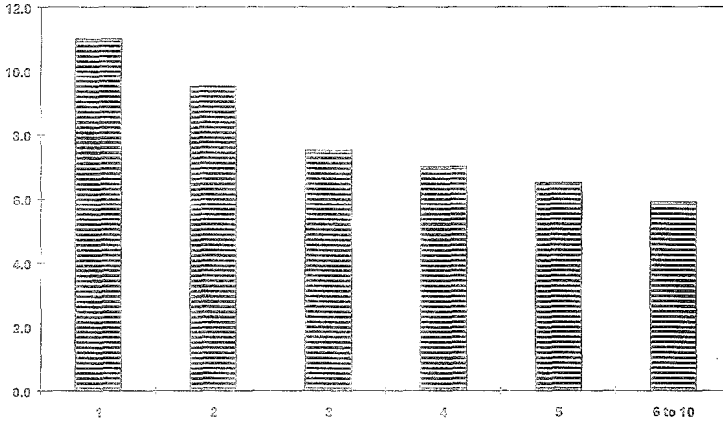
Agent Year of Service (Chart 26). Total lapse rates decline steadily from around 10% to 5% as agent experience increases. However, after 40 years of service, lapse rates rise dramatically to 13%. This reverse direction is largely a result of an increase in insufficient cash value lapses. (See Table A-2.)

CHART 26
LAPSE RATES BY AGENT CALENDAR YEAR OF SERVICE
(AS MEASURED BY POLICY COUNT)



Years Since Selling Agent Termination (Chart 27). Twenty-two percent of the policies were sold by agents who later terminated. Lapse rates are highest in the year the selling agent terminates. Total lapse rates are 11.0% for the first year and 9.5% for the second year. By years 6 to 10, the total lapse rate is 5.9%. The total lapse rate decreases largely as a result of a drop-off in the number of insufficient cash value lapses. By definition, calendar years since agent termination and policy year are interrelated, and policies in later policy years are less likely to lapse as a result of insufficient cash value. (See Table A-2.)

CHART 27
LAPSE RATES BY CALENDAR YEARS SINCE AGENT TERMINATION
(AS MEASURED BY POLICY COUNT)

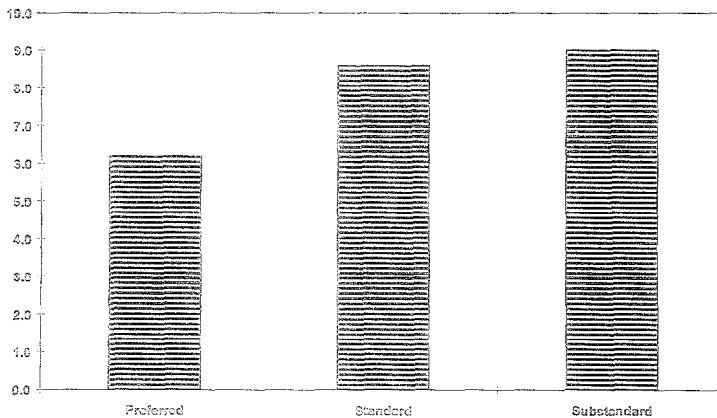


Insured Factors

- Underwriting status
- Attained age
- Issue age
- Insured smoker status

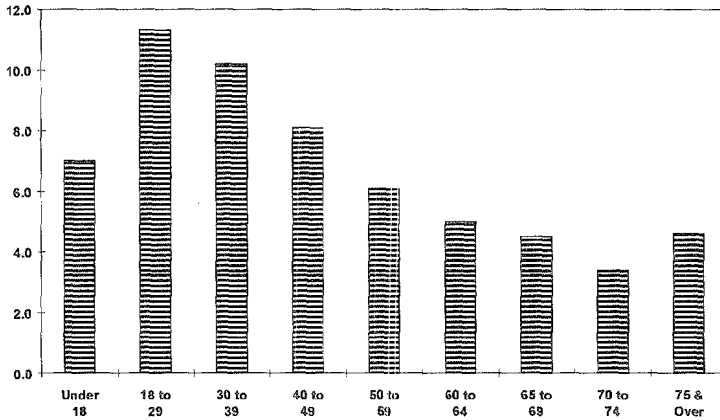
Underwriting Status (Chart 28). Policies underwritten on a preferred basis have about 20% fewer lapses than standard issue business. Lapse rates on substandard issued policies at 9% is only about one-half of a percentage point higher than standard policies, but substandard policies are somewhat more likely to lapse as a result of insufficient cash value. (See Table A-3.)

CHART 28
LAPSE RATES BY UNDERWRITING STATUS (AS MEASURED BY POLICY COUNT)



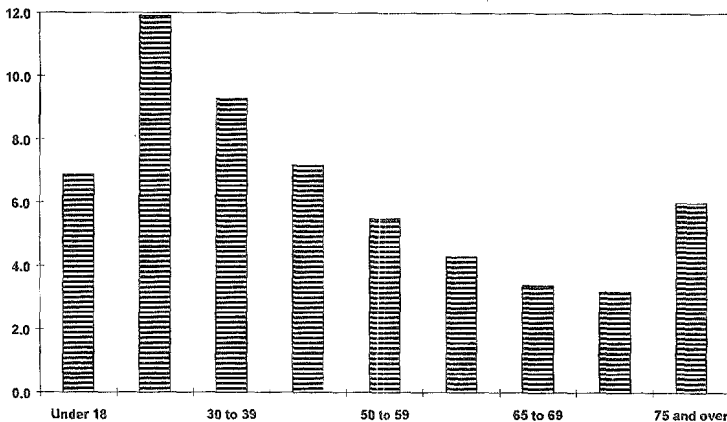
Attained Age (Chart 29). As expected, total lapse rates generally decline as insureds get older, except for juveniles and those who have reached age 75 and over. The highest rate is 11.3% for the 18 to 29 age group and lowest at 3.4% for the 70 to 74 age group. Insufficient cash values tend to cause more of the lapses at younger ages. (See Table A-3.)

CHART 29
LAPSE RATES BY ATTAINED AGE (AS MEASURED BY POLICY COUNT)



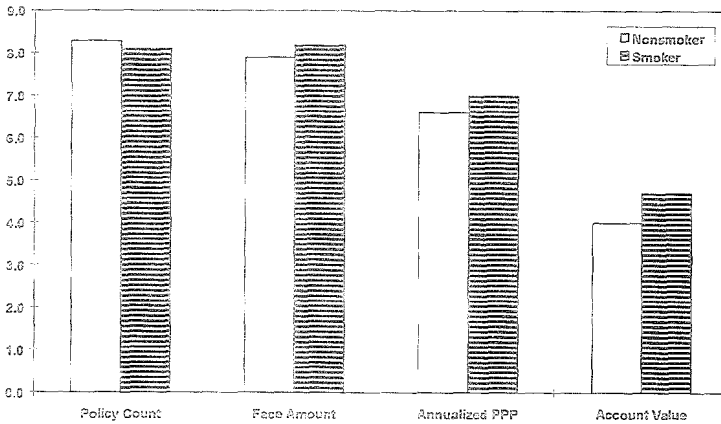
Issue Age (Chart 30). A pattern similar to attained age is seen when we look at lapse rates by issue age. The lapse rate declines from 11.9% for the 18 to 29 issue age group down to 3.2% for the 70 to 74 issue age group. (See Table A-3.)

CHART 30
LAPSE RATES BY ISSUE AGE (AS MEASURED BY POLICY COUNT)



Smoker Status of Insured (Chart 31). Three-fourths of the insureds have nonsmoker status. Policy count, face amount, and annualized PPP lapse rates range around 7 to 8% regardless of smoker/nonsmoker status. (See Table A-3.)

CHART 31
LAPSE RATES BY INSURED'S SMOKER STATUS

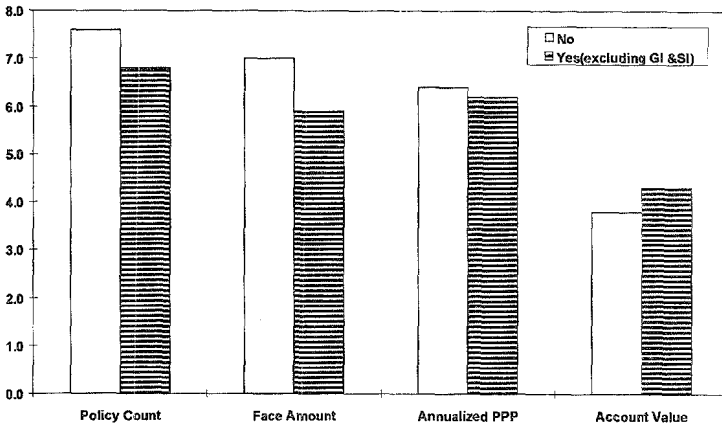


Product Factors

- Payroll deduction
- Current credited interest rate tied to an external rate
- Front-end loading
- First-year expense charge
- Renewal expense charge
- First-year premium load level
- Second-year premium load level
- Policyowner persistency bonus
- Significant surrender charge status

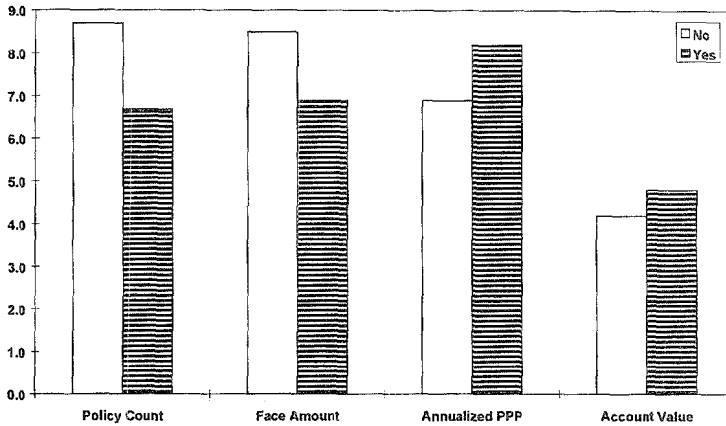
Payroll Deduction (Chart 32). For policies where the premium is billed on a payroll deduction basis total lapse rates tend to be slightly lower ranging from 6 to 7% for policy count, face amount, and premium lapse measure. If guaranteed issue and simplified issue business had been included, the total lapse rate for payroll deduction would have been around 50% higher than the business not sold on a payroll deduction basis. (See Table A-4.)

CHART 32
LAPSE RATES BY PAYROLL DEDUCTION



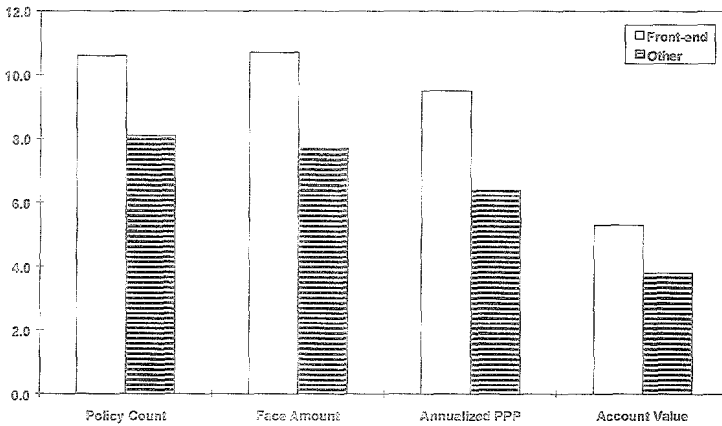
Current Credited Interest Rate Tied to an External Rate (Chart 33). Most UL policies do not have the credited interest rate tied to an external rate. For the 4% that do, lapses tend to be lower on a policy count and face amount measure. Insufficient cash value problems are reduced but full surrender activity is not. (See Table A-4.)

CHART 33
LAPSE RATES BY WHETHER CURRENT INTEREST RATES ARE TIED TO EXTERNAL RATE



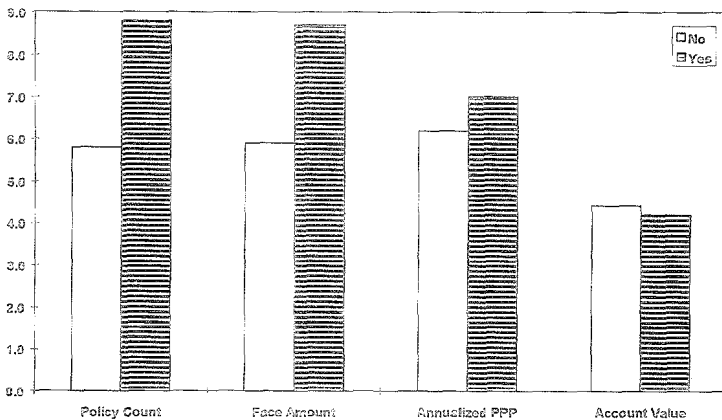
Front-End Loading (Chart 34). Products with significant first-year premium loads or other significant first-year expense charges are classified as front-end loaded. Front-end loaded policies have higher total lapse rates across all three measures. This is partly influenced by lack of surrender charges and higher full surrender activity. Approximately 19% of the policies in this study are classified as front-end loaded. (See Table A-4.)

CHART 34
LAPSE RATES BY PRODUCT LOADING DESIGN



First-Year Expense Charge (Chart 35). Products that have first-year expense charges, regardless of amount, also show higher lapse levels than those with

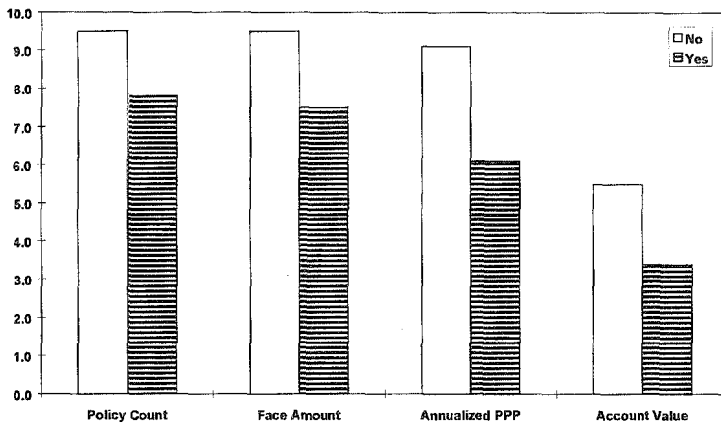
CHART 35
LAPSE RATES BY WHETHER PRODUCT HAS FIRST-YEAR EXPENSE CHARGES



no first-year expense charges. Nearly 92% of the policies have some form of first-year expense charge. Most increases in total lapse rates are a result of greater level of insufficient cash value lapses. (See Table A-4.)

Renewal Expense Charge (Chart 36). The opposite pattern is seen for policies with renewal expense charges. Approximately 54% of the policies have some form of a renewal expense charge and have total lapse rates 2 to 3 percentage points lower than policies that do not have any renewal expense charges. Most of the improvement is a result of lower full surrender activity. (See Table A-4.)

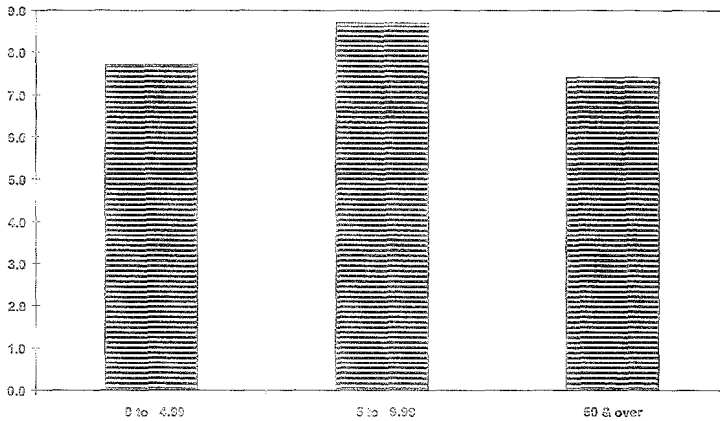
CHART 36
LAPSE RATES BY WHETHER PRODUCT HAS RENEWAL EXPENSE CHARGES



First-Year Premium Load Level (Chart 37). About 70% of the policies deduct 5–10% of first-year premium before crediting account value. These policies see a somewhat higher lapse rate primarily as a result of higher full surrender activity. Further analysis showed that the highest lapse rate (11.8%) occurred on policies without a significant surrender charge and with a 5–10% premium load level where approximately three-fourths of the lapses were from full surrenders. Policies with a significant surrender charge and a 5–10% first-year premium load level had a total lapse rate of 7.7% with approximately 40% of the lapses resulting from full surrenders. (See Table A-4.)

CHART 37

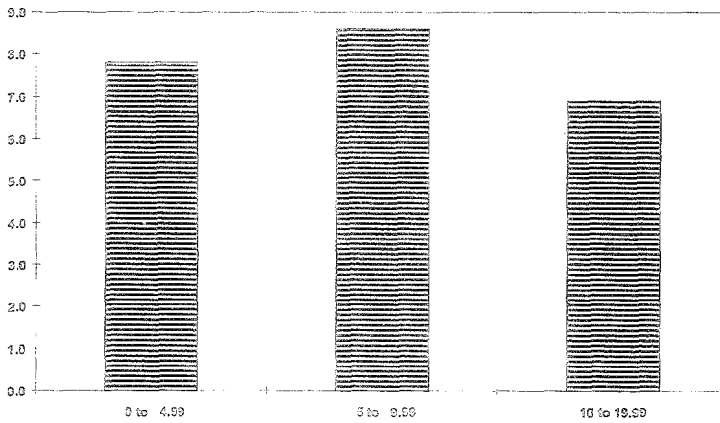
LAPSE RATES BY FIRST-YEAR PREMIUM LOAD (AS MEASURED BY POLICY COUNT)



Second-Year Premium Load Level (Chart 38). A similar pattern is seen for products with renewal premium loads between 5 and 10%. Nearly three-fourths of the policies have second-year premium loads between 5 and 10%. Total lapses are split about 50/50 between insufficient cash value lapse and full surrender lapse. For the small number of policies with premium loads between 10 and 20%, full surrender activity accounts for more than three-fourths of the total lapse activity. (See Table A-4.)

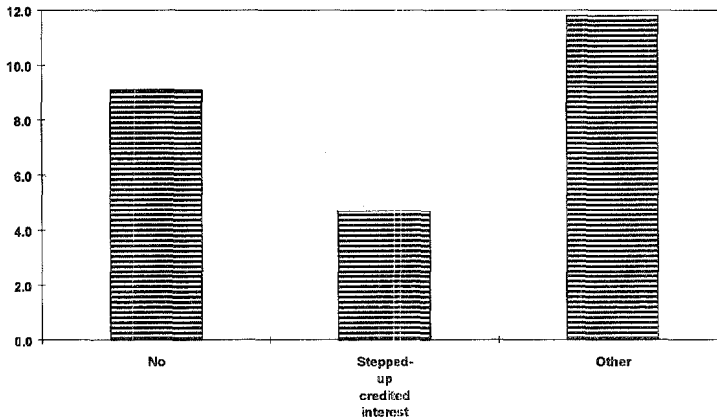
CHART 38

LAPSE RATES BY SECOND-YEAR PREMIUM LOAD (AS MEASURED BY POLICY COUNT)



Policyowner Persistency Bonus (Chart 39). More than three-fourths of the policies do not pay policyowners bonuses for keeping their policies in force. Currently, bonuses have yet to be paid, but those that pay an increased credited interest rate after a certain number of years have half the lapse rate of those paying no bonus. Other types of bonuses, such as a refund of mortality charges, do not appear to have a significant impact. (See Table A-4.)

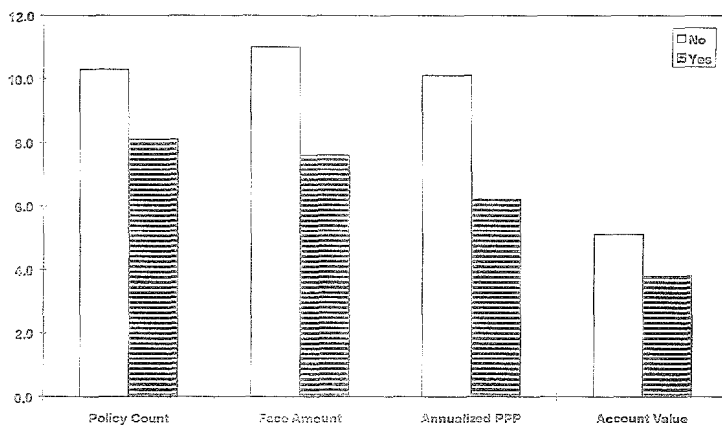
CHART 39
LAPSE RATES BY WHETHER PRODUCT PAYS POLICYOWNER PERSISTENCY BONUS
(AS MEASURED BY POLICY COUNT)



Significant Surrender Charge (Chart 40). Products with first-year surrender charges in effect that represented 50% or more of the target premium are classified as having a significant surrender charge. Minimum premium is used if no target premium amount is available. The presence of a surrender charge significantly reduces the lapse rate across all measures. As expected the decrease is a result of a reduction in the full surrender activity. Policies without significant surrender charges have full surrender activity accounting for about 70% of the lapses. For those with significant surrender charges, full surrender activity accounts for about 30% of the lapses. (See Table A-4.)

CHART 40

LAPSE RATES BY WHETHER PRODUCT HAS A SIGNIFICANT SURRENDER CHARGE



**APPENDIX A
DETAILED TABLES OF RESULTS**

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TABLE A-1

UL LAPSE RATES AND PREMIUM PERSISTENCY RATES BY POLICY FACTORS

Policy Factors	Percentage of Policies	Lapse Unit of Measure												Premium Persistency	
		Number of Policies			Face Amount			Annualized Planned Prem.			Account Value			Current to Prior	Current to Planned
		ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total		
Option															
Level death benefit	71.0%	5.4	3.6	9.0	4.8	3.8	8.6	3.3	3.5	6.8	0.6	3.5	4.2	62.6	56.3
Increasing death benefit	29.0	4.3	3.4	7.7	4.1	3.6	7.7	3.3	4.2	7.5	0.6	3.6	4.2	71.4	61.8
Policy Rider Status															
No	40.4	5.3	2.5	7.8	4.8	2.5	7.3	2.9	3.1	6.0	0.7	3.3	4.0	59.0	50.7
Yes	59.6	4.9	4.2	9.1	4.5	4.5	9.0	3.5	4.2	7.7	0.6	3.7	4.3	68.8	63.4
Policy Year*															
1	17.8	8.3	1.0	9.3	7.1	0.9	8.0	4.6	0.8	5.4	0.6	0.4	1.0		88.0
2	16.0	7.9	1.9	9.8	6.9	1.8	8.7	4.8	1.8	6.6	1.3	1.2	2.5	44.7	57.7
3	12.8	5.0	2.9	7.9	5.1	2.7	7.8	3.7	2.6	6.3	1.3	2.7	4.0	78.1	56.7
4	12.3	3.7	3.6	7.3	3.6	3.5	7.1	2.9	5.3	8.2	0.7	3.8	4.5	83.3	52.6
5	11.0	3.3	3.9	7.2	3.0	3.8	6.8	2.1	4.1	6.2	0.8	3.5	4.3	83.8	44.4
6	9.1	2.8	4.8	7.6	2.8	4.7	7.5	1.8	3.7	5.5	0.4	3.7	4.1	79.7	43.9
7	8.4	2.6	5.5	8.1	2.8	5.8	8.6	2.3	5.6	7.9	0.7	4.1	4.3	79.2	51.7
8	5.8	2.5	7.0	9.5	3.0	7.7	10.7	2.3	8.3	10.6	0.3	4.9	5.2	75.1	51.0
9	4.8	2.4	10.0	12.4	3.0	11.2	14.2	2.3	9.1	11.4	0.3	6.0	6.3	71.3	52.2
10	1.6	2.5	13.9	16.4	3.0	15.0	18.0	2.1	11.2	13.3	0.4	6.1	6.5	75.8	61.2
11	0.3	0.6	10.6	11.2	0.9	9.0	9.9	0.5	7.5	8.0	0.0	5.4	5.4	94.6	66.8
Payment Mode															
Annual	26.1	2.4	3.3	5.7	2.4	3.5	5.9	1.7	3.1	4.8	0.3	3.1	3.4	45.0	52.8
Semiannual	5.3	5.7	2.8	8.5	4.8	3.1	7.9	4.6	3.8	8.4	1.0	3.8	4.8	70.5	68.2
Quarterly	20.2	10.0	4.3	14.3	8.9	4.2	13.1	7.2	3.9	11.1	1.2	4.5	5.7	71.0	61.5
Regular Monthly	15.2	7.1	5.8	12.9	7.5	6.6	14.1	5.3	5.4	10.7	1.4	5.3	6.7	78.8	65.9
Bank plan	39.0	2.9	2.4	5.3	2.6	2.5	5.1	1.7	3.5	5.2	0.3	2.9	3.2	82.7	55.8
Other	0.2	2.5	2.3	4.8	2.1	3.3	5.4	3.2	2.6	5.8	0.3	5.1	5.4	99.1	76.1
Months Since Last Premium Collected															
1 to 6	77.4	0.8	0.8	1.6	0.7	0.8	1.5	0.7	0.7	1.4	0.1	0.8	0.9	80.5	84.1
7 to 12	9.4	15.6	10.4	26.0	11.3	8.1	19.4	6.9	6.1	13.0	1.0	5.9	6.9	57.7	76.5
13 to 18	2.5	13.0	6.6	19.6	10.5	6.0	16.5	4.9	3.7	8.6	0.9	4.9	5.8		
19 to 24	3.1	39.7	20.5	60.2	34.1	21.2	55.3	18.0	13.3	31.3	3.5	18.9	22.4		
25 to 36	3.0	20.2	10.6	30.8	17.4	12.0	29.4	7.0	10.2	17.2	1.1	9.4	10.5		
37 to 48	2.0	19.9	14.6	34.5	17.8	16.8	34.6	6.7	9.9	16.6	0.7	11.3	12.0		
49 to 60	1.1	11.6	13.8	25.4	9.4	15.5	24.9	1.6	6.4	8.0	0.2	6.3	6.5		
61 to 72	0.7	6.6	7.6	14.2	5.8	9.2	15.0	1.2	2.6	3.8	0.2	3.6	3.8		
73 to 84	0.5	5.5	9.7	15.2	6.1	11.3	17.4	1.5	3.2	4.7	0.2	2.9	3.1		
More than 7 years	0.3	5.4	3.2	8.6	5.5	3.4	8.9	1.4	12.0	13.4	0.3	3.2	3.5		

*Note: Policy year results are influenced by surrender charge. Also see Table A-6.

