

2003 Individual Life and Annuity Expense Study

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Executive Summary

Recognizing an absence of publicly available inter-company individual life insurance and annuity product expense information for benchmarking and other purposes, the Society of Actuaries formed the Committee on Life Insurance Company Expenses (CLICE) to, among other activities, develop and conduct experience studies providing this information. This report documents the results of the Committee's third expense study – the 2003 SOA Individual Life and Annuity Expense Study.

The Committee distributed a call for contributions of expense data from life insurance companies in October 2004. Over the course of several months, contributions of individual life and annuity expense data were received from 28 U.S. life insurance companies.

Contributors were asked to provide expense data for the following product categories:

- Life insurance – Term, Permanent, Variable, COLI and BOLI. It was thought that these product groups had product or expense characteristics that would result in different unit expenses. For these life insurance products, contributors were further asked to provide acquisition expense detail to the best of their ability broken down by the following distribution channels: Career, Brokerage, PPGA, Multi-Line, Direct Response, Other, and Unallocated (that expense that was not split by channel).
- Annuities – Immediate, Deferred, Variable Immediate and Variable Deferred. For these annuity products, acquisition expense breakdowns were requested for the following distribution channels: Career, Brokerage, PPGA, Stockbroker, Financial Institutions, Other, and Unallocated.

The data received from the contributors were aggregated and unit cost calculations were developed. As part of the aggregation process, a series of data integrity checks were performed and contributors were contacted to resolve missing or anomalous data. The contributed data was then refined over the course of several months.

The exhibits in this report present unit cost calculations for the various product and distribution channels using the ultimately refined data. This report includes several more exhibits than the 2002 study. These additional exhibits are discussed later in the report.

In some instances, there was insufficient data to provide unit cost calculations for particular products and distribution channels. The data request included revisions to clarify the intended data to be submitted to the 2002 study that would have been used to calculate a Per Termination unit expense. This resulted in the introduction of two

new unit cost calculations in this study – Per Claim for life insurance products and Per Annuitized Contract for annuity products.

In last year's study, a new unit cost calculation called the Per Policy Index was introduced to provide another tool to more easily compare expenses among contributors. This calculation is illustrated in all expense exhibits. To make this calculation more useful, an exhibit is included in the report that illustrates the comparable values of the index when calculated on Per Premium and Per 1000 Issued bases, in addition to Per Policy.

A description of the formulas used to develop each of the unit cost calculations is provided in Section 3 of this report. Definitions of the averages and other statistics used in the tables are described in Section 5.

Due to differences in expense allocation practice among contributing companies, the mix