Key: ICV = Lapses due to insufficient cash value

FS = Lapses due to full surrender

Total = ICV + FS

TABLE A-1—Continued

Policy Factors	Percentage of Policies	Lapse Unit of Measure												Premium Persistency	
		Number of Policies			Face Amount			Annualized Planned Prem.			Account Value			Current to Prior	Current to Planned
		ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total		
Face Amount															
Under \$25,000	4.6%	5.5	3.3	8.8	5.6	3.8	9.4	4.8	3.8	8.6	0.4	3.0	3.4	56.2	77.4
25,000 to 49,999	20.6	4.5	3.1	7.6	4.6	3.3	7.9	2.8	2.7	5.5	0.9	2.8	3.7	64.8	56.8
50,000 to 99,999	40.8	5.2	2.9	8.1	5.2	2.9	8.1	3.7	3.1	6.8	0.8	3.2	4.0	70.3	61.4
100,000 to 249,999	28.2	4.9	4.8	9.7	4.7	4.7	9.4	3.4	5.0	8.4	0.6	4.0	4.6	65.8	59.6
250,000 to 499,999	3.9	3.9	3.2	7.1	3.9	3.2	7.1	3.1	2.6	5.7	0.5	3.4	3.9	64.2	59.6
500,000 to 999,999	1.3	4.2	3.3	7.5	4.1	3.4	7.5	2.5	3.4	5.9	0.5	3.7	4.2	61.3	60.2
1,000,000 and over	0.6	4.0	3.3	7.3	4.0	3.3	7.3	3.0	4.1	7.1	0.5	4.2	4.7	57.1	54.3
Annualized Planned Periodic Premium															
Under \$500	50.3	5.9	3.2	9.1	5.6	3.6	9.2	5.9	3.3	9.2	1.0	3.5	4.5	68.8	84.4
500 to 999	27.4	5.2	4.0	9.2	5.1	4.2	9.3	5.1	4.0	9.1	0.8	3.7	4.5	73.5	75.8
1,000 to 1,499	9.3	4.3	3.9	8.2	4.4	4.0	8.4	4.3	3.9	8.2	0.7	3.6	4.3	71.7	74.9
1,500 to 2,499	6.6	3.6	3.8	7.4	4.1	3.7	7.8	3.6	3.8	7.4	0.6	3.8	4.4	72.6	76.0
2,500 to 4,999	3.6	3.4	3.4	6.8	4.2	3.3	7.5	3.5	3.4	6.9	0.5	3.7	4.2	69.6	74.0
5,000 to 9,999	1.6	3.1	3.3	6.4	3.6	3.4	7.0	3.0	3.4	6.4	0.5	3.7	4.2	66.9	65.5
10,000 to 19,999	0.7	2.4	3.5	5.9	3.1	3.6	6.7	2.5	3.5	6.0	0.5	4.2	4.7	66.0	55.0
20,000 to 29,999	0.2	2.3	3.9	6.2	3.3	4.2	7.5	2.4	4.0	6.4	0.5	5.2	5.7	63.2	40.5
30,000 and over	0.3	1.3	2.4	3.7	2.2	2.9	5.1	0.9	3.8	4.7	0.4	2.5	2.9	52.1	18.2
Target Premium															
Under \$500	52.9	5.9	2.9	8.8	5.7	2.9	8.6	4.2	2.6	6.8	1.4	3.5	4.9	77.8	56.0
500 to 999	25.4	5.3	3.3	8.6	5.6	3.4	9.0	4.8	3.2	8.0	1.1	3.4	4.5	69.6	68.3
1,000 to 1,499	9.2	4.3	3.4	7.7	4.5	3.6	8.1	4.0	3.1	7.1	0.6	3.1	3.7	63.5	66.1
1,500 to 2,499	6.4	3.4	2.9	6.3	3.9	3.1	7.0	3.0	2.7	5.7	0.5	2.7	3.2	59.6	66.9
2,500 to 4,999	3.8	3.2	2.8	6.0	3.8	2.9	6.7	2.8	2.8	5.6	0.4	3.2	3.6	55.5	65.4
5,000 to 9,999	1.5	2.7	2.9	5.6	3.3	3.0	6.3	2.3	2.8	5.1	0.3	3.0	3.3	55.7	59.2
10,000 to 19,999	0.5	2.9	3.2	6.1	3.2	3.4	6.6	2.7	2.5	5.2	0.4	3.3	3.7	51.7	56.1
20,000 to 29,999	0.1	3.5	3.8	7.3	3.9	3.8	7.7	2.4	2.7	5.1	0.3	6.6	6.9	50.8	49.8
30,000 and over	0.1	2.6	2.9	5.5	2.6	2.8	5.4	2.3	4.9	7.2	0.4	3.5	3.9	50.5	49.9
Annualized Planned Premium per \$1,000 of FA															
0 to \$9.99	62.7	5.3	3.6	8.9	5.2	3.8	9.0	5.1	3.8	8.9	0.9	3.7	4.6	69.8	79.5
10 to 19.99	26.2	4.9	3.6	8.5	4.3	3.7	8.0	4.3	3.7	8.0	0.7	3.7	4.4	73.0	74.9
20 to 29.99	6.0	3.5	3.5	7.0	3.3	3.9	7.2	3.3	3.9	7.2	0.5	4.3	4.8	71.5	74.5
30 to 49.99	3.4	2.7	3.2	5.9	2.4	3.2	5.6	2.5	3.1	5.6	0.5	3.2	3.7	67.2	72.1
50 and over	1.8	2.0	3.0	5.0	2.1	3.3	5.4	1.1	4.0	5.1	0.3	3.4	3.7	53.4	20.8

Key: ICV = Lapses due to insufficient cash value
 FS = Lapses due to full surrender
 Total = ICV + FS

TABLE A-1—Continued

Policy Factors	Percentage of Policies	Lapse Unit of Measure												Premium Persistency		
		Number of Policies			Face Amount			Annualized Planned Prem.			Account Value			Current to Prior	Current to Planned	
		ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total			
Target Premium per \$1,000 of Face Amount																
0 to \$9.99	65.6%	5.5	3.1	8.6	5.4	3.1	8.5	4.1	2.9	7.0	1.3	3.7	5.0	75.8	59.5	
10 to 19.99	23.4	4.9	3.3	8.2	4.5	3.3	7.8	4.1	3.3	7.4	0.7	3.3	4.0	65.0	67.7	
20 to 29.99	5.9	3.0	2.9	5.9	2.9	3.1	6.0	2.7	3.0	5.7	0.3	3.8	4.1	55.5	66.3	
30 to 39.99	2.5	2.0	2.7	4.7	2.3	2.9	5.2	2.0	2.3	4.3	0.3	3.3	3.6	47.8	67.3	
40 to 49.99	1.2	1.7	2.1	3.8	2.1	2.1	4.2	1.8	6.3	8.1	0.2	3.4	3.6	42.4	57.7	
50 and over	1.3	1.7	1.9	3.6	2.2	2.9	5.1	2.4	3.1	5.5	0.2	2.5	2.7	44.2	60.2	
Initial Premium (Including Dump-ins)																
Under \$500	75.3	6.9	4.0	10.9	6.9	4.5	11.4	6.2	4.4	10.6	1.6	4.6	6.2	82.3	65.8	
500 to 1,000	7.4	3.0	4.1	7.1	4.1	4.5	8.6	4.2	5.0	9.2	0.8	4.1	4.9	76.7	74.2	
1,000 to 1,499	4.1	2.2	4.3	6.5	3.5	4.5	8.0	3.7	3.9	7.6	0.6	3.5	4.1	71.6	71.0	
1,500 to 2,499	4.4	1.5	4.3	5.8	2.4	4.6	7.0	2.4	4.2	6.6	0.3	3.4	3.7	68.5	68.6	
2,500 to 4,999	4.3	1.4	3.6	5.0	2.6	3.8	6.4	2.5	3.3	5.8	0.5	3.2	3.7	61.3	62.9	
5,000 to 9,999	2.5	0.9	3.6	4.5	2.0	4.0	6.0	1.7	3.5	5.2	0.2	3.4	3.6	56.6	51.0	
10,000 to 19,999	1.2	0.8	3.1	3.9	1.6	3.5	5.1	0.9	3.2	4.1	0.4	3.1	3.5	50.8	41.5	
20,000 to 29,999	0.3	0.9	3.4	4.3	1.7	3.5	5.2	1.1	2.3	3.4	0.2	2.9	3.1	41.7	32.9	
30,000 and over	0.4	1.3	4.5	5.8	1.9	4.5	6.4	1.2	5.9	7.1	0.3	3.6	3.9	35.8	22.9	
Account Value																
Under \$500	37.5	9.5	2.6	12.1	10.4	2.8	13.2	10.4	3.0	13.4	5.9	3.1	9.0	97.0	63.3	
500 to 999	13.7	2.2	4.3	6.5	3.8	4.3	8.1	4.6	4.1	8.7	2.2	4.3	6.5	86.1	71.0	
1,000 to 1,499	8.8	1.2	4.5	5.7	2.4	4.7	7.1	2.6	4.3	6.9	1.2	4.5	5.7	82.6	73.5	
1,500 to 2,499	10.9	0.7	4.7	5.4	1.7	4.7	6.4	1.9	4.5	6.4	0.7	4.7	5.4	77.6	74.1	
2,500 to 4,999	12.8	0.6	3.9	4.5	1.3	3.9	5.2	1.5	3.7	5.2	0.6	3.8	4.4	71.6	72.1	
5,000 to 9,999	8.7	0.5	3.2	3.7	1.0	3.4	4.4	1.0	3.4	4.4	0.4	3.2	3.6	64.8	64.9	
10,000 to 19,999	4.6	0.5	3.1	3.6	0.9	3.3	4.2	1.1	3.1	4.2	0.5	3.1	3.6	59.2	56.6	
20,000 to 29,999	1.4	0.4	3.2	3.6	0.7	3.1	3.8	0.6	3.2	3.8	0.4	3.2	3.6	51.7	48.1	
30,000 and over	1.6	0.4	3.4	3.8	0.4	3.8	4.2	0.5	4.1	4.6	0.4	3.7	4.1	45.2	35.2	
Policy Loan																
Zero	96.4	5.1	2.6	7.7	4.7	2.5	7.2	2.8	3.1	5.9	0.5	2.7	3.2	74.1	57.0	
Under \$500	0.6	4.1	6.3	10.4	3.4	6.1	9.5	2.8	4.7	7.5	1.2	5.9	7.1	84.2	53.0	
500 to 999	0.7	3.1	6.1	9.2	3.6	5.6	9.2	2.7	5.2	7.9	1.4	4.8	6.2	88.7	67.7	
1,000 to 1,499	0.5	2.8	5.9	8.7	2.8	5.6	8.4	3.0	6.0	9.0	1.3	5.2	6.5	85.2	70.4	
1,500 to 2,499	0.6	2.4	6.2	8.6	2.4	6.0	8.4	1.8	4.8	6.6	1.5	5.4	6.9	86.1	57.8	
2,500 to 4,999	0.6	2.8	5.8	8.6	3.0	5.4	8.4	4.3	5.3	9.6	1.2	5.1	6.3	82.3	64.5	
5,000 to 9,999	0.4	3.0	5.8	8.8	3.9	5.3	9.2	2.9	4.0	6.9	1.8	4.8	6.6	77.9	44.5	
10,000 to 19,999	0.2	4.3	6.8	11.1	4.1	5.2	9.3	4.0	6.7	10.7	2.5	6.5	9.0	79.2	34.0	
20,000 and over	0.1	3.5	5.4	8.9	3.9	5.4	9.3	2.4	2.9	5.3	0.9	5.1	6.0	71.1	38.4	

Key: ICV = Lapses due to insufficient cash value
 FS = Lapses due to full surrender
 Total = ICV + FS

TABLE A-1—Continued

Policy Factors	Percentage of Policies	Lapse Unit of Measure												Premium Persistency		
		Number of Policies			Face Amount			Annualized Planned Prem.			Account Value			Current to Prior	Current to Planned	
		ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total			
Loan as a Percentage of Account Value																
Zero	96.3%	4.6	2.5	7.1	4.1	2.5	6.6	2.4	3.1	5.5	0.5	2.7	3.2	74.1	56.8	
Under 10	0.1	1.0	4.6	5.6	0.5	3.6	4.1	0.0	1.0	1.0	0.1	1.5	1.6	61.0	22.4	
10 to 19.99	0.2	1.2	5.4	6.6	1.4	5.7	7.1	0.4	6.2	6.6	0.5	4.8	5.3	72.4	23.8	
20 to 29.99	0.3	0.9	6.9	7.8	1.3	7.0	8.3	0.7	6.5	7.2	0.3	5.6	5.9	81.2	43.6	
30 to 39.99	0.3	0.8	5.7	6.5	0.9	4.5	5.4	0.5	3.5	4.0	0.2	5.5	5.7	82.0	56.0	
40 and over	2.9	3.6	6.2	9.8	4.1	5.6	9.7	4.4	4.9	9.3	2.0	5.8	7.8	82.3	56.8	
Account Value as a Percentage of Face Amount																
0 to 4.99	78.1	5.0	3.6	8.6	4.5	3.7	8.2	4.7	3.7	8.4	1.4	4.1	5.5	81.1	70.9	
5 to 9.99	11.7	0.3	3.6	3.9	0.2	3.8	4.0	0.2	4.0	4.2	0.2	3.8	4.0	65.3	70.1	
10 to 19.99	6.3	0.4	2.8	3.2	0.3	3.2	3.5	0.6	3.8	4.4	0.3	3.3	3.6	52.0	55.2	
20 to 29.99	2.0	0.3	2.7	3.0	0.2	2.9	3.1	0.1	1.8	1.9	0.2	2.9	3.1	40.5	38.3	
30 to 39.99	0.9	0.4	2.4	2.8	0.2	2.8	3.0	0.1	1.0	1.1	0.2	2.8	3.0	33.1	29.0	
40 to 49.99	0.5	0.4	2.2	2.6	0.3	3.1	3.4	0.0	1.4	1.4	0.3	3.1	3.4	22.5	17.2	
50 and over	0.5	0.9	2.7	3.6	0.6	4.3	4.9	0.0	7.9	7.9	0.9	4.5	5.4	22.5	13.1	
Current Credited Rate Under Market Rate																
-2 to -1.01	10.8	6.4	9.1	15.5	5.9	9.2	15.1	4.3	6.2	10.5	0.3	5.0	5.3	50.6	45.7	
-1 to -0.01	54.8	3.9	2.8	6.7	3.6	2.7	6.3	2.6	3.3	5.9	0.6	2.6	3.2	70.9	59.8	
0 to 0.99	30.4	6.1	3.0	9.1	5.7	3.1	8.8	4.0	3.3	7.3	1.1	4.3	5.4	77.7	62.7	
1 to 1.99	2.5	5.9	3.3	9.2	4.6	4.0	8.6	3.1	9.3	12.4	0.3	6.0	6.3	91.9	52.8	
2 to 2.99	1.4	6.1	4.2	10.3	4.5	6.1	10.6	4.3	5.9	10.2	0.3	5.5	5.8	100.9	70.4	
3 and over†	0.1	1.1	5.5	6.6	1.4	6.1	7.5	0.9	8.1	9.0	0.0	7.5	7.5	92.8	72.2	
Current Credited Rate Over Guaranteed Minimum Rate																
1 to 1.99	0.8	0.8	9.0	9.8	1.2	10.9	12.1	0.9	10.7	11.6	0.2	7.0	7.2	197.0	74.2	
2 to 2.99	6.2	9.4	3.8	13.2	9.5	4.5	14.0	6.8	4.2	11.0	6.6	4.7	11.3	80.7	62.6	
3 to 3.99	37.2	4.9	2.6	7.5	4.3	2.7	7.0	2.5	3.1	5.6	0.5	2.9	3.4	79.8	53.2	
4 to 4.99	44.1	5.4	4.8	10.2	4.9	5.2	10.1	3.6	4.9	8.5	0.5	4.2	4.7	61.7	56.1	
5 and over	12.9	1.5	2.8	4.3	1.5	2.8	4.3	1.5	2.9	4.4	0.2	2.3	2.5	69.4	90.7	

†Less than 25 terminations and 400 exposed policies but greater than or equal to 10 terminations and 200 exposed policies.

Key: ICV = Lapses due to insufficient cash value
 FS = Lapses due to full surrender
 Total = ICV + FS

TABLE A-1—Continued

Policy Factors	Percentage of Policies	Lapse Unit of Measure												Premium Persistency		
		Number of Policies			Face Amount			Annualized Planned Prem.			Account Value			Current to Prior	Current to Planned	
		ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total			
Years Remaining in Surrender Charge Schedule																
(4) to zero	0.3%	0.8	5.3	6.1	0.8	5.7	6.5	1.0	4.2	5.2	0.3	4.2	4.5	84.4	43.3	
1†	0.2	1.3	9.0	10.4	1.5	6.4	7.9	0.9	3.4	4.3	0.3	3.0	3.3	77.6	39.1	
2	0.9	1.8	4.1	5.9	1.7	5.5	7.2	3.1	5.3	8.4	0.3	5.7	6.0	85.6	65.6	
3	1.4	3.1	3.9	7.0	1.6	3.9	5.5	1.7	4.6	6.3	0.3	4.2	4.5	86.6	71.9	
4	2.8	1.8	3.3	5.1	1.2	3.2	4.4	1.1	3.2	4.3	0.1	3.6	3.7	83.7	56.5	
5	3.0	0.8	2.9	3.7	0.8	2.8	3.6	0.5	2.7	3.2	0.1	2.6	2.7	81.3	56.2	
6 to 10	39.9	3.6	3.3	6.9	3.3	3.2	6.5	2.3	3.5	5.8	0.4	3.6	4.0	59.9	53.4	
11 to 15	26.6	7.5	2.8	10.3	7.5	2.7	10.2	4.4	3.1	7.5	1.7	2.2	3.9	60.2	53.9	
16 to 20	24.9	7.7	1.0	8.7	6.7	1.1	7.8	5.1	1.1	6.2	1.2	2.0	3.2	60.8	76.0	
Surrender Charge as a Percentage of Target Premium																
Zero	11.2	3.1	6.5	9.6	3.4	6.6	10.0	3.0	6.1	9.1	0.3	4.6	4.9	72.8	64.2	
Under 50	2.9	8.2	14.8	23.0	7.4	10.5	17.9	6.3	9.8	16.1	0.8	7.3	7.7	55.2	51.3	
50 to 99	6.4	3.6	11.2	15.8	4.4	8.4	12.8	3.4	6.9	10.3	0.4	7.7	8.1	28.5	50.0	
100 to 149	4.9	8.2	9.1	17.3	7.6	8.8	16.4	6.1	10.4	16.5	0.3	7.6	7.9	59.0	61.9	
150 to 199	6.2	8.9	4.3	13.2	5.3	4.9	10.2	4.4	2.9	7.3	0.2	3.6	3.8	61.3	77.4	
200 to 499	10.9	2.9	1.2	4.1	3.2	1.1	4.3	1.9	0.9	2.8	0.3	0.6	0.9	65.6	75.7	
500 to 999	14.1	3.1	0.7	3.8	3.1	0.7	3.8	2.9	0.7	3.6	1.4	0.5	1.9	71.0	73.8	
1000 and over	33.4	6.3	0.6	6.9	5.7	0.7	6.4	4.0	0.7	4.7	1.9	0.9	2.8	78.6	56.6	
Surrender Charge as a Percentage of Account Value																
Zero	20.2	1.4	6.8	8.2	1.6	7.0	8.6	1.4	6.9	8.3	0.3	4.8	5.1	76.2	63.1	
Under 10	3.1	1.7	9.3	11.0	1.6	7.4	9.0	0.9	10.7	11.6	0.6	7.4	8.0	45.2	41.0	
10 to 19.99	2.8	1.0	11.1	12.1	0.9	10.9	11.8	0.2	7.3	7.5	0.4	5.8	6.2	27.2	22.4	
20 to 29.99	2.1	1.0	10.9	11.9	0.6	10.4	11.0	0.2	3.7	3.9	0.4	3.4	3.8	31.3	33.3	
30 to 39.99	1.7	0.9	9.4	10.3	0.6	8.7	9.3	0.1	3.9	4.0	0.3	2.8	3.1	41.0	39.7	
40 to 49.99	1.6	1.1	8.9	10.0	0.8	9.1	9.9	0.4	4.3	4.7	0.4	2.5	2.9	45.6	48.0	
50 and over	68.4	4.8	1.7	6.5	4.5	1.7	6.2	3.7	1.7	5.4	1.2	1.2	2.4	74.5	69.9	
Surrender Charge per \$1,000 of Face Amount																
Zero	19.1	2.8	7.5	10.3	3.2	7.8	11.0	2.6	7.4	10.0	0.3	4.8	5.1	74.5	62.1	
Under \$10	9.7	6.4	12.5	18.9	6.2	10.3	16.5	5.4	10.9	16.3	0.4	9.7	10.1	52.3	50.1	
10 to 19.99	6.1	7.9	8.6	16.5	7.7	7.4	15.1	6.8	12.5	19.3	0.5	10.6	11.1	47.3	58.5	
20 to 29.99	3.7	3.0	3.1	6.1	3.7	3.1	6.8	5.1	5.0	10.1	0.3	5.6	5.9	43.6	68.6	
30 to 39.99	3.4	1.3	0.7	2.0	1.7	1.1	2.8	1.8	2.7	4.5	0.4	1.8	2.2	61.8	72.4	
40 to 49.99	3.5	1.4	0.3	1.7	1.8	0.7	2.5	1.7	5.7	7.4	0.3	2.4	2.7	61.8	67.9	
50 and over	54.5	5.4	0.6	6.0	4.9	0.6	5.5	2.9	1.1	4.0	1.1	0.8	1.9	66.9	58.3	

†Less than 25 terminations and 400 exposed policies but greater than or equal to 10 terminations and 200 exposed policies.

Key: ICV = Lapses due to insufficient cash value
FS = Lapses due to full surrender
Total = ICV + FS

TABLE A-2

UL LAPSE RATES AND PREMIUM PERSISTENCY RATES BY AGENT FACTORS

Agent Factors	Percentage of Policies	Lapse Unit of Measure												Premium Persistency	
		Number of Policies			Face Amount			Annualized Planned Prem.			Account Value			Current to Prior	Current to Planned
		ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total		
Agent Survival Status															
Terminator	22.3%	4.7	3.5	8.2	4.1	3.3	7.4	2.7	3.7	6.4	0.5	3.3	3.8	78.9	53.2
Survivor	77.7	5.2	2.3	7.5	4.7	2.2	6.9	2.8	2.5	5.3	0.5	2.7	3.2	62.4	54.5
Distribution Channel															
Career Ordinary/PPGA	58.2	4.5	4.3	8.8	4.4	4.4	8.8	3.3	4.3	7.6	0.7	3.7	4.4	61.0	61.4
Life Broker	7.2	4.1	3.7	7.8	4.3	3.6	7.9	2.6	3.1	5.7	0.5	3.8	4.3	73.0	53.2
Product Pays Agent Persistency Bonus															
No	56.4	6.5	4.1	10.6	5.9	4.4	10.3	4.0	3.9	7.9	0.9	4.2	5.1	55.7	53.8
Yes	43.6	3.4	3.1	6.5	3.0	3.1	6.1	2.1	3.8	5.9	0.3	3.0	3.3	76.0	62.7
Agent Calendar Year of Service															
1	4.3	8.4	2.0	10.4	8.4	1.9	10.3	4.9	1.9	6.8	0.6	2.9	3.5	78.8	74.1
2	9.5	7.5	2.3	9.8	6.2	1.9	8.1	3.5	2.4	5.9	0.6	2.4	3.0	47.8	59.2
3	10.2	7.0	2.7	9.7	6.0	2.4	8.4	3.9	1.9	5.8	0.6	2.6	3.2	58.1	58.6
4	9.9	5.8	2.7	8.5	5.2	2.6	7.8	3.0	4.3	7.3	0.5	3.8	4.3	61.3	54.1
5	7.5	5.1	2.6	7.7	4.4	2.6	7.0	2.8	2.4	5.2	0.5	2.4	2.9	67.6	54.6
6 to 10	26.8	4.4	2.7	7.1	3.9	2.4	6.3	2.4	2.0	4.4	0.5	2.5	3.0	69.9	49.2
11 to 20	20.4	4.0	2.4	6.4	3.6	2.5	6.1	2.3	3.6	5.9	0.4	3.0	3.4	76.7	54.8
21 to 30	8.3	3.3	2.1	5.4	3.1	2.3	5.4	2.0	1.8	3.8	0.5	3.2	3.7	76.9	53.9
31 to 40	2.3	3.1	2.2	5.3	2.6	2.3	4.9	2.0	2.0	4.0	0.4	2.5	2.9	82.1	63.8
41 and over	0.8	9.5	3.7	13.2	8.4	4.6	13.0	3.9	3.8	7.7	1.1	6.8	7.9	64.7	36.8
Calendar Years Since Agent Termination															
1	22.3	7.9	3.1	11.0	7.1	3.1	10.2	5.2	2.7	7.9	0.9	3.3	4.2	65.0	61.0
2	19.0	6.0	3.5	9.5	5.0	3.4	8.4	3.0	2.3	5.3	0.6	3.5	4.1	67.0	47.7
3	14.5	4.6	2.9	7.5	3.8	2.7	6.5	2.4	2.2	4.6	0.5	3.1	3.6	86.7	51.6
4	16.7	3.1	3.9	7.0	3.1	3.9	7.0	2.5	3.9	6.4	0.4	3.6	4.0	89.0	58.6
5	9.6	2.9	3.6	6.5	2.6	3.1	5.7	1.7	4.8	6.5	0.2	3.6	3.8	89.0	34.9
6 to 10	17.8	1.9	4.0	5.9	2.1	3.3	5.4	1.5	6.3	7.8	0.3	3.0	3.3	91.0	61.5

Key: ICV = Lapses due to insufficient cash value

FS = Lapses due to full surrender

Total = ICV + FS

TABLE A-3

UL LAPSE RATES AND PREMIUM PERSISTENCY RATES BY INSURED FACTORS

Insured Factors	Percentage of Policies	Lapse Unit of Measure												Premium Persistency		
		Number of Policies			Face Amount			Annualized Planned Prem.			Account Value			Current to Prior	Current to Planned	
		ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total			
Underwriting Status																
Preferred	15.9%	3.5	2.7	6.2	3.0	3.0	6.0	2.1	2.5	4.6	0.4	2.7	3.1	74.0	67.6	
Standard	81.3	4.7	3.9	8.6	4.3	4.3	8.6	3.0	4.1	7.1	0.4	3.7	4.1	68.7	56.9	
Substandard	2.8	6.2	2.8	9.0	5.7	3.3	9.0	3.9	5.4	9.3	0.8	3.4	4.2	59.9	53.3	
Attained Age																
Under 18	9.7	4.7	2.3	7.0	4.8	2.8	7.6	2.8	4.4	7.2	1.7	3.2	4.9	69.2	48.7	
18 to 29	17.9	8.1	3.2	11.3	7.7	3.3	11.0	7.0	4.0	11.0	1.8	4.7	6.5	74.4	55.7	
30 to 39	28.4	5.9	4.3	10.2	5.4	4.2	9.6	5.1	4.0	9.1	1.3	4.5	5.8	74.9	64.4	
40 to 49	24.0	4.2	3.9	8.1	4.0	3.9	7.9	3.5	4.0	7.5	0.6	3.9	4.5	69.2	63.7	
50 to 59	12.3	3.0	3.1	6.1	3.2	3.4	6.6	2.6	3.0	5.6	0.4	3.2	3.6	63.5	61.2	
60 to 64	3.7	2.0	3.0	5.0	2.3	3.4	5.7	1.8	2.7	4.5	0.3	3.7	4.0	56.8	55.3	
65 to 69	2.3	1.7	2.8	4.5	1.9	3.7	5.6	1.8	5.7	7.5	0.2	3.1	3.3	55.5	49.9	
70 to 74	1.1	1.2	2.2	3.4	1.9	3.1	5.0	1.5	4.1	5.6	0.1	2.8	2.9	53.2	41.9	
75 and Over	0.5	2.1	2.5	4.6	1.8	2.4	4.2	1.0	2.3	3.3	0.1	2.2	2.3	48.0	37.5	
Issue Age																
Under 18	11.7	4.4	2.5	6.9	4.4	3.2	7.6	2.8	4.6	7.4	1.2	3.7	4.9	68.8	46.7	
18 to 29	25.0	7.4	4.5	11.9	6.9	4.7	11.6	6.3	5.0	11.3	1.5	5.5	7.0	76.6	58.6	
30 to 39	30.2	5.3	4.0	9.3	4.7	4.0	8.7	4.4	3.9	8.3	0.8	4.2	5.0	74.8	63.5	
40 to 49	19.0	4.2	3.0	7.2	4.0	3.1	7.1	3.3	3.5	6.8	0.6	3.4	4.0	68.6	62.3	
50 to 59	9.5	2.8	2.7	5.5	2.9	3.0	5.9	2.2	2.8	5.0	0.4	3.4	3.8	61.0	59.4	
60 to 64	2.5	1.9	2.4	4.3	2.4	3.3	5.7	2.0	5.4	7.4	0.3	3.2	3.5	52.4	49.1	
65 to 69	1.3	1.5	1.9	3.4	1.8	2.5	4.3	1.5	3.9	5.4	0.2	2.6	2.8	50.0	47.9	
70 to 74	0.5	1.8	1.4	3.2	1.8	2.2	4.0	1.0	2.6	3.6	0.2	1.3	1.5	41.4	48.1	
75 and over	0.2	3.4	2.6	6.0	2.4	0.9	3.3	1.3	0.7	2.0	0.2	1.5	1.7	43.2	34.0	
Insured Smoker Status																
Nonsmoker	75.6	4.7	3.6	8.3	4.3	3.6	7.9	3.0	3.6	6.6	0.6	3.4	4.0	64.6	58.1	
Smoker	24.4	5.3	2.8	8.1	5.2	3.0	8.2	3.5	3.5	7.0	1.1	3.6	4.7	69.0	57.5	

Key: ICV = Lapses due to insufficient cash value
 FS = Lapses due to full surrender
 Total = ICV + FS

TABLE A-4

UL LAPSE RATES AND PREMIUM PERSISTENCY RATES BY PRODUCT FACTORS

Product Factors	Percentage of Policies	Lapse Unit of Measure												Premium Persistency	
		Number of Policies			Face Amount			Annualized Planned Prem.			Account Value			Current to Prior	Current to Planned
		ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total		
Payroll Deduction Status															
No	94.2%	4.9	2.7	7.6	4.3	2.7	7.0	3.1	3.3	6.4	0.6	3.2	3.8	66.7	60.9
Yes (excluding GI & SI)	5.8	2.6	4.2	6.8	2.2	3.7	5.9	2.2	4.0	6.2	0.2	4.1	4.3	83.4	86.2
Current Interest Rates Tied to External Rate															
No	95.9	5.2	3.5	8.7	4.7	3.8	8.5	3.3	3.6	6.9	0.7	3.5	4.2	62.9	57.8
Yes	4.1	1.2	5.5	6.7	1.7	5.2	6.9	1.2	7.0	8.2	0.4	4.4	4.8	92.5	62.6
Product Loading Design															
Front-end	18.5	3.4	7.2	10.6	3.7	7.0	10.7	3.1	6.4	9.5	0.3	5.0	5.3	52.0	56.4
Other	81.5	5.4	2.7	8.1	4.9	2.8	7.7	3.2	3.2	6.4	0.8	3.0	3.8	68.0	58.3
Product Has First-Year Expense Charges															
No	8.2	1.9	3.9	5.8	2.0	3.9	5.9	1.8	4.4	6.2	0.2	4.2	4.4	82.0	77.1
Yes	91.8	5.2	3.6	8.8	4.9	3.8	8.7	3.2	3.8	7.0	0.7	3.5	4.2	62.5	56.6
Product Has Renewal Expense Charges															
No	46.2	5.2	4.3	9.5	4.5	5.0	9.5	4.2	4.9	9.1	1.0	4.5	5.5	75.8	65.1
Yes	53.8	4.8	3.0	7.8	4.6	2.9	7.5	2.8	3.3	6.1	0.5	2.9	3.4	59.2	54.8
First-Year Premium Load															
0 to 4.99	25.8	5.3	2.4	7.7	4.9	2.7	7.6	2.9	3.3	6.2	1.2	2.8	4.0	67.7	54.1
5 to 9.99	70.3	4.2	4.5	8.7	3.9	4.9	8.8	3.1	4.6	7.7	0.4	3.9	4.3	69.1	62.8
50 and over	3.8	5.4	2.0	7.4	4.5	1.6	6.1	3.2	1.5	4.7	0.3	3.7	4.0	25.2	48.5

Key: ICV = Lapses due to insufficient cash value

FS = Lapses due to full surrender

Total = ICV + FS

TABLE A-4—Continued

Policy Factors	Percentage of Policies	Lapse Unit of Measure												Premium Persistency	
		Number of Policies			Face Amount			Annualized Planned Prem.			Account Value			Current to Prior	Current to Planned
		ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total		
First-Year Premium Load and Significant Surrender Charge															
0 to 4.99	22.9	5.8	2.6	8.4	5.6	2.9	8.5	3.0	3.5	6.5	1.4	3.1	4.5	64.6	50.9
5 to 9.99	53.3	4.5	3.2	7.7	3.9	3.1	7.0	3.0	3.3	6.3	0.3	3.1	3.4	68.1	63.5
50 and over	3.2	6.3	1.2	7.5	4.9	1.1	6.0	3.5	0.9	4.4	0.4	3.5	3.9	19.9	45.1
First-Year Premium Load and No Significant Surrender Charge															
0 to 4.99	2.9	0.4	2.5	2.9	0.4	2.2	2.6	0.3	1.9	2.2	0.0	1.4	1.4	87.6	88.9
5 to 9.99	17.0	3.2	8.6	11.8	3.8	9.4	13.2	3.2	8.8	12.0	0.4	5.6	6.0	72.0	60.3
50 and over	0.6	1.5	5.7	7.2	1.5	5.2	6.7	0.8	6.5	7.3	0.0	4.5	4.5	85.3	73.8
Second-Year Premium Load															
0 to 4.99	28.1%	5.4	2.4	7.8	4.8	2.5	7.3	2.9	3.0	5.9	1.2	2.9	4.1	57.4	52.0
5 to 9.99	71.2	4.1	4.5	8.6	3.9	4.8	8.7	3.0	4.6	7.6	0.3	3.9	4.2	67.7	63.7
10 to 19.99	0.7	1.5	5.4	6.9	1.5	4.5	6.0	0.5	3.1	3.6	0.0	3.8	3.8	62.2	66.0
Product Pays Policy-Owner Persistency Bonus															
No	77.6	5.1	4.0	9.1	4.4	4.4	8.8	3.1	4.1	7.2	0.4	3.9	4.3	70.3	54.7
Stepped-up credited interest	16.2	2.9	1.8	4.7	3.3	1.8	5.1	2.7	3.4	6.1	0.4	1.6	2.0	63.0	85.0
Other	6.2	8.7	3.1	11.8	7.0	2.7	9.7	4.4	2.3	6.7	2.8	3.3	6.1	39.5	55.9
Product Has a Significant Surrender Charge															
No	18.8	2.7	7.6	10.3	3.2	7.8	11.0	2.7	7.4	10.1	0.3	4.8	5.1	74.4	62.8
Yes	81.2	5.4	2.7	8.1	5.0	2.6	7.6	3.2	3.0	6.2	0.8	3.0	3.8	61.7	56.3

Key: ICV = Lapses due to insufficient cash value
 FS = Lapses due to full surrender
 Total = ICV + FS

TABLE A-5
UL LAPSE RATES BY POLICY YEAR AND ISSUE AGE

Issue Age	Policy Year	Percentage of Policies	Lapsc Unit of Measure											
			Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
			ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
Under 20	1	19.2%	7.4	0.6	8.0	7.2	0.6	7.8	5.8	1.2	7.0	1.2	0.8	2.0
Under 20	2	16.9	7.7	1.2	8.9	7.5	1.4	8.9	5.4	2.1	7.5	1.9	2.0	3.9
Under 20	3	13.8	4.5	2.0	6.5	4.5	2.0	6.5	3.6	1.9	5.5	6.7	2.2	8.9
Under 20	4	12.2	3.2	2.7	5.9	3.0	2.7	5.7	2.2	2.7	4.9	0.8	3.3	4.1
Under 20	5	10.9	2.7	3.0	5.7	2.7	3.1	5.8	1.8	9.6	11.4	1.1	3.0	4.1
Under 20	6 & 7	16.1	2.2	4.3	6.5	2.9	5.1	8.0	1.8	5.5	7.3	0.3	4.0	4.3
Under 20	8 & 9	9.5	2.0	6.8	8.8	2.8	9.5	12.3	1.6	6.9	8.5	0.1	6.0	6.1
Under 20	10 & 11	1.4	2.7	12.2	14.9	3.9	15.0	18.9	3.0	10.1	13.1	0.4	5.6	6.0
20-29	1	20.2	11.7	1.2	12.9	10.3	1.2	11.5	10.2	1.2	11.4	3.5	0.9	4.4
20-29	2	17.4	11.4	2.5	13.9	10.1	2.4	12.5	9.8	2.8	12.6	4.7	3.6	8.3
20-29	3	13.1	7.1	3.7	10.8	6.8	3.5	10.3	6.4	3.7	10.1	3.0	4.3	7.3
20-29	4	12.4	5.7	4.7	10.4	5.3	4.1	9.4	5.3	4.3	9.6	2.0	4.2	6.2
20-29	5	10.2	5.0	5.4	10.4	4.8	5.2	10.0	4.1	8.0	12.1	2.6	6.6	9.2
20-29	6 & 7	15.7	3.9	7.2	11.1	4.2	7.3	11.5	3.9	7.0	10.9	0.6	6.1	6.7
20-29	8 & 9	9.3	3.2	11.1	14.3	3.5	12.6	16.1	3.0	11.0	14.0	0.3	6.6	6.9
20-29	10 & 11	1.7	2.6	19.4	22.0	3.1	20.6	23.7	2.7	17.1	19.8	0.2	8.1	8.3
30-39	1	17.3	8.9	1.1	10.0	7.5	1.0	8.5	6.6	1.0	7.6	1.4	1.0	2.4
30-39	2	15.2	8.2	2.1	10.3	6.9	1.8	8.7	6.6	2.0	8.6	2.3	1.6	3.9
30-39	3	12.1	5.2	3.1	8.3	4.8	3.0	7.8	4.4	3.2	7.6	2.0	3.2	5.2
30-39	4	11.8	3.8	3.8	7.6	3.7	3.5	7.2	3.8	3.4	7.2	0.9	3.5	4.4
30-39	5	10.9	3.3	4.0	7.3	3.0	3.7	6.7	2.9	3.3	6.2	1.0	3.5	4.5
30-39	6 & 7	18.2	3.1	5.5	8.6	2.9	5.4	8.3	2.7	5.0	7.7	0.4	4.4	4.8
30-39	8 & 9	12.2	2.8	8.9	11.7	3.6	9.4	13.0	3.2	9.4	12.6	0.2	5.8	6.0
30-39	10 & 11	2.4	2.6	14.0	16.6	3.0	15.5	18.5	2.5	13.7	16.2	0.3	7.6	7.9

Key: ICV = Lapses due to insufficient cash value
 FS = Lapses due to full surrender
 Total = ICV + FS

TABLE A-5—Continued

Issue Age	Policy Year	Percentage of Policies	Lapse Unit of Measure											
			Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
			ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
40-49	1	16.6%	6.9	0.9	7.8	5.7	0.7	6.4	4.7	0.6	5.3	0.6	0.4	1.0
40-49	2	15.3	6.2	1.7	7.9	5.8	1.6	7.4	4.6	1.7	6.3	1.2	1.2	2.4
40-49	3	12.3	4.7	2.7	7.4	4.8	2.4	7.2	4.2	2.4	6.6	1.4	2.4	3.8
40-49	4	12.4	3.4	3.0	6.4	3.2	3.3	6.5	2.6	7.4	10.0	0.7	4.8	5.5
40-49	5	11.4	2.8	3.5	6.3	2.5	3.5	6.0	2.3	2.8	5.1	0.8	3.2	4.0
40-49	6 & 7	18.6	2.4	4.1	6.5	2.4	4.2	6.6	2.3	4.0	6.3	0.4	3.3	3.7
40-49	8 & 9	11.4	2.3	5.9	8.2	2.7	6.9	9.6	3.0	6.5	9.5	0.4	4.5	4.9
40-49	10 & 11	2.0	1.6	9.8	11.4	2.6	9.1	11.7	1.8	8.0	9.8	0.6	5.4	6.0
50-59	1	14.6	4.9	0.7	5.6	3.9	0.5	4.4	3.1	0.8	3.9	0.3	0.3	0.6
50-59	2	14.9	4.3	1.6	5.9	4.2	1.6	5.8	3.2	2.2	5.4	0.7	0.8	1.5
50-59	3	13.1	2.8	2.1	4.9	4.7	1.8	6.5	3.9	2.0	5.9	0.7	2.4	3.1
50-59	4	12.8	1.9	3.2	5.1	2.2	3.9	6.1	1.8	2.9	4.7	0.5	4.1	4.6
50-59	5	12.1	2.2	3.1	5.3	2.1	3.5	5.6	1.3	3.0	4.3	0.4	3.8	4.2
50-59	6 & 7	19.9	1.3	3.7	5.0	1.4	4.2	5.6	1.1	3.8	4.9	0.1	4.0	4.1
50-59	8 & 9	10.9	1.4	5.3	6.7	1.6	5.7	7.3	1.3	4.8	6.1	0.3	4.6	4.9
50-59	10 & 11	1.8	1.2	9.0	10.2	1.1	11.6	12.7	1.1	11.7	12.8	0.6	5.7	6.3
60 & over	1	16.3	2.5	0.6	3.1	2.2	1.0	3.2	1.1	0.4	1.5	0.1	0.2	0.3
60 & over	2	17.3	2.6	1.4	4.0	3.0	1.6	4.6	2.8	1.0	3.8	0.5	0.9	1.4
60 & over	3	14.8	1.9	2.2	4.1	2.5	2.3	4.8	1.6	2.5	4.1	0.3	2.7	3.0
60 & over	4	13.8	1.6	2.3	3.9	2.3	2.9	5.2	2.4	7.4	9.8	0.2	2.7	2.9
60 & over	5	11.6	1.6	2.7	4.3	1.9	3.0	4.9	1.1	5.3	6.4	0.1	2.7	2.8
60 & over	6 & 7	17.5	1.0	3.1	4.1	1.6	4.1	5.7	0.9	4.1	5.0	0.1	2.9	3.0
60 & over	8 & 9	7.7	1.0	5.1	6.1	1.2	7.6	8.8	0.8	15.0	15.8	0.1	6.3	6.4

Key: ICV = Lapses due to insufficient cash value

FS = Lapses due to full surrender

Total = ICV + FS

TABLE A-6
UL LAPSE RATES BY POLICY YEAR AND SIGNIFICANT SURRENDER CHARGE

Significant Surrender Charge	Policy Year	Percentage of Policies	Lapse Unit of Measure											
			Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
			ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
No	1	5.7%	7.7	4.4	12.1	6.8	3.6	10.4	4.8	3.0	7.8	0.8	1.5	2.3
No	2	5.6	3.5	7.5	11.0	2.7	6.6	9.3	1.8	6.6	8.4	0.2	3.1	3.3
No	3	5.5	1.6	5.5	7.1	2.1	4.8	6.9	2.3	4.4	6.7	0.2	2.8	3.0
No	4	7.9	1.6	4.7	6.3	1.6	4.7	6.3	1.6	4.5	6.1	0.2	2.9	3.1
No	5	11.1	1.0	4.8	5.8	1.2	4.2	5.4	1.2	4.3	5.5	0.2	3.2	3.4
No	6 & 7	19.3	2.3	5.9	8.2	3.1	6.1	9.2	3.0	5.4	8.4	0.3	3.9	4.2
No	8 & 9	35.7	3.1	10.3	13.4	3.8	11.2	15.0	2.9	11.6	14.5	0.4	6.0	6.4
No	10 & 11	9.3	2.4	14.7	17.1	3.0	15.7	18.7	2.1	12.5	14.6	0.4	6.5	6.9
Yes	1	20.4	8.4	0.6	9.0	7.1	0.6	7.7	4.5	0.5	5.0	0.6	0.3	0.9
Yes	2	18.5	8.2	1.4	9.6	7.2	1.3	8.5	4.9	1.4	6.3	1.4	1.0	2.4
Yes	3	14.1	5.1	2.7	7.8	5.3	2.6	7.9	3.8	2.5	6.3	1.5	2.8	4.3
Yes	4	12.8	3.9	3.4	7.3	3.8	3.4	7.2	2.9	5.6	8.5	0.8	3.7	4.5
Yes	5	11.0	3.4	3.9	7.3	3.2	3.9	7.1	1.9	4.2	6.1	0.9	3.5	4.4
Yes	6 & 7	17.3	2.7	5.0	7.7	2.6	5.0	7.6	1.6	4.3	5.9	0.4	3.7	4.1
Yes	8 & 9	5.7	1.3	4.0	5.3	1.3	3.9	5.2	1.2	3.9	5.1	0.2	4.1	4.3
Yes	10 & 11	0.4	0.4	4.2	4.6	0.3	3.3	3.6	0.2	2.3	2.5	0.0	2.8	2.8

Key: ICV = Lapses due to insufficient cash value

FS = Lapses due to full surrender

Total = ICV + FS

TABLE A-7

UL LAPSE RATES BY POLICY YEAR AND DEATH BENEFIT OPTION

Death Benefit Option	Policy Year	Percentage of Policies	Lapse Unit of Measure											
			Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
			ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
Increasing	1	17.5%	7.8	0.9	8.7	7.2	1.1	8.3	5.5	1.2	6.7	0.8	1.0	1.8
Increasing	2	15.3	6.9	1.7	8.6	6.4	1.8	8.2	4.7	1.7	6.4	1.3	1.9	3.2
Increasing	3	12.9	3.9	2.7	6.6	4.0	2.5	6.5	3.2	2.5	5.7	1.6	2.2	3.8
Increasing	4	11.9	3.2	3.3	6.5	3.1	3.3	6.4	3.6	3.1	6.7	0.6	2.9	3.5
Increasing	5	11.2	2.4	4.0	6.4	2.2	4.0	6.2	1.7	5.0	6.7	0.7	4.3	5.0
Increasing	6 & 7	17.6	2.3	4.7	7.0	2.4	4.9	7.3	2.1	5.5	7.6	0.3	3.6	3.9
Increasing	8 & 9	11.8	2.2	7.0	9.2	2.7	7.6	10.3	2.4	10.6	13.0	0.5	4.7	5.2
Increasing	10 & 11	1.9	1.7	12.6	14.3	2.2	13.5	15.7	1.4	11.3	12.7	0.5	5.4	5.9
Level	1	17.9	8.6	1.0	9.6	7.1	0.8	7.9	4.4	0.6	5.0	0.5	0.3	0.8
Level	2	16.3	8.3	2.0	10.3	7.0	1.8	8.8	4.8	1.8	6.6	1.3	1.0	2.3
Level	3	12.8	5.5	2.9	8.4	5.4	2.8	8.2	3.9	2.6	6.5	1.2	2.9	4.1
Level	4	12.5	4.0	3.7	7.7	3.8	3.6	7.4	2.6	5.9	8.5	0.7	4.1	4.8
Level	5	10.9	3.7	3.8	7.5	3.3	3.8	7.1	2.2	3.8	6.0	0.8	3.2	4.0
Level	6 & 7	17.5	2.9	5.3	8.2	3.0	5.3	8.3	1.9	4.2	6.1	0.3	4.0	4.3
Level	8 & 9	10.2	2.7	8.5	11.2	3.2	9.6	12.8	2.2	7.7	9.9	0.2	5.6	5.8
Level	10 & 11	1.9	2.4	13.9	16.3	3.0	14.8	17.8	2.0	11.2	13.2	0.3	6.6	6.9

Key: ICV = Lapses due to insufficient cash value

FS = Lapses due to full surrender

Total = ICV + FS

TABLE A-8
UL LAPSE RATES BY POLICY YEAR AND DISTRIBUTION CHANNEL

Distribution Channel	Policy Year	Percentage of Policies	Lapse Unit of Measure											
			Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
			ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
Career Ord/PPGA	1	11.9%	7.9	1.5	9.4	6.8	1.1	7.9	4.6	0.9	5.5	0.2	0.4	0.6
Career Ord/PPGA	2	12.5	6.8	2.4	9.2	6.3	1.7	8.0	5.0	1.4	6.4	0.8	1.0	1.8
Career Ord/PPGA	3	12.2	5.0	3.0	8.0	4.8	2.6	7.4	3.9	2.2	6.1	0.5	2.9	3.4
Career Ord/PPGA	4	12.9	4.1	3.5	7.6	3.8	3.3	7.1	3.1	7.2	10.3	0.3	4.4	4.7
Career Ord/PPGA	5	12.9	3.5	3.9	7.4	3.1	3.6	6.7	2.0	3.8	5.8	0.2	3.2	3.4
Career Ord/PPGA	6 & 7	22.1	2.8	5.4	8.2	3.1	6.0	9.1	2.3	5.2	7.5	0.1	4.3	4.4
Career Ord/PPGA	8 & 9	13.3	2.8	9.1	11.9	3.5	11.1	14.6	2.9	11.0	13.9	0.3	6.2	6.5
Career Ord/PPGA	10 & 11	2.2	2.9	17.7	20.6	3.9	20.1	24.0	2.7	15.0	17.7	0.5	8.0	8.5
Life Broker	1	13.0	6.3	1.4	7.7	5.9	0.8	6.7	1.8	0.3	2.1	0.4	0.2	0.6
Life Broker	2	16.9	6.8	2.3	9.1	8.4	1.6	10.0	4.2	0.8	5.0	1.1	1.0	2.1
Life Broker	3	14.8	4.8	3.2	8.0	5.8	3.0	8.8	3.1	3.9	7.0	0.8	3.1	3.9
Life Broker	4	14.7	3.5	4.0	7.5	3.1	3.9	7.0	2.8	2.9	5.7	0.5	2.7	3.2
Life Broker	5	10.2	2.3	4.9	7.2	2.1	5.6	7.7	1.5	4.5	6.0	0.3	7.1	7.4
Life Broker	6 & 7	16.6	1.8	5.2	7.0	1.7	5.2	6.9	1.2	8.0	9.2	0.2	5.3	5.5
Life Broker	8 & 9	10.9	1.5	6.1	7.6	2.2	6.2	8.4	1.1	6.6	7.7	0.2	6.0	6.2
Life Broker	10 & 11	3.0	0.9	5.8	6.7	1.2	6.1	7.3	0.7	8.6	9.3	0.1	5.2	5.3

Key: ICV = Lapses due to insufficient cash value
 FS = Lapses due to full surrender
 Total = ICV + FS

TABLE A-9

UL LAPSE RATES BY POLICY YEAR AND PAYMENT MODE

Payment Mode	Policy Year	Percentage of Policies	Lapse Unit of Measure											
			Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
			ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
Annual	1	12.8%	1.7	0.5	2.2	1.3	0.5	1.8	0.3	0.3	0.6	0.1	0.2	0.3
Annual	2	14.0	5.1	1.7	6.8	4.9	1.4	6.3	2.3	1.1	3.4	0.7	1.0	1.7
Annual	3	12.8	3.1	2.5	5.6	3.2	2.3	5.5	1.9	2.4	4.3	0.4	2.8	3.2
Annual	4	12.7	2.0	3.0	5.0	2.3	3.5	5.8	2.2	5.3	7.5	0.2	4.3	4.5
Annual	5	12.3	2.0	3.0	5.0	1.8	3.3	5.1	1.7	3.3	5.0	0.2	2.8	3.0
Annual	6 & 7	20.4	1.5	3.9	5.4	1.7	4.1	5.8	1.6	4.8	6.4	0.1	3.5	3.6
Annual	8 & 9	12.7	1.8	8.1	9.9	2.2	8.8	11.0	2.2	7.4	9.6	0.3	4.7	5.0
Annual	10 & 11	2.4	1.8	18.7	20.5	2.4	18.8	21.2	2.1	10.1	12.2	0.7	5.3	6.0
Semiannual	1	9.2	7.0	0.5	7.5	5.0	0.3	5.3	5.6	0.3	5.9	0.9	0.2	1.1
Semiannual	2	11.8	7.5	1.1	8.6	5.9	1.3	7.2	5.9	1.3	7.2	1.0	1.3	2.3
Semiannual	3	12.4	7.7	1.9	9.6	6.2	2.0	8.2	5.7	1.5	7.2	4.3	1.7	6.0
Semiannual	4	14.0	5.9	2.2	8.1	5.6	2.9	8.5	4.7	7.4	12.1	0.7	3.9	4.6
Semiannual	5	14.1	5.6	3.0	8.6	4.5	2.5	7.0	4.3	2.7	7.0	0.7	3.8	4.5
Semiannual	6 & 7	24.5	4.5	4.3	8.8	4.4	4.8	9.2	3.9	5.7	9.6	0.5	4.6	5.1
Semiannual	8 & 9	12.4	2.4	5.1	7.5	2.7	6.4	9.1	2.9	5.9	8.8	0.3	5.3	5.6
Semiannual	10 & 11*	1.7	1.2	8.6	9.8	1.6	9.3	10.9	0.7	7.8	8.5	0.0	5.8	5.8
Quarterly	1	12.0	21.9	1.6	23.5	19.6	1.4	21.0	15.0	1.2	16.2	1.6	1.0	2.6
Quarterly	2	15.2	16.7	2.8	19.5	13.4	2.5	15.9	12.2	2.0	14.2	2.9	1.5	4.4
Quarterly	3	13.5	10.5	4.1	14.6	10.4	3.6	14.0	9.5	3.7	13.2	2.6	3.3	5.9
Quarterly	4	13.4	6.7	4.9	11.6	6.0	4.2	10.2	5.8	3.8	9.6	1.6	3.7	5.3
Quarterly	5	13.0	4.9	5.3	10.2	4.4	5.3	9.7	3.7	5.4	9.1	0.9	5.5	6.4
Quarterly	6 & 7	20.3	3.9	5.6	9.5	3.9	5.7	9.6	2.9	5.0	7.9	0.6	5.5	6.1
Quarterly	8 & 9	11.2	2.7	6.5	9.2	3.1	6.6	9.7	2.3	5.8	8.1	0.5	5.1	5.6
Quarterly	10 & 11	1.5	3.2	10.9	14.1	4.4	12.0	16.4	2.7	8.3	11.0	0.6	6.0	6.6

*Less than 25 terminations and 400 exposed policies but greater than or equal to 10 terminations and 200 exposed policies.

Key: ICV = Lapses due to insufficient cash value

FS = Lapses due to full surrender

Total = ICV + FS

TABLE A-9—Continued

Payment Mode	Policy Year	Percentage of Policies	Lapse Unit of Measure											
			Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
			ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
Regular Monthly	1	18.1%	8.4	1.3	9.7	7.0	1.3	8.3	5.2	1.4	6.6	1.2	0.7	1.9
Regular Monthly	2	14.7	7.7	2.7	10.4	8.4	2.7	11.1	5.8	4.2	10.0	1.8	1.6	3.4
Regular Monthly	3	10.9	6.1	3.3	9.4	7.4	3.6	11.0	5.3	2.9	8.2	3.1	3.1	6.2
Regular Monthly	4	11.3	7.5	4.5	12.0	7.6	4.5	12.1	5.9	4.3	10.2	1.7	4.3	6.0
Regular Monthly	5	10.7	7.0	5.2	12.2	6.9	5.0	11.9	4.8	4.0	8.8	3.3	5.1	8.4
Regular Monthly	6 & 7	18.3	6.3	9.1	15.4	7.0	9.4	16.4	4.6	6.9	11.5	0.6	5.2	5.8
Regular Monthly	8 & 9	12.8	6.3	13.9	20.2	8.5	16.3	24.8	5.8	13.5	19.3	0.5	8.5	9.0
Regular Monthly	10 & 11	3.2	4.5	19.5	24.0	5.6	21.7	27.3	3.3	21.3	24.6	0.2	10.4	10.6
Bank Plan	1	24.4	5.8	0.8	6.6	5.3	0.9	6.2	4.9	0.9	5.8	1.9	0.8	2.7
Bank Plan	2	18.7	5.1	1.4	6.5	4.5	1.5	6.0	3.5	1.7	5.2	1.9	1.4	3.3
Bank Plan	3	13.3	2.3	2.3	4.6	2.0	2.2	4.2	1.5	2.2	3.7	0.8	2.2	3.0
Bank Plan	4	11.7	0.9	2.9	3.8	0.9	2.7	3.6	0.5	6.3	6.8	0.2	2.5	2.7
Bank Plan	5	9.0	0.6	2.9	3.5	0.6	2.9	3.5	0.4	4.5	4.9	0.4	2.6	3.0
Bank Plan	6 & 7	13.3	0.3	3.7	4.0	0.3	3.7	4.0	0.2	2.7	2.9	0.0	2.6	2.6
Bank Plan	8 & 9	8.3	0.3	5.8	6.1	0.5	6.4	6.9	0.3	8.8	9.1	0.1	4.4	4.5
Bank Plan	10 & 11	1.4	0.2	5.6	5.8	0.2	6.0	6.2	0.1	5.5	5.6	0.1	4.3	4.4

Key: ICV = Lapses due to insufficient cash value
 FS = Lapses due to full surrender
 Total = ICV + FS

TABLE A-10

UL LAPSE RATES BY POLICY YEAR AND YEARS SINCE LAST PAYMENT

Years Since Last Payment	Policy Year	Percentage of Policies	Lapse Unit of Measure											
			Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
			ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
0 to 0.5	1	21.8%	1.9	0.3	2.2	1.6	0.3	1.9	1.3	0.2	1.5	0.2	0.1	0.3
0 to 0.5	2	15.9	1.4	0.6	2.0	1.5	0.6	2.1	1.3	0.6	1.9	0.4	0.5	0.9
0 to 0.5	3	12.6	0.5	0.8	1.3	0.5	0.7	1.2	0.4	0.6	1.0	0.1	0.4	0.5
0 to 0.5	4	11.6	0.2	1.1	1.3	0.2	1.0	1.2	0.2	1.0	1.2	0.1	0.9	1.0
0 to 0.5	5	9.9	0.1	1.1	1.2	0.2	1.0	1.2	0.3	0.8	1.1	0.0	0.7	0.7
0 to 0.5	6 & 7	15.8	0.2	1.0	1.2	0.3	0.9	1.2	0.3	0.8	1.1	0.1	0.7	0.8
0 to 0.5	8 & 9	10.5	0.4	1.3	1.7	0.6	1.2	1.8	0.5	1.5	2.0	0.0	1.1	1.1
0 to 0.5	10 & 11	1.9	0.4	2.5	2.9	0.6	2.0	2.6	0.3	2.1	2.4	0.0	1.9	1.9
>0.5 to 1.0	1	14.6	36.8	4.3	41.1	26.1	3.6	29.7	14.0	2.7	16.7	1.7	1.1	2.8
>0.5 to 1.0	2	21.4	25.1	7.5	32.6	18.8	6.1	24.9	10.3	6.8	17.1	3.1	2.7	5.8
>0.5 to 1.0	3	14.3	9.9	12.0	21.9	8.0	8.8	16.8	5.2	6.1	11.3	1.6	5.5	7.1
>0.5 to 1.0	4	12.6	3.9	13.2	17.1	3.1	9.8	12.9	2.0	6.3	8.3	0.5	5.8	6.3
>0.5 to 1.0	5	10.1	1.7	12.9	14.6	1.5	8.6	10.1	1.1	6.2	7.3	0.2	5.6	5.8
>0.5 to 1.0	6 & 7	16.1	3.3	14.6	17.9	3.4	10.9	14.3	2.5	8.3	10.8	0.3	7.3	7.6
>0.5 to 1.0	8 & 9	9.3	4.3	15.1	19.4	5.8	12.5	18.3	4.1	11.0	15.1	0.9	9.5	10.4
>0.5 to 1.0	10 & 11	1.7	3.7	15.9	19.6	6.2	14.8	21.0	3.7	11.0	14.7	0.2	8.5	8.7
>1.0 to 1.5	2	27.8	27.4	1.9	29.3	21.7	1.4	23.1	9.0	1.2	10.2	1.3	1.0	2.3
>1.0 to 1.5	3	16.0	14.5	4.5	19.0	13.1	4.5	17.6	9.2	4.4	13.6	2.5	4.3	6.8
>1.0 to 1.5	4	14.5	9.8	5.9	15.7	8.5	6.1	14.6	4.1	5.2	9.3	1.1	9.0	10.1
>1.0 to 1.5	5	11.3	4.2	8.7	12.9	3.2	7.5	10.7	2.3	4.7	7.0	0.5	5.4	5.9
>1.0 to 1.5	6 & 7	17.1	5.1	12.2	17.3	4.5	10.2	14.7	3.0	11.8	14.8	0.7	7.8	8.5
>1.0 to 1.5	8 & 9	11.1	10.9	17.9	28.8	12.2	13.8	26.0	7.8	9.4	17.2	0.5	7.8	8.3
>1.5 to 2.0	2	24.4	57.9	8.2	66.1	51.2	7.9	59.1	19.3	4.4	23.7	4.3	3.7	8.0
>1.5 to 2.0	3	20.5	40.7	15.5	56.2	38.6	16.9	55.5	19.6	10.2	29.8	8.3	15.6	23.9
>1.5 to 2.0	4	15.8	20.2	21.8	42.0	19.7	21.7	41.4	14.3	14.0	28.3	3.8	21.5	25.3
>1.5 to 2.0	5	10.6	12.1	28.5	40.6	11.9	28.6	40.5	9.2	21.5	30.7	2.1	30.0	32.1
>1.5 to 2.0	6 & 7	16.4	10.8	36.0	46.8	11.5	33.4	44.9	7.8	27.3	35.1	1.5	24.7	26.2
>1.5 to 2.0	8 & 9	10.0	15.9	36.4	52.3	17.9	36.0	53.9	16.5	39.3	55.8	2.1	33.5	35.6

Key: ICV = Lapses due to insufficient cash value
 FS = Lapses due to full surrender
 Total = ICV + FS

TABLE A-10—Continued

Years Since Last Payment	Policy Year	Percentage of Policies	Lapse Unit of Measure											
			Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
			ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
>2.0 to 3.0	3	19.7%	28.2	3.0	31.2	24.2	3.4	27.6	7.4	1.8	9.2	0.9	4.2	5.1
>2.0 to 3.0	4	20.4	30.0	4.6	34.6	24.6	6.1	30.7	9.0	20.1	29.1	2.1	12.1	14.2
>2.0 to 3.0	5	17.6	16.9	7.2	24.1	13.5	8.3	21.8	6.7	7.9	14.6	1.4	10.1	11.5
>2.0 to 3.0	6 & 7	24.0	10.6	19.6	30.2	10.6	20.6	31.2	6.4	22.7	29.1	0.8	15.0	15.8
>2.0 to 3.0	8 & 9	15.6	13.4	24.8	38.2	13.2	25.5	38.7	9.4	20.0	29.4	1.3	16.1	17.4
>3.0 to 4.0	4	23.3	21.7	2.7	24.4	20.8	3.9	24.7	5.7	12.4	18.1	0.5	8.9	9.4
>3.0 to 4.0	5	20.0	30.6	4.0	34.6	25.9	5.0	30.9	6.8	1.5	8.3	0.9	3.8	4.7
>3.0 to 4.0	6 & 7	33.4	19.7	19.8	39.5	17.7	20.3	38.0	10.3	10.1	20.4	0.6	12.4	13.0
>3.0 to 4.0	8 & 9	19.5	11.8	40.0	51.8	11.2	41.6	52.8	8.5	36.7	45.2	0.6	27.3	27.9
>4.0 to 5.0	5	34.5	11.9	3.1	15.0	10.6	3.1	13.7	1.1	6.8	7.9	0.2	2.8	3.0
>4.0 to 5.0	6 & 7	38.2	19.8	12.8	32.6	16.3	15.0	31.3	2.9	4.7	7.6	0.5	6.3	6.8
>4.0 to 5.0	8 & 9	22.7	3.8	37.5	41.3	3.0	35.8	38.8	2.4	28.4	30.8	0.1	15.8	15.9
>5.0 to 6.0	6 & 7	72.1	8.1	4.7	12.8	7.2	5.7	12.9	1.4	2.1	3.5	0.3	3.8	4.1
>5.0 to 6.0	8 & 9	22.6	6.5	19.6	26.1	5.5	20.4	25.9	3.3	14.6	17.9	0.8	4.7	5.5
>6.0 to 7.0	6 & 7	61.5	4.7	4.4	9.1	5.7	4.8	10.5	1.2	2.4	3.6	0.2	2.6	2.8
>6.0 to 7.0	8 & 9	31.4	8.6	20.6	29.2	7.8	21.1	28.9	3.3	8.4	11.7	0.3	4.2	4.5
>7.0	8 & 9	88.4	5.2	3.4	8.6	5.1	4.2	9.3	1.0	15.4	16.4	0.1	4.4	4.5

Key: ICV = Lapses due to insufficient cash value
 FS = Lapses due to full surrender
 Total = ICV + FS

TABLE A-11

UL LAPSE RATES BY POLICY YEAR AND SURRENDER CHARGE AS A PERCENTAGE OF ACCOUNT VALUE

Surrender Charge as a Percentage of Account Value	Policy Year	Percentage of Policies	Lapse Unit of Measure											
			Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
			ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
0 to 24.99	1	7.7%	6.3	3.6	9.9	5.4	3.0	8.4	2.6	1.8	4.4	0.2	0.8	1.0
0 to 24.99	2	9.6	2.9	7.2	10.1	2.4	6.1	8.5	1.1	4.5	5.6	0.1	2.8	2.9
0 to 24.99	3	11.8	1.9	7.0	8.9	2.4	5.8	8.2	2.1	4.0	6.1	1.3	5.6	6.9
0 to 24.99	4	17.7	1.7	6.4	8.1	1.6	5.9	7.5	0.9	12.5	13.4	0.4	6.3	6.7
0 to 24.99	5	28.0	1.4	7.0	8.4	1.2	6.4	7.6	0.5	6.7	7.2	0.7	5.2	5.9
0 to 24.99	6 & 7	39.2	0.9	7.9	8.8	1.0	7.7	8.7	0.7	6.0	6.7	0.2	5.3	5.5
0 to 24.99	8 & 9	72.0	0.7	8.9	9.6	0.9	9.8	10.7	0.7	10.4	11.1	0.3	6.3	6.6
0 to 24.99	10 & 11	96.2	0.7	9.4	10.1	0.8	9.9	10.7	0.6	8.6	9.2	0.4	6.2	6.6
25 to 49.99	1	1.0	6.4	2.7	9.1	3.6	2.0	5.6	0.6	0.6	1.2	0.1	0.4	0.5
25 to 49.99	2	2.4	1.0	6.9	7.9	0.8	5.7	6.5	0.3	5.7	6.0	0.3	1.2	1.5
25 to 49.99	3	3.2	0.9	11.7	12.6	0.5	11.7	12.2	0.2	5.2	5.4	0.2	3.0	3.2
25 to 49.99	4	4.9	0.7	12.8	13.5	0.5	12.1	12.6	0.1	4.6	4.7	0.5	3.6	4.1
25 to 49.99	5	5.8	0.7	11.6	12.3	0.3	11.3	11.6	0.1	3.5	3.6	0.5	4.2	4.7
25 to 49.99	6 & 7	7.6	0.5	9.6	10.1	0.5	10.1	10.6	0.3	4.5	4.8	0.4	3.3	3.7
25 to 49.99	8 & 9	5.9	0.4	4.1	4.5	0.5	3.3	3.8	0.2	3.2	3.4	0.0	1.6	1.6
50 to 74.99	1	0.7	4.5	3.4	7.9	3.6	1.7	5.3	1.1	0.6	1.7	0.1	0.3	0.4
50 to 74.99	2	1.9	3.5	8.0	11.5	2.2	6.0	8.2	0.9	2.5	3.4	0.3	1.5	1.8
50 to 74.99	3	2.9	1.7	11.8	13.5	1.2	10.0	11.2	0.4	4.0	4.4	0.7	2.6	3.3
50 to 74.99	4	4.5	0.7	11.4	12.1	1.0	12.0	13.0	0.3	4.9	5.2	0.3	4.2	4.5
50 to 74.99	5	4.8	0.7	9.1	9.8	0.5	9.6	10.1	0.4	5.4	5.8	0.7	3.2	3.9
50 to 74.99	6 & 7	6.0	0.6	5.5	6.1	0.5	5.7	6.2	0.3	8.0	8.3	0.2	2.3	2.5
50 to 74.99	8 & 9	3.7	0.6	2.2	2.8	0.5	1.3	1.8	0.9	2.6	3.5	0.1	0.7	0.8
75 to 99.99	1	0.7	4.4	3.9	8.3	2.9	2.0	4.9	0.8	0.5	1.3	0.3	0.2	0.5
75 to 99.99	2	1.7	3.6	9.2	12.8	4.4	7.5	11.9	10.1	3.1	13.2	1.9	1.1	3.0
75 to 99.99	3	2.5	3.7	13.8	17.5	5.0	13.9	18.9	3.0	6.3	9.3	1.2	3.3	4.5
75 to 99.99	4	3.5	2.4	10.4	12.8	3.1	9.8	12.9	4.4	9.3	13.7	1.0	4.0	5.0
75 to 99.99	5	4.0	2.1	5.5	7.6	1.7	5.1	6.8	2.0	2.1	4.1	1.8	2.0	3.8
75 to 99.99	6 & 7	4.9	0.7	3.7	4.4	0.7	4.4	5.1	0.4	2.4	2.8	0.2	1.1	1.3
75 to 99.99	8 & 9	2.6	1.1	1.4	2.5	0.9	1.0	1.9	1.3	0.9	2.2	0.2	0.3	0.5
100 and over	1	89.8	7.4	0.7	8.1	6.0	0.7	6.7	5.0	0.6	5.6	1.4	0.3	1.7
100 and over	2	84.4	7.4	1.0	8.4	6.9	1.0	7.9	5.4	0.9	6.3	2.7	0.6	3.3
100 and over	3	79.7	4.6	1.2	5.8	5.0	1.1	6.1	4.5	1.1	5.6	2.2	0.7	2.9
100 and over	4	69.4	3.1	1.1	4.2	3.4	1.1	4.5	3.8	1.0	4.8	1.2	0.8	2.0
100 and over	5	57.5	2.8	1.1	3.9	2.7	1.3	4.0	3.1	1.7	4.8	1.0	0.8	1.8
100 and over	6 & 7	42.3	2.1	1.6	3.7	2.1	1.6	3.7	2.1	1.6	3.7	0.5	0.8	1.3
100 and over	8 & 9	15.7	1.9	0.3	2.2	2.0	0.3	2.3	3.4	0.3	3.7	0.6	0.2	0.8

Key: ICV = Lapses due to insufficient cash value

FS = Lapses due to full surrender

Total = ICV + FS

TABLE A-12

UL LAPSE RATES BY DISTRIBUTION CHANNEL AND FACE AMOUNT

Face Amount	Distribution Channel	Percentage of Policies	Lapse Unit of Measure											
			Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
			ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
Under 50,000	Career Ord/PPGA	75.5%	4.3	3.4	7.7	4.5	3.6	8.1	2.8	3.2	6.0	1.1	2.7	3.8
Under 50,000	Life Broker	6.2	4.4	4.2	8.6	4.5	4.3	8.8	4.0	3.8	7.8	0.3	4.3	4.6
50,000 to 99,999	Career Ord/PPGA	57.2	4.5	3.7	8.2	4.5	3.8	8.3	3.5	4.1	7.6	0.6	3.4	4.0
50,000 to 99,999	Life Broker	4.2	4.7	3.9	8.6	4.8	3.9	8.7	4.0	3.5	7.5	0.5	4.2	4.7
100,000 to 249,999	Career Ord/PPGA	69.4	5.0	5.9	10.9	4.8	5.6	10.4	3.7	5.7	9.4	0.5	4.3	4.8
100,000 to 249,999	Life Broker	5.7	3.9	3.3	7.2	3.8	3.3	7.1	3.0	3.4	6.4	0.5	3.8	4.3
250,000 to 500,000	Career Ord/PPGA	76.4	4.1	3.4	7.5	4.1	3.4	7.5	3.4	2.9	6.3	0.5	3.5	4.0
250,000 to 500,000	Life Broker	8.1	4.5	3.2	7.7	4.3	3.2	7.5	3.5	3.0	6.5	0.9	4.4	5.3
500,000 and over	Career Ord/PPGA	77.1	4.2	3.3	7.5	4.1	3.4	7.5	2.8	3.9	6.7	0.6	3.8	4.4
500,000 and over	Life Broker	11.8	4.4	4.2	8.6	4.3	4.0	8.3	4.4	4.9	9.3	0.9	5.5	6.4

Key: ICV = Lapses due to insufficient cash value

FS = Lapses due to full surrender

Total = ICV + FS

TABLE A-13

UL LAPSE RATES BY DISTRIBUTION CHANNEL AND ISSUE AGE

Issue Age	Distribution Channel	Percentage of Policies	Lapse Unit of Measure											
			Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
			ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
Under 20	Career Ord/PPGA	65.0%	3.7	3.2	6.9	4.0	4.2	8.2	3.3	6.0	9.3	1.3	4.0	5.3
Under 20	Life Broker	4.8	3.7	3.7	7.4	3.7	3.6	7.3	2.4	4.0	6.4	0.4	4.6	5.0
20-29	Career Ord/PPGA	58.1	6.9	6.0	12.9	6.7	6.2	12.9	6.4	6.6	13.0	1.6	5.9	7.5
20-29	Life Broker	5.5	6.2	5.3	11.5	6.5	4.2	10.7	4.9	4.7	9.6	0.6	5.8	6.4
30-39	Career Ord/PPGA	64.0	5.0	4.9	9.9	4.8	4.7	9.5	4.5	4.8	9.3	0.7	4.5	5.2
30-39	Life Broker	6.7	4.4	4.0	8.4	4.8	3.9	8.7	3.3	3.5	6.8	0.6	4.7	5.3
40-49	Career Ord/PPGA	68.0	4.1	3.5	7.6	4.0	3.5	7.5	3.6	4.2	7.8	0.6	3.6	4.2
40-49	Life Broker	7.9	3.7	3.0	6.7	4.0	3.2	7.2	2.8	2.5	5.3	0.6	4.0	4.6
50-59	Career Ord/PPGA	74.7	2.6	3.0	5.6	2.8	3.2	6.0	2.3	3.3	5.6	0.4	3.7	4.1
50-59	Life Broker	10.1	2.3	2.7	5.0	2.5	3.5	6.0	1.6	2.6	4.2	0.3	3.4	3.7
60 and over	Career Ord/PPGA	76.9	1.6	2.1	3.7	2.1	2.7	4.8	1.6	4.0	5.6	0.2	2.4	2.6
60 and over	Life Broker	13.0	2.7	2.7	5.4	3.1	3.3	6.4	2.4	3.4	5.8	0.4	3.2	3.6

Key: ICV = Lapses due to insufficient cash value

FS = Lapses due to full surrender

Total = ICV + FS

TABLE A-14

UL LAPSE RATES BY DISTRIBUTION CHANNEL AND PAYMENT MODE

Payment Mode	Distribution Channel	Percentage of Policies	Lapse Unit of Measure											
			Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
			ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
Annual	Career Ord/PPGA	73.9%	2.0	3.7	5.7	2.2	3.8	6.0	1.8	3.4	5.2	0.3	3.2	3.5
	Life Broker	9.9	1.9	3.3	5.2	2.5	3.5	6.0	1.6	2.8	4.4	0.3	3.2	3.5
Semiannual	Career Ord/PPGA	81.1	6.3	2.9	9.2	5.4	3.3	8.7	5.1	4.1	9.2	1.1	4.0	5.1
	Life Broker	8.5	3.5	2.7	6.2	3.3	2.6	5.9	3.5	3.8	7.3	0.5	4.2	4.7
Quarterly	Career Ord/PPGA	71.8	10.1	4.9	15.0	9.8	4.7	14.5	7.9	4.4	12.3	1.3	4.7	6.0
	Life Broker	9.9	8.7	3.8	12.5	7.9	3.4	11.3	6.5	3.2	9.7	1.3	5.2	6.5
Reg. Monthly	Career Ord/PPGA	73.6	7.4	6.9	14.3	7.8	7.3	15.1	6.4	7.0	13.4	1.6	5.7	7.3
	Life Broker	7.1	2.0	4.4	6.4	5.4	4.8	10.2	2.5	3.3	5.8	0.2	4.2	4.4
Bank Plan	Career Ord/PPGA	51.7	0.5	3.0	3.5	0.6	3.0	3.6	0.4	4.1	4.5	0.2	2.8	3.0
	Life Broker	3.7	2.4	3.7	6.1	2.5	4.1	6.6	2.3	4.9	7.2	0.4	4.4	4.8

Key: ICV = Lapses due to insufficient cash value

FS = Lapses due to full surrender

Total = ICV + FS

TABLE A-15

UL LAPSE RATES BY DISTRIBUTION CHANNEL AND YEARS REMAINING IN SURRENDER CHARGE SCHEDULE

Years Remaining in Surrender Charge Schedule	Distribution Channel	Percentage of Policies	Lapse Unit of Measure											
			Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
			ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
(4) to 0	Career Ord/PPGA	88.9%	0.8	5.6	6.4	1.0	6.3	7.3	1.4	5.0	6.4	0.4	5.1	5.5
1 to 5	Career Ord/PPGA	91.1	1.4	3.0	4.4	1.1	3.0	4.1	1.0	2.7	3.7	0.2	3.0	3.2
1 to 5	Life Broker	8.6	1.6	7.1	8.7	0.6	8.1	8.7	1.2	7.7	8.9	0.0	8.1	8.1
6 to 10	Career Ord/PPGA	74.9	3.1	3.5	6.6	3.2	3.4	6.6	2.4	3.9	6.3	0.4	3.5	3.9
6 to 10	Life Broker	5.1	3.8	3.5	7.3	3.9	4.0	7.9	1.9	5.6	7.5	0.3	4.6	4.9
11 to 15	Career Ord/PPGA	75.4	8.3	3.2	11.5	8.3	3.0	11.3	5.1	3.6	8.7	2.0	2.5	4.5
11 to 15	Life Broker	10.5	5.0	1.8	6.8	5.8	1.6	7.4	3.1	0.8	3.9	0.8	1.1	1.9
16 to 20	Career Ord/PPGA	17.8	3.3	1.5	4.8	2.6	1.6	4.2	2.4	1.4	3.8	0.4	2.1	2.5
16 to 20	Life Broker	2.8	4.4	1.0	5.4	3.6	0.5	4.1	2.2	0.5	2.7	0.8	1.2	2.0

Key: ICV = Lapses due to insufficient cash value

FS = Lapses due to full surrender

Total = ICV + FS

TABLE A-16
UL LAPSE RATES BY DISTRIBUTION CHANNEL AND SURRENDER CHARGE AS A PERCENTAGE OF ACCOUNT VALUE

Surrender Charge as a Percentage of Account Value	Distribution Channel	Percentage of Policies	Lapse Unit of Measure											
			Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
			ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
0 to 24.99	Career Ord/PPGA	75.7%	1.4	8.5	9.9	1.4	8.8	10.2	0.9	8.4	9.3	0.2	6.2	6.4
0 to 24.99	Life Broker	8.0	1.8	6.1	7.9	2.3	5.8	8.1	1.7	4.7	6.4	0.3	6.3	6.6
25 to 49.99	Career Ord/PPGA	93.3	1.1	7.9	9.0	0.8	7.8	8.6	0.3	4.3	4.6	0.1	2.3	2.4
25 to 49.99	Life Broker	3.1	1.0	22.2	23.2	1.0	17.9	18.9	0.2	6.5	6.7	0.1	5.2	5.3
50 to 74.99	Career Ord/PPGA	91.5	1.4	6.1	7.5	1.1	6.1	7.2	0.6	3.6	4.2	0.1	1.9	2.0
50 to 74.99	Life Broker	3.2	0.9	17.6	18.5	0.2	13.4	13.6	0.1	22.6	22.7	0.1	6.8	6.9
75 to 99.99	Career Ord/PPGA	90.0	2.3	5.1	7.4	2.4	4.9	7.3	1.7	3.6	5.3	0.5	1.6	2.1
75 to 99.99	Life Broker	3.7	2.0	14.3	16.3	4.5	12.4	16.9	25.6	5.6	31.2	4.1	3.4	7.5
100 and over	Career Ord/PPGA	59.4	3.7	1.4	5.1	3.8	1.3	5.1	3.8	1.4	5.2	0.9	0.4	1.3
100 and over	Life Broker	4.3	5.6	0.9	6.5	5.1	0.7	5.8	4.8	0.4	5.2	1.8	0.6	2.4

Key: ICV = Lapses due to insufficient cash value
 FS = Lapses due to full surrender
 Total = ICV + FS

TABLE A-17

UL LAPSE RATES BY DISTRIBUTION CHANNEL AND SIGNIFICANT SURRENDER CHARGE

Significant Surrender Charge	Distribution Channel	Percentage of Policies	Lapse Unit of Measure											
			Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
			ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
No	Career Ord/PPGA	71.6%	3.2	8.9	12.1	3.9	9.7	13.6	3.3	9.1	12.4	0.3	5.5	5.8
No	Life Broker	7.5	1.8	5.8	7.6	2.7	5.8	8.5	1.9	6.0	7.9	0.4	5.7	6.1
Yes	Career Ord/PPGA	63.0	4.7	3.2	7.9	4.6	3.1	7.7	3.2	3.5	6.7	0.7	3.1	3.8
Yes	Life Broker	6.3	4.3	2.7	7.0	4.5	2.3	6.8	2.5	2.5	5.0	0.5	3.1	3.6

Key: ICV = Lapses due to insufficient cash value
 FS = Lapses due to full surrender
 Total = ICV + FS

TABLE A-18

UL LAPSE RATES BY SURRENDER CHARGE AS A PERCENTAGE OF ACCOUNT VALUE AND BY YEARS REMAINING IN SURRENDER CHARGE SCHEDULE

Surrender Charge as a Percentage of Account Value	Years Remaining in Surrender Charge Schedule	Percentage of Policies	Lapse Unit of Measure											
			Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
			ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
0 to 24.99	(4) to 0 years	3.7%	0.9	4.9	5.8	0.9	5.5	6.4	1.0	4.1	5.1	0.3	4.2	4.5
0 to 24.99	1 to 5 years	25.1	0.1	9.0	9.1	0.2	9.8	10.0	0.1	6.4	6.5	0.0	5.4	5.4
0 to 24.99	6 to 10 years	51.7	1.2	12.4	13.6	1.2	11.8	13.0	0.5	8.6	9.1	0.2	7.7	7.9
0 to 24.99	11 to 15 years	15.4	2.8	6.2	9.0	1.7	3.9	5.6	0.2	8.0	8.2	1.8	3.4	5.2
25 to 49.99	1 to 5 years	29.4	0.2	1.7	1.9	0.2	2.3	2.5	0.1	2.8	2.9	0.2	1.4	1.6
25 to 49.99	6 to 10 years	48.2	0.4	11.0	11.4	0.4	10.3	10.7	0.1	4.5	4.6	0.2	2.9	3.1
25 to 49.99	11 to 15 years	18.5	3.6	11.5	15.1	2.4	12.6	15.0	0.4	3.0	3.4	1.1	3.3	4.4
50 to 74.99	1 to 5 years	25.1	0.2	1.4	1.6	0.2	1.3	1.5	0.4	1.1	1.5	0.1	0.7	0.8
50 to 74.99	6 to 10 years	49.5	0.6	6.0	6.6	0.6	5.8	6.4	0.3	4.9	5.2	0.2	2.1	2.3
50 to 74.99	11 to 15 years	20.6	4.5	10.3	14.8	3.5	11.5	15.0	1.0	3.7	4.7	1.1	3.2	4.3
75 to 99.99	1 to 5 years	21.7	0.3	0.9	1.2	0.2	1.3	1.5	0.2	1.4	1.6	0.2	0.7	0.9
75 to 99.99	6 to 10 years	52.0	0.9	3.9	4.8	1.1	4.4	5.5	0.6	3.2	3.8	0.3	1.6	1.9
75 to 99.99	11 to 15 years	21.1	7.4	10.2	17.6	8.7	9.6	18.3	9.9	3.4	13.3	3.0	2.1	5.1
100 and over	1 to 5 years	3.9	1.7	0.2	1.9	1.9	0.3	2.2	2.6	0.2	2.8	0.7	0.3	1.0
100 and over	6 to 10 years	35.8	3.0	0.9	3.9	3.2	0.8	4.0	3.1	0.7	3.8	0.9	0.5	1.4
100 and over	11 to 15 years	26.9	5.4	1.8	7.2	5.5	1.8	7.3	5.1	2.0	7.1	2.1	1.3	3.4

Key: ICV = Lapses due to insufficient cash value
 FS = Lapses due to full surrender
 Total = ICV + FS

TABLE A-19

UL LAPSE RATES BY FACE AMOUNT, ISSUE AGE, AND POLICY YEAR

Face Amount	Issue Age	Policy Year	Percentage of Policies	Lapse Unit of Measure											
				Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
				ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
Under 50,000	Under 20	1	16.9%	6.0	0.7	6.7	6.5	0.7	7.2	6.0	0.5	6.5	1.3	0.2	1.5
Under 50,000	Under 20	2	15.8	5.4	1.1	6.5	5.5	1.2	6.7	5.4	1.3	6.7	2.2	1.8	4.0
Under 50,000	Under 20	3	14.4	3.4	1.9	5.3	3.5	2.0	5.5	3.4	2.0	5.4	17.8	4.1	21.9
Under 50,000	Under 20	4	12.5	2.9	2.5	5.4	2.6	2.5	5.1	2.1	2.6	4.7	1.3	3.2	4.5
Under 50,000	Under 20	5	12.2	2.1	2.8	4.9	2.1	2.8	4.9	1.7	2.0	3.7	2.3	2.4	4.7
Under 50,000	Under 20	6 & 7	17.9	1.2	3.1	4.3	1.3	3.1	4.4	0.9	2.6	3.5	0.3	3.5	3.8
Under 50,000	Under 20	8 & 9	9.7	0.9	3.6	4.5	0.9	3.7	4.6	0.8	3.8	4.6	0.2	3.4	3.6
Under 50,000	20-29	1	21.4	14.5	1.8	16.3	14.5	2.2	16.7	14.4	1.3	15.7	4.0	0.6	4.6
Under 50,000	20-29	2	17.7	13.1	3.9	17.0	13.3	4.1	17.4	13.2	3.9	17.1	3.3	5.0	8.3
Under 50,000	20-29	3	12.6	8.1	4.8	12.9	8.1	5.2	13.3	7.7	5.0	12.7	3.9	5.1	9.0
Under 50,000	20-29	4	11.6	6.1	7.4	13.5	6.1	7.7	13.8	5.6	6.9	12.5	4.0	7.0	11.0
Under 50,000	20 29	5	10.2	6.1	5.9	12.0	6.4	6.0	12.4	4.5	4.9	9.4	9.0	6.7	15.7
Under 50,000	20 29	6 & 7	17.0	2.8	6.3	9.1	2.9	6.5	9.4	2.5	5.5	8.0	1.9	6.4	8.3
Under 50,000	20 29	8 & 9	8.8	1.4	6.3	7.7	1.7	6.4	8.1	1.5	6.5	8.0	0.5	6.4	6.9
Under 50,000	30 39	1	19.3	10.6	1.9	12.5	10.3	2.1	12.4	10.0	1.7	11.7	1.6	1.1	2.7
Under 50,000	30-39	2	16.6	10.1	4.3	14.4	10.1	4.5	14.6	9.1	4.0	13.1	2.1	3.5	5.6
Under 50,000	30-39	3	12.4	6.7	4.1	10.8	6.5	4.3	10.8	5.9	4.4	10.3	2.1	3.5	5.6
Under 50,000	30-39	4	11.7	4.1	6.2	10.3	4.0	6.4	10.4	3.4	5.8	9.2	1.7	5.2	6.9
Under 50,000	30-39	5	10.2	3.6	5.1	8.7	3.6	5.1	8.7	6.0	3.9	9.9	2.7	4.6	7.3
Under 50,000	30-39	6 & 7	18.5	2.6	5.3	7.9	2.6	5.6	8.2	1.9	4.4	6.3	0.8	4.9	5.7
Under 50,000	30-39	8 & 9	10.1	1.2	5.9	7.1	1.5	6.0	7.5	1.4	5.5	6.9	0.3	5.3	5.6
Under 50,000	40-49	1	17.5	7.5	1.6	9.1	7.2	1.7	8.9	6.9	1.5	8.4	1.0	0.6	1.6
Under 50,000	40-49	2	16.6	8.2	2.9	11.1	8.0	2.8	10.8	7.6	2.6	10.2	1.2	2.9	4.1
Under 50,000	40-49	3	12.5	5.4	3.8	9.2	5.4	3.8	9.2	4.6	3.4	8.0	1.4	3.0	4.4
Under 50,000	40-49	4	12.2	3.5	3.9	7.4	3.4	3.9	7.3	2.6	3.1	5.7	1.1	2.8	3.9
Under 50,000	40-49	5	11.2	2.8	3.7	6.5	2.8	3.7	6.5	1.7	2.8	4.5	1.4	3.3	4.7
Under 50,000	40-49	6 & 7	18.6	1.8	3.9	5.7	2.0	3.8	5.8	1.2	2.4	3.6	0.6	3.1	3.7
Under 50,000	40-49	8 & 9	10.1	0.9	4.5	5.4	1.0	4.3	5.3	0.9	3.4	4.3	0.1	3.4	3.5
Under 50,000	50-59	1	15.4	4.8	1.0	5.8	4.3	0.9	5.2	4.3	0.8	5.1	0.3	0.6	0.9
Under 50,000	50-59	2	16.3	4.5	1.9	6.4	3.8	1.9	5.7	3.6	1.9	5.5	0.5	1.3	1.8
Under 50,000	50-59	3	13.7	2.5	2.3	4.8	2.2	2.3	4.5	2.1	2.2	4.3	0.2	1.6	1.8
Under 50,000	50-59	4	13.0	1.8	3.1	4.9	1.6	2.9	4.5	1.3	2.0	3.3	1.3	1.7	3.0
Under 50,000	50 59	5	12.0	2.1	3.0	5.1	2.0	2.7	4.7	1.0	1.3	2.3	0.4	2.1	2.5
Under 50,000	50 59	6 & 7	18.8	1.2	3.3	4.5	1.1	3.3	4.4	0.8	5.3	6.1	0.2	2.9	3.1
Under 50,000	50 59	8 & 9	9.5	0.8	4.5	5.3	0.8	4.6	5.4	0.8	3.7	4.5	0.0	4.3	4.3

Key: ICV = Lapses due to insufficient cash value

FS = Lapses due to full surrender

Total = ICV + FS

TABLE A-19—Continued

Face Amount	Issue Age	Policy Year	Percentage of Policies	Lapse Unit of Measure											
				Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
				ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
Under 50,000	60 and over	1	17.7%	2.4	0.6	3.0	2.3	0.6	2.9	2.2	0.6	2.8	0.1	0.5	0.6
Under 50,000	60 and over	2	18.8	2.1	1.7	3.8	1.8	1.7	3.5	1.6	1.9	3.5	0.1	1.1	1.2
Under 50,000	60 and over	3	15.1	1.4	2.4	3.8	1.3	2.4	3.7	1.1	1.9	3.0	0.4	1.7	2.1
Under 50,000	60 and over	4	14.1	1.1	1.9	3.0	1.1	1.9	3.0	0.6	0.9	1.5	0.2	1.5	1.7
Under 50,000	60 and over	5	10.8	0.6	2.0	2.6	0.5	2.0	2.5	0.4	2.8	3.2	0.0	1.7	1.7
Under 50,000	60 and over	6 & 7	16.4	0.8	1.8	2.6	0.8	1.8	2.6	0.2	2.8	3.0	0.1	1.8	1.9
Under 50,000	60 and over	8 & 9	6.2	1.0	3.4	4.4	1.0	3.4	4.4	0.4	6.0	6.4	0.3	2.2	2.5
50,000-99,999	Under 20	1	23.5	8.1	0.3	8.4	8.1	0.4	8.5	6.5	1.8	8.3	2.0	1.7	3.7
50,000-99,999	Under 20	2	19.3	9.5	1.3	10.8	9.3	1.4	10.7	5.8	1.7	7.5	2.9	2.7	5.6
50,000-99,999	Under 20	3	13.9	5.6	2.0	7.6	5.5	2.1	7.6	3.9	2.2	6.1	1.6	1.9	3.5
50,000-99,999	Under 20	4	12.7	3.7	2.6	6.3	3.8	2.5	6.3	2.7	2.9	5.6	0.8	3.6	4.4
50,000-99,999	Under 20	5	10.0	3.6	2.6	6.2	3.4	2.6	6.0	2.6	2.1	4.7	0.7	2.8	3.5
50,000-99,999	Under 20	6 & 7	13.3	2.9	4.8	7.7	2.8	4.8	7.6	1.7	7.7	9.4	0.2	4.0	4.2
50,000-99,999	Under 20	8 & 9	6.1	0.7	4.8	5.5	0.8	4.8	5.6	0.2	4.4	4.6	0.2	4.2	4.4
50,000-99,999	Under 20*	10 & 11	1.4	0.9	10.9	11.8	0.8	11.0	11.8	0.0	8.3	8.3	0.8	7.3	8.1
50,000-99,999	20-29	1	20.8	10.5	1.0	11.5	10.7	1.1	11.8	10.6	0.8	11.4	5.6	0.9	6.5
50,000-99,999	20-29	2	18.0	10.2	2.2	12.4	10.3	2.2	12.5	9.6	2.4	12.0	5.0	2.9	7.9
50,000-99,999	20-29	3	14.0	6.5	3.4	9.9	6.6	3.4	10.0	6.6	3.4	10.0	3.2	4.4	7.6
50,000-99,999	20-29	4	13.5	5.7	3.9	9.6	5.8	4.0	9.8	5.8	4.4	10.2	1.7	4.5	6.2
50,000-99,999	20-29	5	10.9	4.5	5.2	9.7	4.5	5.3	9.8	4.2	5.1	9.3	2.1	7.4	9.5
50,000-99,999	20-29	6 & 7	14.9	3.6	6.3	9.9	3.5	6.3	9.8	3.4	6.0	9.4	0.5	5.6	6.1
50,000-99,999	20-29	8 & 9	6.7	1.6	5.4	7.0	1.7	5.7	7.4	1.2	5.7	6.9	0.5	5.5	6.0
50,000-99,999	20-29	10 & 11	1.3	0.6	8.9	9.5	0.7	9.4	10.1	0.6	9.7	10.3	0.1	8.2	8.3
50,000-99,999	30-39	1	17.8	8.7	0.8	9.5	8.6	0.9	9.5	8.6	0.8	9.4	2.3	1.2	3.5
50,000-99,999	30-39	2	15.6	7.8	1.5	9.3	7.7	1.6	9.3	7.0	1.9	8.9	3.1	1.9	5.0
50,000-99,999	30-39	3	12.7	4.8	2.7	7.5	4.8	2.8	7.6	4.9	2.7	7.6	1.9	2.8	4.7
50,000-99,999	30-39	4	12.8	3.9	3.4	7.3	3.8	3.5	7.3	3.8	3.4	7.2	0.8	3.5	4.3
50,000-99,999	30-39	5	11.9	3.6	3.6	7.2	3.5	3.5	7.0	3.1	3.1	6.2	1.1	3.6	4.7
50,000-99,999	30-39	6 & 7	18.2	2.7	4.9	7.6	2.5	4.9	7.4	2.5	4.9	7.4	0.3	4.0	4.3
50,000-99,999	30-39	8 & 9	9.2	1.4	4.4	5.8	1.6	4.8	6.4	1.7	4.4	6.1	0.4	4.5	4.9
50,000-99,999	30-39	10 & 11	1.9	1.3	9.8	11.1	1.7	10.5	12.2	1.6	10.3	11.9	0.4	9.3	9.7

*Less than 25 terminations and 400 exposed policies but greater than or equal to 10 terminations and 200 exposed policies.

Key: ICV = Lapses due to insufficient cash value

FS = Lapses due to full surrender

Total = ICV + FS

TABLE A-19—Continued

Face Amount	Issue Age	Policy Year	Percentage of Policies	Lapse Unit of Measure											
				Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
				ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
50,000-99,999	40-49	1	17.4%	6.9	0.5	7.4	6.8	0.6	7.4	7.1	0.5	7.6	1.1	0.3	1.4
50,000-99,999	40-49	2	15.3	5.7	1.2	6.9	5.7	1.3	7.0	4.9	1.3	6.2	1.4	1.7	3.1
50,000-99,999	40-49	3	12.5	4.0	2.3	6.3	4.0	2.3	6.3	3.7	2.2	5.9	1.8	2.6	4.4
50,000-99,999	40-49	4	13.2	3.1	2.6	5.7	3.1	2.6	5.7	3.0	2.5	5.5	0.3	2.7	3.0
50,000-99,999	40-49	5	11.8	3.2	3.2	6.4	3.1	3.2	6.3	2.8	2.8	5.6	1.2	3.2	4.4
50,000-99,999	40-49	6 & 7	18.7	2.2	3.8	6.0	2.2	3.7	5.9	1.7	3.2	4.9	0.5	2.8	3.3
50,000-99,999	40-49	8 & 9	9.4	1.2	3.4	4.6	1.3	3.6	4.9	1.4	3.3	4.7	0.7	3.1	3.8
50,000-99,999	40-49*	10 & 11	1.7	0.5	9.5	10.0	0.5	9.4	9.9	0.5	8.2	8.7	0.0	7.2	7.2
50,000-99,999	50-59	1	15.4	5.3	0.4	5.7	5.1	0.4	5.5	4.9	0.3	5.2	0.4	0.5	0.9
50,000-99,999	50-59	2	13.9	4.5	1.1	5.6	4.5	1.1	5.6	5.0	1.0	6.0	0.8	1.1	1.9
50,000-99,999	50-59	3	12.5	2.2	2.2	4.4	2.1	2.4	4.5	2.4	2.6	5.0	0.3	2.8	3.1
50,000-99,999	50-59	4	13.0	1.9	3.0	4.9	1.9	3.1	5.0	1.5	2.8	4.3	0.3	3.6	3.9
50,000-99,999	50-59	5	12.1	2.0	3.3	5.3	2.0	3.2	5.2	1.7	2.8	4.5	0.2	3.4	3.6
50,000-99,999	50-59	6 & 7	21.0	1.1	3.6	4.7	1.1	3.7	4.8	0.8	2.6	3.4	0.1	3.3	3.4
50,000-99,999	50-59	8 & 9	10.4	0.8	3.6	4.4	0.8	4.0	4.8	0.5	2.4	2.9	0.0	3.3	3.3
50,000-99,999	60 and over	1	15.6	2.9	0.3	3.2	2.6	0.3	2.9	2.3	0.3	2.6	0.1	0.7	0.8
50,000-99,999	60 and over	2	14.8	2.6	0.7	3.3	2.6	0.6	3.2	2.1	0.6	2.7	0.2	0.2	0.4
50,000-99,999	60 and over	3	13.3	1.5	1.5	3.0	1.4	1.6	3.0	1.4	1.9	3.3	0.1	1.3	1.4
50,000-99,999	60 and over	4	13.5	1.8	2.2	4.0	1.6	2.4	4.0	1.2	1.1	2.3	0.0	1.5	1.5
50,000-99,999	60 and over	5	13.3	1.4	3.3	4.7	1.4	3.3	4.7	0.8	1.4	2.2	0.2	2.6	2.8
50,000-99,999	60 and over	6 & 7	19.7	0.7	3.2	3.9	0.6	3.2	3.8	0.2	1.2	1.4	0.1	2.7	2.8
50,000-99,999	60 and over*	8 & 9	8.7	0.3	3.0	3.3	0.2	3.1	3.3	0.0	40.8	40.8	0.0	3.9	3.9
100,000-249,999	Under 20	1	16.2	7.1	1.1	8.2	7.1	1.1	8.2	4.9	1.0	5.9	0.8	0.9	1.7
100,000-249,999	Under 20	2	13.4	6.9	1.4	8.3	6.6	1.5	8.1	3.9	4.3	8.2	1.0	1.4	2.4
100,000-249,999	Under 20	3	10.9	4.8	2.4	7.2	4.7	2.2	6.9	3.5	1.8	5.3	0.9	1.3	2.2
100,000-249,999	Under 20	4	9.6	3.4	3.3	6.7	3.0	3.3	6.3	2.1	3.0	5.1	0.5	3.7	4.2
100,000-249,999	Under 20	5	9.0	2.8	4.7	7.5	2.9	4.5	7.4	1.6	26.4	28.0	0.6	3.5	4.1
100,000-249,999	Under 20	6 & 7	17.1	4.4	7.5	11.9	4.4	7.3	11.7	2.7	5.2	7.9	0.5	4.4	4.9
100,000-249,999	Under 20	8 & 9	19.4	5.5	14.7	20.2	5.2	14.3	19.5	4.2	12.1	16.3	0.0	8.3	8.3
100,000-249,999	20-29	1	19.2	9.9	1.1	11.0	9.8	1.1	10.9	9.0	1.2	10.2	2.3	0.9	3.2
100,000-249,999	20-29	2	15.7	9.7	2.3	12.0	9.7	2.5	12.2	8.6	3.5	12.1	4.7	3.7	8.4
100,000-249,999	20-29	3	11.7	6.0	3.6	9.6	5.9	3.6	9.5	5.5	3.7	9.2	2.7	4.7	7.4
100,000-249,999	20-29	4	10.8	4.9	3.9	8.8	4.8	3.9	8.7	5.3	3.9	9.2	2.2	4.0	6.2
100,000-249,999	20-29	5	9.3	5.0	5.0	10.0	5.0	5.1	10.1	4.3	12.0	16.3	1.6	5.3	6.9
100,000-249,999	20-29	6 & 7	16.1	5.0	9.0	14.0	4.7	8.7	13.4	5.0	8.3	13.3	0.6	6.7	7.3
100,000-249,999	20-29	8 & 9	14.1	4.9	17.0	21.9	4.7	16.2	20.9	4.4	14.7	19.1	0.4	7.5	7.9

*Less than 25 terminations and 400 exposed policies but greater than or equal to 10 terminations and 200 exposed policies.

Key: ICV = Lapses due to insufficient cash value

FS = Lapses due to full surrender

Total = ICV + FS

TAB.F A-19—Continued

Face Amount	Issue Age	Policy Year	Percentage of Policies	Lapse Unit of Measure											
				Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
				ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
100,000-249,999	30-39	1	16.4%	8.2	1.1	9.3	8.0	1.1	9.1	6.8	1.2	8.0	1.7	0.9	2.6
100,000-249,999	30-39	2	13.4	6.8	1.8	8.6	6.7	1.9	8.6	6.1	2.1	8.2	2.4	2.1	4.5
100,000-249,999	30-39	3	10.6	4.7	3.0	7.7	4.6	3.1	7.7	4.3	3.9	8.2	2.8	3.9	6.7
100,000-249,999	30-39	4	10.4	3.2	3.3	6.5	3.3	3.3	6.6	3.7	3.5	7.2	0.9	3.4	4.3
100,000-249,999	30-39	5	10.2	2.8	3.9	6.7	2.8	3.9	6.7	2.8	3.7	6.5	0.9	4.1	5.0
100,000-249,999	30-39	6 & 7	18.5	3.7	6.3	10.0	3.5	6.1	9.6	3.4	6.1	9.5	0.3	4.7	5.0
100,000-249,999	30-39	8 & 9	16.9	3.9	12.3	16.2	3.8	11.7	15.5	3.6	12.2	15.8	0.2	6.2	6.4
100,000-249,999	30-39	10 & 11	3.6	3.5	17.4	20.9	3.3	16.4	19.7	2.8	15.8	18.6	0.3	7.1	7.4
100,000-249,999	40-49	1	16.0	6.6	0.9	7.5	6.5	0.8	7.3	5.0	0.8	5.8	0.6	0.4	1.0
100,000-249,999	40-49	2	13.4	4.8	1.4	6.2	4.8	1.4	6.2	4.3	2.6	6.9	1.5	1.0	2.5
100,000-249,999	40-49	3	11.0	4.9	2.6	7.5	4.9	2.7	7.6	5.2	3.1	8.3	1.4	2.5	3.9
100,000-249,999	40-49	4	11.2	3.1	2.7	5.8	2.9	2.7	5.6	2.6	2.7	5.3	0.7	2.4	3.1
100,000-249,999	40-49	5	10.9	2.6	3.3	5.9	2.4	3.3	5.7	1.5	2.3	3.8	1.0	2.8	3.8
100,000-249,999	40-49	6 & 7	19.2	2.9	4.4	7.3	2.7	4.3	7.0	2.9	4.2	7.1	0.3	3.6	3.9
100,000-249,999	40-49	8 & 9	15.3	3.4	8.2	11.6	3.1	7.9	11.0	3.4	7.8	11.2	0.4	5.1	5.5
100,000-249,999	40-49	10 & 11	3.1	2.3	11.5	13.8	2.9	11.0	13.9	2.0	9.5	11.5	0.2	6.2	6.4
100,000-249,999	50-59	1	13.0	5.7	0.4	6.1	5.8	0.3	6.1	4.5	0.5	5.0	0.4	0.0	0.4
100,000-249,999	50-59	2	13.1	3.0	1.6	4.6	3.0	1.6	4.6	2.4	1.2	3.6	0.5	0.9	1.4
100,000-249,999	50-59	3	12.0	2.9	1.6	4.5	3.0	1.8	4.8	2.4	2.8	5.2	0.4	1.7	2.1
100,000-249,999	50-59	4	11.5	1.6	3.0	4.6	1.4	3.1	4.5	1.3	3.0	4.3	0.1	2.8	2.9
100,000-249,999	50-59	5	12.3	2.0	2.8	4.8	2.0	2.9	4.9	1.2	2.2	3.4	0.8	2.9	3.7
100,000-249,999	50-59	6 & 7	21.2	1.3	4.0	5.3	1.3	4.0	5.3	0.9	3.9	4.8	0.1	3.6	3.7
100,000-249,999	50-59	8 & 9	14.2	2.2	7.1	9.3	2.2	6.8	9.0	2.4	6.7	9.1	0.2	6.1	6.3
100,000-249,999	60 and over	1	14.2	2.3	0.4	2.7	2.4	0.4	2.8	2.0	0.3	2.3	0.1	0.0	0.1
100,000-249,999	60 and over	2	14.6	2.9	1.5	4.4	2.9	1.4	4.3	2.1	1.0	3.1	0.3	0.6	0.9
100,000-249,999	60 and over	3	13.5	2.5	2.0	4.5	2.4	2.0	4.4	1.7	1.2	2.9	0.3	2.3	2.6
100,000-249,999	60 and over	4	12.2	0.9	3.6	4.5	1.0	3.8	4.8	0.5	22.5	23.0	0.1	4.4	4.5
100,000-249,999	60 and over	5	12.1	2.9	2.7	5.6	2.5	2.8	5.3	2.0	17.7	19.7	0.2	3.1	3.3
100,000-249,999	60 and over	6 & 7	20.5	1.4	3.7	5.1	1.4	3.7	5.1	1.1	2.4	3.5	0.1	2.7	2.8
100,000-249,999	60 and over	8 & 9	11.3	1.5	8.2	9.7	1.7	7.8	9.5	1.3	8.1	9.4	0.2	7.3	7.5
250,000-499,999	20-29	1	18.0	7.5	2.3	9.8	7.5	2.5	10.0	6.3	2.6	8.9	1.0	1.4	2.4
250,000-499,999	20-29*	2	17.6	8.2	1.3	9.5	8.0	1.3	9.3	7.5	1.2	8.7	8.8	2.8	11.6
250,000-499,999	20-29*	3	13.2	7.3	3.0	10.3	7.1	3.1	10.2	6.2	3.1	9.3	2.6	2.6	5.2
250,000-499,999	20-29*	4	12.7	3.8	3.6	7.4	4.1	3.5	7.6	3.1	2.8	5.9	0.5	2.5	3.0
250,000-499,999	20-29*	5	10.6	4.3	2.5	6.8	4.1	2.6	6.7	2.5	5.0	7.5	0.5	6.1	6.6
250,000-499,999	20-29*	6 & 7	16.1	4.2	4.7	8.9	4.2	4.5	8.7	3.6	4.6	8.2	0.7	4.5	5.2
250,000-499,999	20-29*	8 & 9	9.8	1.9	13.9	15.8	1.8	13.3	15.1	1.7	12.8	14.5	0.0	5.5	5.5

*Less than 25 terminations and 400 exposed policies but greater than or equal to 10 terminations and 200 exposed policies.

Key: ICV = Lapses due to insufficient cash value

FS = Lapses due to full surrender

Total = ICV + FS

TABLE A-19—Continued

Face Amount	Issue Age	Policy Year	Percentage of Policies	Lapse Unit of Measure											
				Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
				ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
250,000-499,999	30-39	1	15.8%	5.3	0.8	6.1	5.6	0.8	6.4	5.0	0.9	5.9	0.7	0.4	1.1
250,000-499,999	30-39	2	15.8	5.9	1.6	7.5	5.9	1.5	7.4	5.9	1.6	7.5	2.1	0.7	2.8
250,000-499,999	30-39	3	13.6	4.8	2.8	7.6	4.6	2.9	7.5	4.2	2.8	7.0	1.2	3.2	4.4
250,000-499,999	30-39	4	12.8	2.9	3.0	5.9	2.8	3.1	5.9	2.7	3.3	6.0	0.7	4.1	4.8
250,000-499,999	30-39	5	11.0	3.2	3.7	6.9	3.0	3.8	6.8	2.6	3.1	5.7	0.4	2.8	3.2
250,000-499,999	30-39	6 & 7	16.7	2.4	4.2	6.6	2.2	4.3	6.5	2.3	4.2	6.5	0.1	3.8	3.9
250,000-499,999	30-39	8 & 9	12.2	4.3	8.7	13.0	4.3	8.5	12.8	4.3	8.3	12.6	0.5	5.2	5.7
250,000-499,999	40-49	1	13.6	5.4	0.5	5.9	5.7	0.6	6.3	4.1	0.5	4.6	0.5	0.0	0.5
250,000-499,999	40-49	2	15.3	6.0	0.9	6.9	6.1	1.0	7.1	5.6	1.0	6.6	1.5	0.7	2.2
250,000-499,999	40-49	3	13.6	3.5	1.6	5.1	3.4	1.7	5.1	3.2	1.6	4.8	1.2	2.9	4.1
250,000-499,999	40-49	4	13.2	3.9	2.6	6.5	3.9	2.8	6.7	3.2	2.1	5.3	0.7	4.0	4.7
250,000-499,999	40-49	5	12.4	2.1	3.6	5.7	1.9	3.5	5.4	1.3	2.8	4.1	0.2	3.2	3.4
250,000-499,999	40-49	6 & 7	18.3	2.2	3.6	5.8	2.1	3.7	5.8	1.8	4.2	6.0	0.1	2.6	2.7
250,000-499,999	40-49	8 & 9	11.3	2.7	5.6	8.3	2.7	5.6	8.3	2.9	6.2	9.1	0.4	3.4	3.8
250,000-499,999	50-59	1	12.8	3.6	0.4	4.0	3.4	0.4	3.8	3.3	0.4	3.7	0.4	0.0	0.4
250,000-499,999	50-59	2	14.6	4.8	1.3	6.1	4.8	1.5	6.3	3.8	2.0	5.8	1.0	0.3	1.3
250,000-499,999	50-59	3	13.5	5.9	1.2	7.1	6.2	1.2	7.4	7.4	1.2	8.6	1.5	1.6	3.1
250,000-499,999	50-59	4	13.8	2.5	3.8	6.3	2.7	3.8	6.5	3.1	3.5	6.6	0.8	4.2	5.0
250,000-499,999	50-59*	5	13.9	4.3	4.2	8.5	4.2	4.3	8.5	2.0	2.5	4.5	0.6	5.8	6.4
250,000-499,999	50-59	6 & 7	19.4	1.6	4.3	5.9	1.5	4.4	5.9	1.0	2.7	3.7	0.3	4.0	4.3
250,000-499,999	50-59*	8 & 9	9.9	2.0	8.6	10.6	2.1	8.4	10.5	1.7	7.2	8.9	1.0	7.8	8.8
500,000 and over	30-39	1	13.6	5.8	0.7	6.5	5.2	0.6	5.8	2.8	0.6	3.4	0.5	1.7	2.2
500,000 and over	30-39	2	16.8	6.0	1.3	7.3	5.7	1.6	7.3	5.4	2.2	7.6	2.2	0.3	2.5
500,000 and over	30-39	3	13.8	5.6	2.7	8.3	5.3	2.7	8.0	3.4	2.7	6.1	1.4	2.7	4.1
500,000 and over	30-39	4	14.3	5.2	3.8	9.0	5.5	3.7	9.2	4.8	2.9	7.7	1.1	3.0	4.1
500,000 and over	30-39*	5	12.4	2.2	2.9	5.1	2.4	3.2	5.6	1.0	2.3	3.3	1.0	1.9	2.9
500,000 and over	30-39	6 & 7	16.6	2.9	4.2	7.1	2.7	4.2	6.9	1.7	2.5	4.2	0.7	4.6	5.3
500,000 and over	30-39*	8 & 9	10.3	5.2	6.6	11.8	5.5	6.7	12.2	3.9	6.3	10.2	0.0	6.3	6.3
500,000 and over	40-49	1	13.9	3.4	0.8	4.2	3.1	0.7	3.8	2.6	0.4	3.0	0.3	0.4	0.7
500,000 and over	40-49	2	16.2	6.0	1.8	7.8	6.5	2.1	8.6	4.4	1.6	6.0	1.4	1.0	2.4
500,000 and over	40-49	3	14.6	6.5	2.5	9.0	6.1	2.5	8.6	4.2	2.1	6.3	1.5	1.7	3.2
500,000 and over	40-49	4	15.2	2.8	4.2	7.0	3.1	4.9	8.0	2.1	18.5	20.6	0.6	11.0	11.6
500,000 and over	40-49	5	12.8	3.0	4.4	7.4	2.6	4.0	6.6	4.4	3.9	8.3	0.2	4.1	4.3
500,000 and over	40-49	6 & 7	16.4	3.4	5.0	8.4	2.8	4.9	7.7	2.6	5.2	7.8	0.6	3.9	4.5
500,000 and over	40-49*	8 & 9	9.3	3.6	8.2	11.8	3.4	9.3	12.7	4.3	8.2	12.5	0.4	5.7	6.1
500,000 and over	50-59	2	16.3	5.3	1.7	7.0	5.1	1.6	6.7	2.9	4.0	6.9	1.0	0.6	1.6
500,000 and over	50-59	3	13.8	6.7	1.8	8.5	7.6	1.8	9.4	5.8	1.6	7.4	1.5	4.3	5.8
500,000 and over	50-59	4	14.8	3.2	5.8	9.0	3.1	5.8	8.9	2.3	2.9	5.2	0.3	7.7	8.0
500,000 and over	50-59	5	11.9	1.4	4.2	5.6	1.1	4.0	5.1	0.7	5.8	6.5	0.1	4.8	4.9
500,000 and over	50-59	6 & 7	19.3	2.2	4.9	7.1	2.2	5.0	7.2	1.8	5.5	7.3	0.1	6.1	6.2

*Less than 25 terminations and 400 exposed policies but greater than or equal to 10 terminations and 200 exposed policies.

Key: ICV = Lapses due to insufficient cash value

FS = Lapses due to full surrender

Total = ICV + FS

TABLE A-20

UL LAPSE RATES BY DISTRIBUTION CHANNEL, FACE AMOUNT, AND ISSUE AGE

Distribution Channel	Face Amount	Issue Age	Percentage of Policies	Lapse Unit of Measure											
				Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
				ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
Career Ord/PPGA	Under 50,000	Under 20	29.6%	3.1	2.2	5.3	3.1	2.3	5.4	2.7	2.3	5.0	3.5	3.1	6.6
Career Ord/PPGA	Under 50,000	20-29	14.8	8.1	5.5	13.6	8.4	5.7	14.1	7.3	5.4	12.7	4.2	6.2	10.4
Career Ord/PPGA	Under 50,000	30-39	16.2	6.1	5.1	11.2	6.0	5.4	11.4	5.6	4.8	10.4	1.6	4.9	6.5
Career Ord/PPGA	Under 50,000	40-49	16.1	4.6	3.7	8.3	4.5	3.7	8.2	3.7	3.2	6.9	0.9	2.9	3.8
Career Ord/PPGA	Under 50,000	50-59	14.0	2.7	2.7	5.4	2.3	2.7	5.0	1.8	3.2	5.0	0.4	2.4	2.8
Career Ord/PPGA	Under 50,000	60 & over	9.3	1.4	1.6	3.0	1.2	1.7	2.9	0.7	2.2	2.9	0.2	1.5	1.7
Career Ord/PPGA	50,000-99,999	Under 20	10.0	4.5	3.3	7.8	4.4	3.3	7.7	3.6	5.0	8.6	0.5	3.6	4.1
Career Ord/PPGA	50,000-99,999	20-29	26.2	6.3	4.8	11.1	6.3	4.9	11.2	6.3	5.0	11.3	1.7	5.7	7.4
Career Ord/PPGA	50,000-99,999	30-39	32.2	4.5	3.9	8.4	4.4	4.0	8.4	4.6	4.0	8.6	0.8	4.0	4.8
Career Ord/PPGA	50,000-99,999	40-49	19.1	3.6	3.0	6.6	3.5	3.1	6.6	3.4	3.1	6.5	0.8	2.9	3.7
Career Ord/PPGA	50,000-99,999	50-59	8.9	2.4	2.8	5.2	2.3	2.9	5.2	2.2	2.7	4.9	0.2	3.2	3.4
Career Ord/PPGA	50,000-99,999	60 & over	3.6	1.6	2.0	3.6	1.5	2.0	3.5	1.0	5.8	6.8	0.1	1.9	2.0
Career Ord/PPGA	100,000-249,999	Under 20	5.8	5.3	7.3	12.6	5.2	6.9	12.1	4.0	11.4	15.4	0.4	5.2	5.6
Career Ord/PPGA	100,000-249,999	20-29	21.9	7.0	8.2	15.2	6.9	7.8	14.7	6.8	8.8	15.6	1.2	6.6	7.8
Career Ord/PPGA	100,000-249,999	30-39	38.4	4.9	6.2	11.1	4.9	5.9	10.8	4.8	6.3	11.1	0.6	5.1	5.7
Career Ord/PPGA	100,000-249,999	40-49	21.2	4.2	4.1	8.3	4.1	4.0	8.1	3.7	4.0	7.7	0.6	3.7	4.3
Career Ord/PPGA	100,000-249,999	50-59	9.1	2.7	3.4	6.1	2.7	3.4	6.1	2.1	3.3	5.4	0.3	3.7	4.0
Career Ord/PPGA	100,000-249,999	60 & over	3.6	2.0	3.0	5.0	2.1	3.0	5.1	1.5	7.3	8.8	0.1	3.3	3.4
Career Ord/PPGA	250,000-499,999	Under 20*	2.0	2.3	3.4	5.7	2.1	3.7	5.8	1.8	4.7	6.5	0.1	3.6	3.7
Career Ord/PPGA	250,000-499,999	20-29	10.4	5.9	4.4	10.3	5.9	4.4	10.3	4.8	4.4	9.2	1.2	4.1	5.3
Career Ord/PPGA	250,000-499,999	30-39	37.2	4.5	3.6	8.1	4.5	3.6	8.1	4.2	3.5	7.7	0.5	3.7	4.2
Career Ord/PPGA	250,000-499,999	40-49	30.8	3.8	2.9	6.7	3.9	2.9	6.8	3.5	2.9	6.4	0.5	3.3	3.8
Career Ord/PPGA	250,000-499,999	50-59	14.0	3.5	3.4	6.9	3.5	3.5	7.0	3.2	3.2	6.4	0.7	4.3	5.0
Career Ord/PPGA	250,000-499,999	60 & over	5.6	2.0	2.6	4.6	2.0	2.6	4.6	2.6	1.6	4.2	0.2	2.3	2.5
Career Ord/PPGA	500,000 and over	20-29	5.4	6.3	4.4	10.7	6.6	4.0	10.6	3.8	4.3	8.1	1.1	3.7	4.8
Career Ord/PPGA	500,000 and over	30-39	30.7	5.0	3.2	8.2	4.6	3.4	8.0	3.4	2.9	6.3	0.8	3.6	4.4
Career Ord/PPGA	500,000 and over	40-49	35.9	4.4	3.3	7.7	4.2	3.5	7.7	3.4	6.2	9.6	0.7	4.4	5.1
Career Ord/PPGA	500,000 and over	50-59	17.9	3.1	3.1	6.2	3.2	3.0	6.2	2.3	3.7	6.0	0.3	4.5	4.8
Career Ord/PPGA	500,000 and over	60 & over	8.1	2.5	3.4	5.9	3.0	3.4	6.4	1.9	2.3	4.2	0.3	2.6	2.9

*Less than 25 terminations and 400 exposed policies but greater than or equal to 10 terminations and 200 exposed policies.

Key: ICV = Lapses due to insufficient cash value

FS = Lapses due to full surrender

Total = ICV + FS

TABLE A-20—Continued

Distribution Channel	Face Amount	Issue Age	Percentage of Policies	Lapse Unit of Measure											
				Number of Policies			Face Amount			Annualized Planned Prem			Account Value		
				ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
Life Broker	Under 50,000	Under 20	18.5%	4.4	3.0	7.4	4.4	3.1	7.5	4.0	3.6	7.6	0.5	5.8	6.3
Life Broker	Under 50,000	20-29	15.9	5.5	7.5	13.0	5.6	8.2	13.8	5.7	7.6	13.3	0.5	8.4	8.9
Life Broker	Under 50,000	30-39	21.1	5.5	5.2	10.7	5.5	5.0	10.5	5.3	5.3	10.6	0.5	5.3	5.8
Life Broker	Under 50,000	40-49	19.9	4.9	3.8	8.7	5.0	3.7	8.7	5.6	4.6	10.2	0.5	6.4	6.9
Life Broker	Under 50,000	50-59	15.4	3.2	2.3	5.5	3.0	2.1	5.1	2.8	2.1	4.9	0.2	2.6	2.8
Life Broker	Under 50,000	60 & over	9.2	1.6	2.0	3.6	1.7	1.8	3.5	2.1	2.1	4.2	0.2	1.7	1.9
Life Broker	50,000-99,999	Under 20	8.7	4.4	4.8	9.2	4.4	4.7	9.1	4.2	6.0	10.2	0.8	6.2	7.0
Life Broker	50,000-99,999	20-29	25.4	7.2	4.8	12.0	7.6	4.7	12.3	6.7	5.3	12.0	0.6	6.1	6.7
Life Broker	50,000-99,999	30-39	31.5	4.6	4.2	8.8	4.6	4.2	8.8	4.3	4.4	8.7	0.7	5.6	6.3
Life Broker	50,000-99,999	40-49	19.0	3.6	2.5	6.1	3.6	2.5	6.1	3.7	2.1	5.8	0.4	2.6	3.0
Life Broker	50,000-99,999	50-59	10.4	2.4	2.5	4.9	2.4	2.6	5.0	3.5	3.2	6.7	0.2	3.1	3.3
Life Broker	50,000-99,999	60 & over	5.0	2.2	3.5	5.7	2.2	3.5	5.7	2.3	2.2	4.5	0.3	4.3	4.6
Life Broker	100,000-249,999	Under 20	4.7	3.2	3.0	6.2	3.4	3.0	6.4	2.8	3.1	5.9	0.3	3.8	4.1
Life Broker	100,000-249,999	20-29	18.6	5.9	4.2	10.1	6.0	4.1	10.1	5.5	4.9	10.4	0.9	6.2	7.1
Life Broker	100,000-249,999	30-39	35.6	4.1	3.6	7.7	4.0	3.9	7.9	3.7	4.7	8.4	0.8	5.4	6.2
Life Broker	100,000-249,999	40-49	22.4	3.9	2.7	6.6	3.8	2.6	6.4	4.1	2.9	7.0	0.9	4.2	5.1
Life Broker	100,000-249,999	50-59	12.8	1.3	2.6	3.9	1.3	2.7	4.0	1.3	3.1	4.4	0.1	3.0	3.1
Life Broker	100,000-249,999	60 & over	5.9	2.5	2.3	4.8	2.2	2.3	4.5	2.2	2.3	4.5	0.3	2.0	2.3
Life Broker	250,000-499,999	30-39	34.4	4.6	3.7	8.3	4.6	3.7	8.3	3.7	3.6	7.3	1.0	3.9	4.9
Life Broker	250,000-499,999	40-49	31.0	4.1	2.7	6.8	3.9	2.6	6.5	3.5	2.9	6.4	0.8	3.0	3.8
Life Broker	250,000-499,999	50-59*	16.2	4.1	4.2	8.3	4.1	4.2	8.3	4.3	3.3	7.6	1.3	7.0	8.3
Life Broker	500,000 and over	30-39*	26.0	5.7	4.2	9.9	6.2	3.7	9.9	5.0	3.6	8.6	1.1	6.9	8.0
Life Broker	500,000 and over	40-49*	32.6	4.3	4.3	8.6	4.3	4.2	8.5	3.7	3.6	7.3	1.6	7.1	8.7
Life Broker	500,000 and over	50-59	20.4	3.3	4.8	8.1	2.5	4.5	7.0	1.2	3.6	4.8	0.4	4.5	4.9

*Less than 25 terminations and 400 exposed policies but greater than or equal to 10 terminations and 200 exposed policies.

Key: ICV = Lapses due to insufficient cash value

FS = Lapses due to full surrender

Total = ICV + FS

TABLE A-21

UL LAPSE RATES BY DISTRIBUTION CHANNEL, SIGNIFICANT SURRENDER CHARGE, AND POLICY YEAR

Distribution Channel	Significant Surrender Charge	Policy Year	Percentage of Policies	Lapse Unit of Measure											
				Number of Policies			Face Amount			Annualized Planned Prem.			Account Value		
				ICV	FS	Total	ICV	FS	Total	ICV	FS	Total	ICV	FS	Total
Career Ord/PPGA	No	1	2.5%	11.7	5.1	16.8	12.0	4.0	16.0	6.5	2.3	8.8	0.3	0.2	0.5
Career Ord/PPGA	No	2	3.5	5.8	9.9	15.7	4.6	10.5	15.1	2.7	8.5	11.2	0.2	2.4	2.6
Career Ord/PPGA	No	3	3.5	2.1	6.3	8.4	3.9	6.0	9.9	4.8	6.0	10.8	0.2	2.7	2.9
Career Ord/PPGA	No	4	6.7	1.8	4.8	6.6	2.0	4.8	6.8	2.1	5.0	7.1	0.3	2.8	3.1
Career Ord/PPGA	No	5	11.9	1.1	5.0	6.1	1.4	4.5	5.9	1.6	4.4	6.0	0.2	3.8	4.0
Career Ord/PPGA	No	6 & 7	20.8	2.8	6.7	9.5	3.7	7.1	10.8	3.7	6.0	9.7	0.3	4.3	4.6
Career Ord/PPGA	No	8 & 9	41.5	3.6	11.7	15.3	4.3	12.7	17.0	3.4	12.8	16.2	0.4	6.6	7.0
Career Ord/PPGA	No	10 & 11	9.7	3.1	19.1	22.2	3.9	20.1	24.0	2.8	15.1	17.9	0.6	7.9	8.5
Career Ord/PPGA	Yes	1	13.6	7.5	1.1	8.6	6.4	0.9	7.3	4.1	0.9	5.0	0.3	0.4	0.7
Career Ord/PPGA	Yes	2	14.6	6.6	1.9	8.5	6.4	1.7	8.1	4.9	2.0	6.9	1.1	1.1	2.2
Career Ord/PPGA	Yes	3	14.1	5.0	2.8	7.8	5.4	2.8	8.2	4.1	2.4	6.5	1.5	2.9	4.4
Career Ord/PPGA	Yes	4	14.0	4.3	3.4	7.7	4.3	3.5	7.8	3.2	6.8	10.0	0.8	3.9	4.7
Career Ord/PPGA	Yes	5	13.2	3.8	3.9	7.7	3.3	4.0	7.3	2.1	3.8	5.9	1.0	3.2	4.2
Career Ord/PPGA	Yes	6 & 7	22.8	2.7	5.2	7.9	2.6	5.2	7.8	1.8	4.4	6.2	0.3	3.8	4.1
Career Ord/PPGA	Yes	8 & 9	7.1	1.0	4.2	5.2	1.1	4.5	5.6	1.3	5.0	6.3	0.3	4.3	4.6
Career Ord/PPGA	Yes	10 & 11*	0.4	0.3	6.9	7.2	0.2	5.2	5.4	0.2	3.5	3.7	0.0	3.1	3.1
Life Broker	No	2*	2.9	5.7	6.5	12.2	7.3	3.7	11.0	5.7	2.7	8.4	0.6	1.3	1.9
Life Broker	No	3	6.1	2.0	7.0	9.0	2.6	5.9	8.5	1.8	4.9	6.7	0.2	4.0	4.2
Life Broker	No	4	12.6	2.2	5.0	7.2	2.6	4.6	7.2	1.8	4.0	5.8	0.2	3.1	3.3
Life Broker	No	5	12.8	1.2	6.9	8.1	1.9	6.0	7.9	1.2	6.4	7.6	0.5	5.6	6.1
Life Broker	No	6 & 7	15.2	1.6	5.8	7.4	2.9	6.0	8.9	2.5	5.2	7.7	0.7	8.2	8.9
Life Broker	No	8 & 9	33.1	1.1	5.3	6.4	2.2	6.2	8.4	1.1	7.7	8.8	0.2	5.7	5.9
Life Broker	No	10 & 11	15.6	0.9	5.7	6.6	1.2	6.2	7.4	0.7	9.2	9.9	0.0	5.5	5.5
Life Broker	Yes	1	16.0	5.9	0.8	6.7	5.3	0.2	5.5	1.6	0.2	1.8	0.4	0.1	0.5
Life Broker	Yes	2	20.1	6.5	1.3	7.8	8.3	0.5	8.8	4.1	0.5	4.6	1.1	0.5	1.6
Life Broker	Yes	3	16.9	4.9	2.1	7.0	6.4	1.8	8.2	3.0	3.8	6.8	0.9	2.8	3.7
Life Broker	Yes	4	14.7	3.2	3.4	6.6	2.7	3.5	6.2	2.8	2.5	5.3	0.6	2.4	3.0
Life Broker	Yes	5	9.3	2.0	4.2	6.2	1.7	5.4	7.1	1.3	4.1	5.4	0.3	7.7	8.0
Life Broker	Yes	6 & 7	16.9	1.5	4.9	6.4	1.0	4.2	5.2	0.8	8.4	9.2	0.1	4.0	4.1
Life Broker	Yes	8 & 9	6.0	1.7	7.7	9.4	1.2	5.3	6.5	0.8	5.0	5.8	0.1	7.3	7.4

*Less than 25 terminations and 400 exposed policies but greater than or equal to 10 terminations and 200 exposed policies.

Key: ICV = Lapses due to insufficient cash value

FS = Lapses due to full surrender

Total = ICV + FS

APPENDIX B

TABLE B-1

LAPSES AND EXPOSURES AS MEASURED BY NUMBER OF POLICIES
AND POLICY FACTORS

Policy Factors	Number of Insufficient Casa Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
Option			
Level death benefit	35,620	395,044	9.0
Increasing death benefit	12,330	160,882	7.7
Policy Rider Status			
No	16,755	214,830	7.8
Yes	31,205	341,144	9.1
Policy Year			
1	9,739	104,495	9.3
2	8,641	88,243	9.8
3	5,933	75,087	7.9
4	5,313	72,672	7.3
5	4,292	59,812	7.2
6	4,132	54,453	7.6
7	3,510	43,285	8.1
8	3,206	33,670	9.5
9	2,286	18,483	12.4
10	825	5,034	16.4
11	78	699	11.2
Payment Mode			
Annual	6,625	115,244	5.7
Semiannual	2,645	31,210	8.5
Quarterly	16,700	116,927	14.3
Regular monthly	10,991	85,255	12.9
Monthly bank plan	10,893	206,059	5.3
Other	55	1,154	4.8
Months Since Last Premium Collected			
1 to 6	5,429	332,540	1.6
7 to 12	11,435	43,902	26.0
13 to 18	2,496	12,716	19.6
19 to 24	8,376	13,921	60.2
25 to 36	4,443	14,443	30.8
37 to 48	3,361	9,748	34.5
49 to 60	1,364	5,366	25.4
61 to 72	504	3,559	14.2
73 to 84	339	2,226	15.2
More than 7 years	137	1,585	8.6
Face Amount			
Under 25,000	2,206	25,049	8.8
25,000 to 49,999	8,620	113,618	7.6
50,000 to 99,999	17,709	219,466	8.1
100,000 to 249,999	15,013	154,807	9.7
250,000 to 499,999	1,563	21,900	7.1
500,000 to 999,999	534	7,102	7.5
1,000,000 and over	240	3,266	7.3

TABLE B-1—Continued

Policy Factors	Number of Insufficient Cash Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
Annualized Planned Periodic Premium			
Under 500	24,445	270,002	9.1
500 to 1,000	13,668	148,862	9.2
1,000 to 1,499	4,099	50,155	8.2
1,500 to 2,499	2,645	35,814	7.4
2,500 to 4,999	1,370	20,056	6.8
5,000 to 9,999	567	8,828	6.4
10,000 to 19,999	238	4,033	5.9
20,000 to 29,999	74	1,186	6.2
30,000 and over	70	1,912	3.7
Target Premium			
Under 500	20,913	237,848	8.8
500 to 1,000	9,926	115,319	8.6
1,000 to 1,499	3,228	42,146	7.7
1,500 to 2,499	1,863	29,522	6.3
2,500 to 4,999	1,082	18,040	6.0
5,000 to 9,999	396	7,037	5.6
10,000 to 19,999	159	2,592	6.1
20,000 to 29,999	46	633	7.3
30,000 and over	34	620	5.5
Annualized Planned Premium per \$1,000 of Face Amount			
0 to 9.99	29,576	331,447	8.9
10 to 19.99	11,752	138,679	8.5
20 to 29.99	2,257	32,217	7.0
30 to 49.99	1,062	18,105	5.9
50.00 and over	486	9,680	5.0
Target Premium per \$1,000 of Face Amount			
0 to 9.99	25,065	290,554	8.6
10 to 19.99	8,577	104,701	8.2
20 to 29.99	1,587	27,017	5.9
30 to 39.99	544	11,613	4.7
40 to 49.99	211	5,557	3.8
50 and over	209	5,754	3.6
Initial Premium Payment			
Under 500	30,083	275,082	10.9
500 to 1,000	2,022	28,330	7.1
1,000 to 1,499	1,037	15,959	6.5
1,500 to 2,499	1,014	17,496	5.8
2,500 to 4,999	881	17,593	5.0
5,000 to 9,999	448	9,903	4.5
10,000 to 19,999	180	4,650	3.9
20,000 to 29,999	55	1,292	4.3
30,000 and over	83	1,428	5.8

TABLE B-1—Continued

Policy Factors	Number of Insufficient Cash Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
Account Value			
Under 500	20,685	171,508	12.1
500 to 1,000	4,845	74,706	6.5
1,000 to 1,499	2,781	48,848	5.7
1,500 to 2,499	3,285	60,350	5.4
2,500 to 4,999	3,168	71,046	4.5
5,000 to 9,999	1,765	48,231	3.7
10,000 to 19,999	909	25,384	3.6
20,000 to 29,999	269	7,502	3.6
30,000 and over	337	8,952	3.8
Policy Loan			
No loan	28,214	366,606	7.7
Under 500	256	2,470	10.4
500 to 1,000	262	2,852	9.2
1,000 to 1,499	191	2,197	8.7
1,500 to 2,499	230	2,663	8.6
2,500 to 4,999	238	2,753	8.6
5,000 to 9,999	143	1,622	8.8
10,000 to 19,999	73	661	11.1
30,000 and over	36	405	8.9
Policy Loan as a Percentage of Account Value			
Zero	25,471	357,538	7.1
Under 10	27	479	5.6
10 to 19.99	54	821	6.6
20 to 29.99	84	1,076	7.8
30 to 39.99	85	1,306	6.5
40 and over	1,172	11,928	9.8
Account Value as a Percentage of Face Amount			
0 to 4.99	33,342	387,974	8.6
5 to 9.99	2,529	64,065	3.9
10 to 19.99	1,091	34,323	3.2
20 to 29.99	338	11,093	3.0
30 to 39.99	138	4,882	2.8
40 to 49.99	64	2,482	2.6
50 and over	97	2,675	3.6
Current Credited Rate under Market Rate			
-2.00 to -1.01	9,169	59,295	15.5
-1.00 to -0.01	19,283	287,980	6.7
0.00 to 0.99	13,047	142,692	9.1
1.00 to 1.99	1,286	13,909	9.2
2.00 to 2.99	789	7,683	10.3
3.00 and over	24	361	6.6

TABLE B-1—Continued

Policy Factors	Number of Insufficient Cash Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
Current Credited Rate over Guaranteed Minimum Rate			
1 to 1.99	415	4,221	9.8
2 to 2.99	2,773	21,020	13.2
3 to 3.99	13,590	180,379	7.5
4 to 4.99	22,254	218,209	10.2
5 and over	2,830	65,558	4.3
Years Remaining in Surrender Charge Schedule			
-4 to 0 years	82	1,339	6.1
1 year	37	355	10.4
2 years	147	2,493	5.9
3 years	357	5,075	7.0
4 years	474	9,268	5.1
5 years	466	12,762	3.7
6 to 10 years	11,482	165,573	6.9
11 to 15 years	12,071	116,839	10.3
16 to 20 years	8,072	93,025	8.7
Surrender Charge as a Percentage of Target Premium			
Zero	4,774	49,937	9.6
Under 50	3,141	13,642	23.0
50 to 99	4,567	28,939	15.8
100 to 149	3,863	22,333	17.3
150 to 199	3,197	24,130	13.2
200 to 499	1,897	46,431	4.1
500 to 999	2,366	61,811	3.8
1000 and over	11,981	173,597	6.9
Surrender Charge as a Percentage of Account Value			
Zero	7,988	97,871	8.2
Under 10	1,708	15,545	11.0
10 to 19.99	1,696	13,977	12.1
20 to 29.99	1,237	10,407	11.9
30 to 39.99	883	8,576	10.3
40 to 49.99	787	7,832	10.0
50 and over	19,658	303,261	6.5
Surrender Charge per \$1,000 of Face Amount			
Zero	10,364	100,896	10.3
Under \$10	9,244	48,878	18.9
10 to 19.99	4,977	30,229	16.5
20 to 29.99	1,155	18,885	6.1
30 to 39.99	355	17,998	2.0
40 to 49.99	313	18,871	1.7
50 and over	15,555	259,142	6.0

TABLE B-2
LAPSES AND EXPOSURES AS MEASURED BY NUMBER OF POLICIES
AND AGENT FACTORS

Agent Factors	Number of Insufficient Cash Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
Agent Survival Status			
Terminators	7,869	96,273	8.2
Survivors	22,037	293,545	7.5
Distribution Channel			
Career Ordinary/PPGA	33,092	374,125	8.8
Life Broker	3,106	39,882	7.8
Product Pays Agent Persistency Bonus			
No	28,574	270,171	10.6
Yes	14,576	223,792	6.5
Agent Calendar Year of Service			
1	1,121	10,735	10.4
2	3,292	33,471	9.8
3	3,790	39,076	9.7
4	3,293	38,805	8.5
5	2,270	29,333	7.7
6 to 10	7,494	105,387	7.1
11 to 20	5,066	79,201	6.4
21 to 30	1,740	32,143	5.4
31 to 40	486	9,248	5.3
41 and over	429	3,255	13.2
Calendar Years Since Agent Termination			
1	2,285	20,687	11.0
2	1,761	18,503	9.5
3	1,053	14,132	7.5
4	1,145	16,269	7.0
5	604	9,349	6.5
6 to 10	1,020	17,327	5.9

TABLE B-3
LAPSES AND EXPOSURES AS MEASURED BY NUMBER OF POLICIES
AND INSURED FACTORS

Insured Factors	Number of Insufficient Cash Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
Underwriting Status			
Preferred	4,672	75,154	6.2
Standard	34,680	400,964	8.6
Substandard	1,167	12,938	9.0
Attained Age			
Under 18	3,614	51,995	7.0
18 to 29	10,641	94,008	11.3
30 to 39	16,135	157,509	10.2
40 to 49	11,160	137,038	8.1
50 to 59	4,369	71,069	6.1
60 to 64	1,070	21,362	5.0
65 to 69	603	13,350	4.5
70 to 74	222	6,500	3.4
75 and over	146	3,141	4.6
Issue Age			
Under 18	4,431	64,046	6.9
18-29	16,275	136,775	11.9
30-39	15,537	167,925	9.3
40-49	7,653	105,793	7.2
50-59	2,922	53,440	5.5
60-64	612	14,145	4.3
65-69	253	7,375	3.4
70-74	95	2,946	3.2
75 and over	70	1,174	6.0
Insured Smoker Status			
Nonsmoker	33,363	402,769	8.3
Smoker	10,538	129,890	8.1

TABLE B-4
LAPSES AND EXPOSURES AS MEASURED BY NUMBER OF POLICIES
AND PRODUCT FACTORS

Product Factors	Number of Insufficient Cash Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
Payroll Deduction Status			
No	35,590	470,593	7.6
Yes (excluding GI and SI)	1,937	28,620	6.8
Current Interest Rates Tied to External Rate			
No	41,995	484,514	8.7
Yes	1,539	22,898	6.7
Product Loading Design			
Front end	10,503	99,145	10.6
Other	33,031	408,267	8.1
Product Has First-Year Expense Charges			
No	2,640	45,171	5.8
Yes	40,894	462,241	8.8
Product Has Renewal Expense Charges			
No	21,829	229,184	9.5
Yes	21,649	277,994	7.8
First-Year Premium Load			
0 to 4.99	9,008	117,535	7.7
5 to 9.99	27,150	312,369	8.7
50 and over	1,225	16,554	7.4
Second-Year Premium Load			
0 to 4.99	9,522	121,986	7.8
5 to 9.99	27,648	321,595	8.6
10 to 19.99	219	3,194	6.9
Product Pays Policyowner Persistency Bonus			
No persistency bonus	35,911	393,657	9.1
Stepped-up credited interest	3,837	81,680	4.7
Other	3,786	32,075	11.8
Product Has a Significant Surrender Charge			
No	10,327	100,484	10.3
Yes	32,693	402,103	8.1

TABLE B-5
 NUMBER OF POLICY LAPSES AND EXPOSURES BY POLICY YEAR
 AND FACTOR ISSUE AGE

Factor Issue Age	Policy Year	Number of Insufficient Cash Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
Under 20	1	1,211	15,075	8.0
Under 20	2	1,163	13,009	8.9
Under 20	3	686	10,510	6.5
Under 20	4	595	10,060	5.9
Under 20	5	437	7,717	5.7
Under 20	6&7	796	12,301	6.5
Under 20	8&9	555	6,308	8.8
Under 20	10&11	82	550	14.9
20-29	1	3,400	26,376	12.9
20-29	2	2,953	21,290	13.9
20-29	3	1,861	17,229	10.8
20-29	4	1,682	16,176	10.4
20-29	5	1,302	12,548	10.4
20-29	6&7	2,212	19,953	11.1
20-29	8&9	1,495	10,462	14.3
20-29	10&11	276	1,256	22.0
30-39	1	3,011	30,210	10.0
30-39	2	2,583	24,998	10.3
30-39	3	1,799	21,565	8.3
30-39	4	1,624	21,301	7.6
30-39	5	1,328	18,072	7.3
30-39	6&7	2,669	31,195	8.6
30-39	8&9	2,161	18,397	11.7
30-39	10&11	362	2,187	16.6
40-49	1	1,456	18,786	7.8
40-49	2	1,251	15,833	7.9
40-49	3	1,053	14,146	7.4
40-49	4	883	13,887	6.4
40-49	5	757	11,993	6.3
40-49	6&7	1,263	19,498	6.5
40-49	8&9	858	10,492	8.2
40-49	10&11	132	1,158	11.4
50-59	1	491	8,691	5.6
50-59	2	477	8,094	5.9
50-59	3	359	7,348	4.9
50-59	4	369	7,282	5.1
50-59	5	335	6,366	5.3
50-59	6&7	518	10,325	5.0
50-59	8&9	322	4,833	6.7
50-59	10&11	51	501	10.2

TABLE B-5—Continued

Factor Issue Age	Policy Year	Number of Insufficient Cash Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
60 and over	1	149	4,794	3.1
60 and over	2	181	4,541	4.0
60 and over	3	160	3,916	4.1
60 and over	4	143	3,631	3.9
60 and over	5	123	2,884	4.3
60 and over	6&7	173	4,185	4.1
60 and over	8&9	96	1,567	6.1
Product Has a Significant Surrender Charge				
No	1	683	5,651	12.1
No	2	623	5,645	11.0
No	3	470	6,586	7.1
No	4	674	10,679	6.3
No	5	524	9,013	5.8
No	6&7	2,004	24,291	8.2
No	8&9	4,475	33,509	13.4
No	10&11	874	5,109	17.1
Yes	1	7,929	88,275	9.0
Yes	2	6,995	73,206	9.6
Yes	3	4,551	58,329	7.8
Yes	4	3,956	54,210	7.3
Yes	5	3,261	44,399	7.3
Yes	6&7	5,080	66,089	7.7
Yes	8&9	896	17,054	5.3
Yes	10&11	25	541	4.6
Death Benefit Option				
Increasing	1	2,530	29,124	8.7
Increasing	2	2,148	24,960	8.6
Increasing	3	1,400	21,364	6.6
Increasing	4	1,360	21,024	6.5
Increasing	5	1,072	16,751	6.4
Increasing	6&7	2,021	29,017	7.0
Increasing	8&9	1,562	16,989	9.2
Increasing	10&11	237	1,653	14.3
Level	1	7,208	75,359	9.6
Level	2	6,492	63,271	10.3
Level	3	4,533	53,718	8.4
Level	4	3,952	51,641	7.7
Level	5	3,218	43,055	7.5
Level	6&7	5,616	68,712	8.2
Level	8&9	3,930	35,164	11.2
Level	10&11	671	4,123	16.3

TABLE B-6
 NUMBER OF POLICY LAPSES AND EXPOSURES BY POLICY YEAR
 AND FACTOR DISTRIBUTION CHANNEL

Factor Distribution channel	Policy Year	Number of Insufficient Cash Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
Career Ord/PPGA	1	4,773	50,764	9.4
Career Ord/PPGA	2	4,489	48,596	9.2
Career Ord/PPGA	3	3,973	49,538	8.0
Career Ord/PPGA	4	3,951	51,996	7.6
Career Ord/PPGA	5	3,504	47,111	7.4
Career Ord/PPGA	6&7	6,597	80,346	8.2
Career Ord/PPGA	8&9	4,975	41,749	11.9
Career Ord/PPGA	10&11	830	4,024	20.6
Life Broker	1	500	6,459	7.7
Life Broker	2	638	6,984	9.1
Life Broker	3	486	6,047	8.0
Life Broker	4	412	5,519	7.5
Life Broker	5	269	3,720	7.2
Life Broker	6&7	467	6,657	7.0
Life Broker	8&9	281	3,699	7.6
Life Broker	10&11	53	797	6.7

TABLE B-7
 NUMBER OF POLICY LAPSES AND EXPOSURES BY POLICY YEAR
 AND FACTOR PAYMENT MODE

Factor Payment Mode	Policy Year	Number of Insufficient Cash Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
Annual	1	357	16,597	2.2
Annual	2	1,152	16,860	6.8
Annual	3	855	15,365	5.6
Annual	4	785	15,726	5.0
Annual	5	681	13,732	5.0
Annual	6&7	1,245	22,892	5.4
Annual	8&9	1,255	12,635	9.9
Annual	10&11	295	1,438	20.5
Semiannual	1	264	3,534	7.5
Semiannual	2	336	3,897	8.6
Semiannual	3	411	4,276	9.6
Semiannual	4	373	4,608	8.1
Semiannual	5	391	4,569	8.6
Semiannual	6&7	617	7,025	8.8
Semiannual	8&9	228	3,047	7.5
Semiannual	10&11	25	255	9.8
Quarterly	1	4,266	18,188	23.5
Quarterly	2	3,434	17,643	19.5
Quarterly	3	2,394	16,426	14.6
Quarterly	4	1,924	16,524	11.6
Quarterly	5	1,458	14,329	10.2
Quarterly	6&7	2,138	22,461	9.5
Quarterly	8&9	971	10,539	9.2
Quarterly	10&11	115	816	14.1
Regular monthly	1	1,537	15,900	9.7
Regular monthly	2	1,213	11,695	10.4
Regular monthly	3	966	10,284	9.4
Regular monthly	4	1,244	10,345	12.0
Regular monthly	5	1,127	9,268	12.2
Regular monthly	6&7	2,449	15,907	15.4
Regular monthly	8&9	2,082	10,303	20.2
Regular monthly	10&11	373	1,553	24.0
Bank plan	1	3,300	49,964	6.6
Bank plan	2	2,477	37,836	6.5
Bank plan	3	1,296	28,482	4.6
Bank plan	4	974	25,321	3.8
Bank plan	5	624	17,815	3.5
Bank plan	6&7	1,171	29,329	4.0
Bank plan	8&9	952	15,600	6.1
Bank plan	10&11	99	1,712	5.8

TABLE B-8
 NUMBER OF POLICY LAPSES AND EXPOSURES BY POLICY YEAR
 AND FACTOR YEARS SINCE LAST PAYMENT

Factor Years Since Last Payment	Policy Year	Number of Insufficient Cash Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
0-0.5 year	1	1,536	69,360	2.2
0-0.5 year	2	1,095	53,935	2.0
0-0.5 year	3	579	44,496	1.3
0-0.5 year	4	522	41,554	1.3
0-0.5 year	5	381	32,378	1.2
0-0.5 year	6&7	673	55,531	1.2
0-0.5 year	8&9	533	31,537	1.7
0-0.5 year	10&11	110	3,749	2.9
> 0.5-1.0 year	1	4,106	9,987	41.1
> 0.5-1.0 year	2	2,538	7,792	32.6
> 0.5-1.0 year	3	1,302	5,940	21.9
> 0.5-1.0 year	4	906	5,295	17.1
> 0.5-1.0 year	5	623	4,273	14.6
> 0.5-1.0 year	6&7	1,186	6,629	17.9
> 0.5-1.0 year	8&9	683	3,520	19.4
> 0.5-1.0 year	10&11	91	465	19.6
> 1.0-1.5 years	2	813	2,779	29.3
> 1.0-1.5 years	3	357	1,883	19.0
> 1.0-1.5 years	4	258	1,642	15.7
> 1.0-1.5 years	5	155	1,201	12.9
> 1.0-1.5 years	6&7	343	1,982	17.3
> 1.0-1.5 years	8&9	329	1,142	28.8
> 1.5-2.0 years	2	2,237	3,383	66.1
> 1.5-2.0 years	3	1,371	2,439	56.2
> 1.5-2.0 years	4	797	1,898	42.0
> 1.5-2.0 years	5	536	1,319	40.6
> 1.5-2.0 years	6&7	1,001	2,141	46.8
> 1.5-2.0 years	8&9	603	1,153	52.3
> 2.0-3.0 years	3	948	3,043	31.2
> 2.0-3.0 years	4	964	2,789	34.6
> 2.0-3.0 years	5	519	2,155	24.1
> 2.0-3.0 years	6&7	958	3,172	30.2
> 2.0-3.0 years	8&9	691	1,808	38.2
> 3.0-4.0 years	4	554	2,271	24.4
> 3.0-4.0 years	5	635	1,835	34.6
> 3.0-4.0 years	6&7	1,140	2,883	39.5
> 3.0-4.0 years	8&9	825	1,592	51.8
> 4.0-5.0 years	5	232	1,551	15.0
> 4.0-5.0 years	6&7	594	1,822	32.6
> 4.0-5.0 years	8&9	420	1,016	41.3
> 5.0-6.0 years	6&7	256	2,001	12.8
> 5.0-6.0 years	8&9	173	663	26.1
> 6.0-7.0 years	6&7	148	1,623	9.1
> 6.0-7.0 years	8&9	149	510	29.2
More than 7 years	8&9	91	1,062	8.6

TABLE B-9
 NUMBER OF POLICY LAPSES AND EXPOSURES BY POLICY YEAR
 AND FACTOR SURRENDER CHARGE AS A PERCENTAGE OF ACCOUNT VALUE

Factor Surrender Charge as a Percentage of Account Value	Policy Year	Number of Insufficient Cash Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
0 to 24.99	1	646	6,506	9.9
0 to 24.99	2	736	7,290	10.1
0 to 24.99	3	789	8,884	8.9
0 to 24.99	4	1,163	14,413	8.1
0 to 24.99	5	1,245	14,833	8.4
0 to 24.99	6&7	3,425	39,009	8.8
0 to 24.99	8&9	3,559	36,919	9.6
0 to 24.99	10&11	503	4,991	10.1
25 to 49.99	1	123	1,357	9.1
25 to 49.99	2	154	1,941	7.9
25 to 49.99	3	318	2,525	12.6
25 to 49.99	4	442	3,277	13.5
25 to 49.99	5	429	3,490	12.3
25 to 49.99	6&7	674	6,693	10.1
25 to 49.99	8&9	93	2,066	4.5
Surrender Charge as a Percentage of Account Value				
50 to 74.99	1	82	1,039	7.9
50 to 74.99	2	193	1,678	11.5
50 to 74.99	3	304	2,254	13.5
50 to 74.99	4	349	2,875	12.1
50 to 74.99	5	283	2,891	9.8
50 to 74.99	6&7	308	5,034	6.1
50 to 74.99	8&9	33	1,190	2.8
75 to 99.99	1	77	930	8.3
75 to 99.99	2	184	1,438	12.8
75 to 99.99	3	348	1,991	17.5
75 to 99.99	4	289	2,261	12.8
75 to 99.99	5	180	2,379	7.6
75 to 99.99	6&7	176	4,003	4.4
75 to 99.99	8&9	21	830	2.5
100 and over	1	5,413	66,731	8.1
100 and over	2	4,812	57,539	8.4
100 and over	3	2,626	45,381	5.8
100 and over	4	1,623	38,707	4.2
100 and over	5	1,080	27,409	3.9
100 and over	6&7	1,170	31,623	3.7
100 and over	8&9	106	4,874	2.2

TABLE B-10
NUMBER OF POLICY LAPSES AND EXPOSURES FOR
CAREER ORDINARY AGENTS AND PPGAS

Factor	Number of Insufficient Cash Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
Face Amount			
Under 50,000	8,212	106,097	7.7
50,000 to 99,999	10,928	132,760	8.2
100,000 to 249,999	11,973	110,346	10.9
250,000 to 499,999	1,253	16,815	7.5
500,000 & over	602	7,982	7.5
Issue Age			
Under 20	3,543	51,177	6.9
20-29	9,909	76,659	12.9
30-39	10,984	111,244	9.9
40-49	5,600	73,556	7.6
50-59	2,261	40,175	5.6
60 and over	734	19,719	3.7
Payment Mode			
Annual	4,867	86,123	5.7
Semiannual	2,324	25,318	9.2
Quarterly	12,553	83,710	15.0
Regular monthly	9,282	65,043	14.3
Bank plan	4,014	113,109	3.5
Years Remaining in Surrender Charge Schedule			
-4 to 0 years	75	1,170	6.4
1 to 5 years	1,182	27,071	4.4
6 to 10 years	8,357	126,863	6.6
11 to 15 years	10,216	88,862	11.5
16 to 20 years	938	19,657	4.8
Surrender Charge as a Percentage of Account Value			
0 to 24.99	10,010	100,939	9.9
25 to 49.99	1,780	19,825	9.0
50 to 74.99	1,150	15,388	7.5
75 to 99.99	910	12,351	7.4
100 and over	8,795	171,425	5.1
Product Has Significant Surrender Charge			
No	8,773	72,380	12.1
Yes	20,768	263,623	7.9

TABLE B-11

NUMBER OF POLICY LAPSES AND EXPOSURES FOR LIFE BROKERS

Factor	Number of Insufficient Cash Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
Face Amount			
Under 50,000	755	8,777	8.6
50,000 to 99,999	842	9,825	8.6
100,000 to 249,999	647	9,042	7.2
250,000 to 499,999	137	1,785	7.7
500,000 and over	104	1,211	8.6
Issue Age			
Under 20	279	3,794	7.4
20-29	831	7,210	11.5
30-39	969	11,517	8.4
40-49	569	8,512	6.7
50-59	269	5,417	5.0
60 and over	182	3,350	5.4
Payment Mode			
Annual	596	11,440	5.2
Semiannual	160	2,586	6.2
Quarterly	1,426	11,427	12.5
Regular monthly	389	6,107	6.4
Bank plan	497	8,105	6.1
Years Remaining in Surrender Charge Schedule			
1 to 5 years	225	2,594	8.7
6 to 10 years	595	8,117	7.3
11 to 15 years	847	12,504	6.8
16 to 20 years	160	2,942	5.4
Surrender Charge as a Percentage of Account Value			
0 to 24.99	847	10,682	7.9
25 to 49.99	150	647	23.2
50 to 74.99	101	545	18.5
75 to 99.99	82	504	16.3
100 and over	773	11,981	6.5
Product Has a Significant Surrender Charge			
No	579	7,578	7.6
Yes	1,807	25,869	7.0

TABLE B-12
 NUMBER OF POLICY LAPSES AND EXPOSURES FOR SURRENDER CHARGE
 AS A PERCENTAGE OF ACCOUNT VALUE BY YEARS REMAINING
 IN THE SURRENDER CHARGE SCHEDULE

Surrender Charge as a Percentage of Account Value	Years Remaining in Surrender Charge Schedule	Number of Insufficient Cash Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
0 to 24.99	(4) to 0	73	1,267	5.8
0 to 24.99	1 to 5	726	7,946	9.1
0 to 24.99	6 to 10	2,346	17,238	13.6
0 to 24.99	11 to 15	631	7,044	9
25 to 49.99	1 to 5	101	5,266	1.9
25 to 49.99	6 to 10	1,224	10,698	11.4
25 to 49.99	11 to 15	640	4,239	15.1
50 to 74.99	1 to 5	53	3,405	1.6
50 to 74.99	6 to 10	571	8,672	6.6
50 to 74.99	11 to 15	550	3,718	14.8
75 to 99.99	1 to 5	27	2,296	1.2
75 to 99.99	6 to 10	354	7,435	4.8
75 to 99.99	11 to 15	545	3,100	17.6
100 and over	1 to 5	158	8,122	1.9
100 and over	6 to 10	3,915	101,605	3.9
100 and over	11 to 15	5,637	77,813	7.2

TABLE B-13
NUMBER OF POLICY LAPSES AND EXPOSURES BY
FACE AMOUNT, ISSUE AGE, AND POLICY YEAR

Face Amount	Issue Age	Policy Year	Number of Insufficient Cash Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
Under 50,000	Under 20	1	466	7,003	6.7
Under 50,000	Under 20	2	414	6,395	6.5
Under 50,000	Under 20	3	286	5,444	5.3
Under 50,000	Under 20	4	285	5,326	5.4
Under 50,000	Under 20	5	209	4,224	4.9
Under 50,000	Under 20	6 & 7	290	6,758	4.3
Under 50,000	Under 20	8 & 9	134	2,985	4.5
Under 50,000	20-29	1	842	5,153	16.3
Under 50,000	20-29	2	638	3,755	17.0
Under 50,000	20-29	3	376	2,918	12.9
Under 50,000	20-29	4	375	2,782	13.5
Under 50,000	20-29	5	284	2,371	12.0
Under 50,000	20-29	6 & 7	342	3,774	9.1
Under 50,000	20-29	8 & 9	128	1,656	7.7
Under 50,000	30-39	1	627	5,022	12.5
Under 50,000	30-39	2	559	3,876	14.4
Under 50,000	30-39	3	336	3,107	10.8
Under 50,000	30-39	4	305	2,967	10.3
Under 50,000	30-39	5	231	2,653	8.7
Under 50,000	30-39	6 & 7	352	4,461	7.9
Under 50,000	30-39	8 & 9	145	2,029	7.1
Under 50,000	40-49	1	394	4,350	9.1
Under 50,000	40-49	2	400	3,593	11.1
Under 50,000	40-49	3	276	3,010	9.2
Under 50,000	40-49	4	215	2,893	7.4
Under 50,000	40-49	5	164	2,538	6.5
Under 50,000	40-49	6 & 7	233	4,066	5.7
Under 50,000	40-49	8 & 9	104	1,918	5.4
Under 50,000	50-59	1	184	3,179	5.8
Under 50,000	50-59	2	189	2,973	6.4
Under 50,000	50-59	3	123	2,554	4.8
Under 50,000	50-59	4	124	2,534	4.9
Under 50,000	50-59	5	106	2,099	5.1
Under 50,000	50-59	6 & 7	149	3,285	4.5
Under 50,000	50-59	8 & 9	76	1,424	5.3
Under 50,000	60 and over	1	70	2,358	3.0
Under 50,000	60 and over	2	84	2,207	3.8
Under 50,000	60 and over	3	68	1,806	3.8
Under 50,000	60 and over	4	50	1,644	3.0
Under 50,000	60 and over	5	31	1,209	2.6
Under 50,000	60 and over	6 & 7	45	1,741	2.6
Under 50,000	60 and over	8 & 9	25	564	4.4

TABLE B-13—Continued

Face Amount	Issue Age	Policy Year	Number of Insufficient Cash Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
50,000 to 99,999	Under 20	1	533	6,357	8.4
50,000 to 99,999	Under 20	2	559	5,193	10.8
50,000 to 99,999	Under 20	3	296	3,898	7.6
50,000 to 99,999	Under 20	4	231	3,656	6.3
50,000 to 99,999	Under 20	5	158	2,542	6.2
50,000 to 99,999	Under 20	6 & 7	273	3,533	7.7
50,000 to 99,999	Under 20	8 & 9	88	1,595	5.5
50,000 to 99,999	Under 20	10 & 11	26	221	11.8
50,000 to 99,999	20-29	1	1,516	13,133	11.5
50,000 to 99,999	20-29	2	1,375	11,058	12.4
50,000 to 99,999	20-29	3	919	9,248	9.9
50,000 to 99,999	20-29	4	833	8,652	9.6
50,000 to 99,999	20-29	5	624	6,405	9.7
50,000 to 99,999	20-29	6 & 7	873	8,851	9.9
50,000 to 99,999	20-29	8 & 9	252	3,599	7.0
50,000 to 99,999	20-29	10 & 11	46	483	9.5
50,000 to 99,999	30-39	1	1,201	12,644	9.5
50,000 to 99,999	30-39	2	1,012	10,845	9.3
50,000 to 99,999	30-39	3	720	9,569	7.5
50,000 to 99,999	30-39	4	713	9,722	7.3
50,000 to 99,999	30-39	5	577	7,997	7.2
50,000 to 99,999	30-39	6 & 7	937	12,372	7.6
50,000 to 99,999	30-39	8 & 9	327	5,677	5.8
50,000 to 99,999	30-39	10 & 11	86	774	11.1
50,000 to 99,999	40-49	1	507	6,891	7.4
50,000 to 99,999	40-49	2	408	5,928	6.9
50,000 to 99,999	40-49	3	344	5,431	6.3
50,000 to 99,999	40-49	4	311	5,435	5.7
50,000 to 99,999	40-49	5	292	4,570	6.4
50,000 to 99,999	40-49	6 & 7	422	7,058	6.0
50,000 to 99,999	40-49	8 & 9	144	3,098	4.6
50,000 to 99,999	40-49	10 & 11	38	378	10.0
50,000 to 99,999	50-59	1	146	2,577	5.7
50,000 to 99,999	50-59	2	127	2,271	5.6
50,000 to 99,999	50-59	3	95	2,180	4.4
50,000 to 99,999	50-59	4	109	2,203	4.9
50,000 to 99,999	50-59	5	106	2,000	5.3
50,000 to 99,999	50-59	6 & 7	152	3,203	4.7
50,000 to 99,999	50-59	8 & 9	62	1,403	4.4
50,000 to 99,999	60 and over	1	33	1,016	3.2
50,000 to 99,999	60 and over	2	29	875	3.3
50,000 to 99,999	60 and over	3	26	858	3.0
50,000 to 99,999	60 and over	4	34	856	4.0
50,000 to 99,999	60 and over	5	36	759	4.7
50,000 to 99,999	60 and over	6 & 7	42	1,089	3.9
50,000 to 99,999	60 and over	8 & 9	13	396	3.3

TABLE B-13—Continued

Face Amount	Issue Age	Policy Year	Number of Insufficient Cash Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
100,000 to 249,999	Under 20	1	113	1,378	8.2
100,000 to 249,999	Under 20	2	92	1,111	8.3
100,000 to 249,999	Under 20	3	67	933	7.2
100,000 to 249,999	Under 20	4	59	886	6.7
100,000 to 249,999	Under 20	5	61	812	7.5
100,000 to 249,999	Under 20	6 & 7	203	1,700	11.9
100,000 to 249,999	Under 20	8 & 9	319	1,581	20.2
100,000 to 249,999	20-29	1	775	7,061	11.0
100,000 to 249,999	20-29	2	663	5,515	12.0
100,000 to 249,999	20-29	3	419	4,352	9.6
100,000 to 249,999	20-29	4	364	4,136	8.8
100,000 to 249,999	20-29	5	336	3,357	10.0
100,000 to 249,999	20-29	6 & 7	912	6,500	14.0
100,000 to 249,999	20-29	8 & 9	1,055	4,817	21.9
100,000 to 249,999	20-29	10 & 11	218	653	33.4
100,000 to 249,999	30-39	1	916	9,877	9.3
100,000 to 249,999	30-39	2	665	7,696	8.6
100,000 to 249,999	30-39	3	521	6,794	7.7
100,000 to 249,999	30-39	4	440	6,780	6.5
100,000 to 249,999	30-39	5	405	6,040	6.7
100,000 to 249,999	30-39	6 & 7	1,200	12,030	10.0
100,000 to 249,999	30-39	8 & 9	1,516	9,367	16.2
100,000 to 249,999	30-39	10 & 11	236	1,127	20.9
100,000 to 249,999	40-49	1	402	5,325	7.5
100,000 to 249,999	40-49	2	256	4,137	6.2
100,000 to 249,999	40-49	3	284	3,801	7.5
100,000 to 249,999	40-49	4	222	3,831	5.8
100,000 to 249,999	40-49	5	207	3,533	5.9
100,000 to 249,999	40-49	6 & 7	464	6,398	7.3
100,000 to 249,999	40-49	8 & 9	515	4,431	11.6
100,000 to 249,999	40-49	10 & 11	70	506	13.8
100,000 to 249,999	50-59	1	115	1,895	6.1
100,000 to 249,999	50-59	2	80	1,743	4.6
100,000 to 249,999	50-59	3	74	1,637	4.5
100,000 to 249,999	50-59	4	76	1,670	4.6
100,000 to 249,999	50-59	5	77	1,593	4.8
100,000 to 249,999	50-59	6 & 7	149	2,816	5.3
100,000 to 249,999	50-59	8 & 9	146	1,570	9.3
100,000 to 249,999	60 and over	1	21	767	2.7
100,000 to 249,999	60 and over	2	33	756	4.4
100,000 to 249,999	60 and over	3	29	651	4.5
100,000 to 249,999	60 and over	4	29	648	4.5
100,000 to 249,999	60 and over	5	35	630	5.6
100,000 to 249,999	60 and over	6 & 7	48	947	5.1
100,000 to 249,999	60 and over	8 & 9	44	451	9.7

TABLE B-13—Continued

Face Amount	Issue Age	Policy Year	Number of Insufficient Cash Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
250,000 to 499,999	20-29	1	46	471	9.8
250,000 to 499,999	20-29	2	36	380	9.5
250,000 to 499,999	20-29	3	34	331	10.3
250,000 to 499,999	20-29	4	23	309	7.4
250,000 to 499,999	20-29	5	16	236	6.8
250,000 to 499,999	20-29	6 & 7	34	382	8.9
250,000 to 499,999	20-29	8 & 9	33	209	15.8
250,000 to 499,999	30-39	1	89	1,469	6.1
250,000 to 499,999	30-39	2	96	1,285	7.5
250,000 to 499,999	30-39	3	89	1,164	7.6
250,000 to 499,999	30-39	4	63	1,068	5.9
250,000 to 499,999	30-39	5	59	859	6.9
250,000 to 499,999	30-39	6 & 7	93	1,400	6.6
250,000 to 499,999	30-39	8 & 9	115	885	13.0
250,000 to 499,999	40-49	1	65	1,098	5.9
250,000 to 499,999	40-49	2	72	1,040	6.9
250,000 to 499,999	40-49	3	50	977	5.1
250,000 to 499,999	40-49	4	60	919	6.5
250,000 to 499,999	40-49	5	46	810	5.7
250,000 to 499,999	40-49	6 & 7	67	1,165	5.8
250,000 to 499,999	40-49	8 & 9	55	661	8.3
250,000 to 499,999	50-59	1	18	449	4.0
250,000 to 499,999	50-59	2	28	456	6.1
250,000 to 499,999	50-59	3	31	435	7.1
250,000 to 499,999	50-59	4	28	444	6.3
250,000 to 499,999	50-59	5	32	378	8.5
250,000 to 499,999	50-59	6 & 7	32	539	5.9
250,000 to 499,999	50-59	8 & 9	26	245	10.6
500,000 and over	30-39	1	36	556	6.5
500,000 and over	30-39	2	38	519	7.3
500,000 and over	30-39	3	40	482	8.3
500,000 and over	30-39	4	42	468	9.0
500,000 and over	30-39	5	18	351	5.1
500,000 and over	30-39	6 & 7	37	523	7.1
500,000 and over	30-39	8 & 9	34	287	11.8
500,000 and over	40-49	1	26	614	4.2
500,000 and over	40-49	2	47	600	7.8
500,000 and over	40-49	3	51	570	9.0
500,000 and over	40-49	4	40	573	7.0
500,000 and over	40-49	5	32	434	7.4
500,000 and over	40-49	6 & 7	47	558	8.4
500,000 and over	40-49	8 & 9	33	281	11.8
500,000 and over	40-49	10 & 11	1	26	3.8
500,000 and over	50-59	2	21	299	7.0
500,000 and over	50-59	3	24	282	8.5
500,000 and over	50-59	4	23	257	9.0
500,000 and over	50-59	5	12	215	5.6
500,000 and over	50-59	6 & 7	23	324	7.1

TABLE B-14

NUMBER OF POLICY LAPSES AND EXPOSURES FOR CAREER AGENTS AND PPGAS
BY FACE AMOUNT AND ISSUE AGE

Face Amount	Issue Age	Number of Insufficient Cash Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
Under 50,000	Under 20	1,638	30,924	5.3
Under 50,000	20-29	2,125	15,576	13.6
Under 50,000	30-39	1,926	17,151	11.2
Under 50,000	40-49	1,408	16,962	8.3
Under 50,000	50-59	789	14,743	5.4
Under 50,000	60 and over	286	9,571	3.0
50,000 to 99,999	Under 20	1,028	13,257	7.8
50,000 to 99,999	20-29	3,845	34,709	11.1
50,000 to 99,999	30-39	3,596	42,947	8.4
50,000 to 99,999	40-49	1,674	25,250	6.6
50,000 to 99,999	50-59	603	11,644	5.2
50,000 to 99,999	60 and over	166	4,640	3.6
100,000 to 249,999	Under 20	817	6,466	12.6
100,000 to 249,999	20-29	3,681	24,185	15.2
100,000 to 249,999	30-39	4,722	42,397	11.1
100,000 to 249,999	40-49	1,941	23,299	8.3
100,000 to 249,999	50-59	611	9,975	6.1
100,000 to 249,999	60 and over	198	3,923	5.0
250,000 to 499,999	Under 20	20	350	5.7
250,000 to 499,999	20-29	178	1,725	10.3
250,000 to 499,999	30-39	504	6,251	8.1
250,000 to 499,999	40-49	345	5,176	6.7
250,000 to 499,999	50-59	163	2,368	6.9
250,000 to 499,999	60 and over	43	935	4.6
500,000 and over	20-29	46	429	10.7
500,000 and over	30-39	201	2,463	8.2
500,000 and over	40-49	220	2,856	7.7
500,000 and over	50-59	89	1,439	6.2
500,000 and over	60 and over	38	646	5.9

TABLE B-15
 NUMBER OF POLICY LAPSES AND EXPOSURES FOR LIFE INSURANCE BROKERS
 BY FACE AMOUNT AND ISSUE AGE

Face Amount	Issue Age	Number of Insufficient Cash Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
Under 50,000	Under 20	119	1,619	7.4
Under 50,000	20-29	181	1,389	13.0
Under 50,000	30-39	197	1,848	10.7
Under 50,000	40-49	151	1,742	8.7
Under 50,000	50-59	75	1,354	5.5
Under 50,000	60 and over	29	796	3.6
50,000 to 99,999	Under 20	78	848	9.2
50,000 to 99,999	20-29	299	2,484	12.0
50,000 to 99,999	30-39	271	3,084	8.8
50,000 to 99,999	40-49	114	1,872	6.1
50,000 to 99,999	50-59	50	1,027	4.9
50,000 to 99,999	60 and over	28	491	5.7
100,000 to 249,999	Under 20	27	433	6.2
100,000 to 249,999	20-29	167	1,651	10.1
100,000 to 249,999	30-39	249	3,240	7.7
100,000 to 249,999	40-49	133	2,023	6.6
100,000 to 249,999	50-59	46	1,166	3.9
100,000 to 249,999	60 and over	25	522	4.8
250,000 to 499,999	30-39	51	614	8.3
250,000 to 499,999	40-49	38	556	6.8
250,000 to 499,999	50-59	24	288	8.3
500,000 and over	30-39	31	313	9.9
500,000 and over	40-49	34	396	8.6
500,000 and over	50-59	20	248	8.1

TABLE B-16
 NUMBER OF POLICY LAPSES AND EXPOSURES FOR CAREER AGENTS AND PPGAS
 BY SIGNIFICANT SURRENDER CHARGE AND POLICY YEAR

Significant Surrender Charge	Policy Year	Number of Insufficient Cash Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
No	1	378	2,251	16.8
No	2	405	2,580	15.7
No	3	287	3,402	8.4
No	4	495	7,448	6.6
No	5	407	6,625	6.1
No	6&7	1,788	18,897	9.5
No	8&9	4,214	27,583	15.3
No	10&11	799	3,594	22.2
Yes	1	3,612	42,011	8.6
Yes	2	3,406	40,204	8.5
Yes	3	3,065	39,526	7.8
Yes	4	2,955	38,582	7.7
Yes	5	2,681	34,880	7.7
Yes	6&7	4,353	55,233	7.9
Yes	8&9	674	12,883	5.2
Yes	10&11	22	305	7.2

TABLE B-17
 NUMBER OF POLICY LAPSES AND EXPOSURES FOR LIFE INSURANCE BROKERS
 BY SIGNIFICANT SURRENDER CHARGE AND POLICY YEAR

Significant Surrender Charge	Policy Year	Number of Insufficient Cash Value Lapses and Full Surrenders	Exposure	Total Lapse Rate (%)
No	2	39	321	12.2
No	3	62	687	9.0
No	4	77	1,063	7.2
No	5	54	666	8.1
No	6&7	112	1,504	7.4
No	8&9	152	2,382	6.4
No	10&11	51	775	6.6
Yes	1	346	5,162	6.7
Yes	2	417	5,365	7.8
Yes	3	300	4,260	7.0
Yes	4	227	3,437	6.6
Yes	5	150	2,435	6.2
Yes	6&7	267	4,151	6.4
Yes	8&9	98	1,039	9.4

APPENDIX C INSTRUCTIONS FOR SUBMITTING DATA

Calendar Years of Observation

Please provide data for calendar year 1992, and if available, data for calendar years 1988 and 1990. Each calendar year will be referred to as a calendar year of observation. If you are able only to submit data for calendar year 1992, you will be able to be a participant in the study. However, you are strongly encouraged to provide 1988 and 1990 data.

Products Included

Submit data only on individual flexible-premium universal life insurance. Include mass-marketed UL products issued on an individual basis, where individuals pay all the premium (including on a payroll deduction basis), and have all the rights to full or partial surrender of account values. Exclude individual or group plans where employers pay all or part of the premium, single-premium universal life, variable universal life products, products that combine guaranteed fixed account with variable account investment features, and interest-sensitive plans with fixed premiums or indeterminate premiums.

Product Information Included in the Analysis

Companies provided data on product features using unique plan codes corresponding to plan codes in policy data submitted for analysis. Answers to the following questions are used in the analysis.

Premiums:

- What is the target premium on a \$100,000 policy issued to a male nonsmoker?

Issue age	35	_____
	45	_____
	55	_____

- What is the target premium on a \$250,000 policy issued to a male nonsmoker?

Issue age	35	_____
	45	_____
	55	_____

- What is the minimum annualized premium on a \$100,000 policy issued to a male nonsmoker?

Issue age 35 _____
 45 _____
 55 _____

- What is the minimum annualized premium on a \$250,000 policy issued to a male nonsmoker?

Issue age 35 _____
 45 _____
 55 _____

Load/Expense Structure

- What percent of each premium payment is deducted before credited to account value?

- Describe any first-policy-year expense charges. (Mark all that apply, including those collected in all policy years)

- None
- Flat monthly amount (specify) _____
- Rate per thousand

Issue Age
 35 \$ _____
 45 \$ _____
 55 \$ _____

- First-year policy fee (specify) _____
- Other (describe) _____

- Describe any renewal expense charges. (Mark all that apply)

- None
- Flat monthly amount (specify) _____
- Rate per thousand

Issue Age
 35 \$ _____
 45 \$ _____
 55 \$ _____

- Other (describe) _____

Account Value (Cash Value before Surrender Charges):

- What is the minimum guaranteed credited interest rate offered for the life of the policy?
- Are current credited interest rates tied to an external index?
- Does product have a policyowner persistency bonus?
 - No
 - Yes, stepped-up credited interest after ____ years
 - Yes, refund of mortality charges after ____ years
 - Yes, other (describe)

Surrender Charges

- What type of surrender charge is used? (Mark all that apply)
 - A. None
 - B. Percent of minimum first-year premium
 - C. Percent of target premium
 - D. Percent of account value surrendered
 - E. Rate per \$1,000 of face amount
 - F. Excess interest (interest over the guaranteed rate)
 - G. Other (describe) _____
- How many policy years is the surrender charge in effect?
- If you answered "B," "C," "D," or "E" to "type of surrender charge?" does the initial surrender charge vary? (Mark all that apply)
 - Yes, by issue age
 - Yes, by face amount
 - Yes, other (describe)

- If you answered "B," "C," or "D," indicate surrender charge percentages for policy years 1 to 15. If percentage varies by issue age and face amount, assume a \$100,000 policy issued to a male nonsmoker, age 35.

<u>Policy Year</u>	<u>Surrender Charge</u>
1	_____%
2	_____
3	_____
4	_____
5	_____
6	_____
7	_____
8	_____
9	_____
10	_____
11	_____
12	_____
13	_____
14	_____
15	_____

- If you answered "E" to question 18a, indicate rate per \$1,000 charge for policy years 1 to 15. If the rate per \$1,000 varies by issue age and face amount, assume a \$100,000 policy issued to a male nonsmoker, age 35.

<u>Policy Year</u>	<u>Rate per \$1,000</u>
1	\$_____
2	_____
3	_____
4	_____
5	_____
6	_____
7	_____
8	_____
9	_____
10	_____
11	_____
12	_____
13	_____
14	_____
15	_____

Agent Compensation:

- Does the agent receive a persistency bonus?

Sampling Instructions for Submitting Policy Level Information

The information at the individual policy level will be submitted on a seriatim basis for a random sample of policies from your company's in-force business for a given calendar year of observation. *The sample should be drawn from "Number of policies in force" at the start of the calendar year plus policies sold during the calendar year.* It should include both policies that remain in force and policies that lapse with or without value. *For each calendar year of observation, use the table below to determine the appropriate number of policies to submit. The number of policies in force includes all products and product versions and the minimum sample size to submit should be based on all products and product versions combined.*

<u>Number of Policies in Force</u>	<u>Approximate Sample Size to Submit</u>
Less than 50,000	10,000 policies, or entire in force if less than 10,000
50,000 to 100,000	10,000 + 15% of number of policies over 50,000
100,000 to 500,000	17,500 + 10% of number of policies over 100,000
500,000 to 1,000,000	57,500 + 7.5% of number of policies over 500,000
More than 1,000,000	95,000

The following criteria will be used for selecting a policy:

Include only those policies with a particular ordinal position in the master file such as every 10th policy. The ordinal position your company uses will depend on the number of policies your company has in force. Choose an ordinal position that will yield an appropriate sample size for your company.

The ordinal position is determined by dividing the number of policies in force by the approximate sample size, and rounding to the nearest integer. For example, if your company had 157,500 policies in force during 1992, please submit data for 22,500 policies by choosing every 7th policy from the 1992 master file. *(The formula above yields an approximate sample size for submission of 23,250. However, 157,500 divided by 23,250 equals 6.774. Rounding up to 7 then determines that 22,500 policies – 157,500 divided*

by 7 – *should actually be submitted.*) If your company had 1,383,750 policies in force during 1990, submit data for 92,250 policies, by choosing every 15th policy from the 1990 master file. The data submitted for each calendar year should be a random sample of policies; no attempt should be made to include the same policies in each calendar year's data submission. Below is a summary of the data items collected on each policy.

- Calendar year of observation
- Plan code
- Policy number
- Issue date
- Exchange status
- Option 1 or Option 2 death benefit
- Face amounts
- Riders
- Underwriting status
- Smoker/Non smoker status
- Premium data
- Mode of premium payment
- Payroll deduction status
- Date of last premium collected
- Current net account values
- Outstanding loan amounts
- Termination code
- Termination date
- Replacement code
- Partial withdrawal amounts
- Date of last partial surrender
- Full surrender amount
- Amount of surrender charges
- Insured's year of birth
- Insured's sex
- Policyowner's prior ownership status
- Policyowner's state of residence
- Policyowner's residence zip code
- Type of agent who sold the policy
- Selling agent contract date
- Selling agent termination date
- Current credited interest rates

APPENDIX D
CONTRIBUTING COMPANIES

The Acacia Group
Alfa Insurance
Allstate Life
American General Life (Texas)
American General Life & Accident (TN)
Fidelity and Guaranty Life
First Colony Life
General American Life
Integon Life
Kansas City Life
Life Investors of America
Lincoln Benefit Life
Lincoln National Life
Lutheran Brotherhood
Manulife Financial
Massachusetts General Life
Midland National
Nationwide Life Insurance
New York Life
USAA Life
United of Omaha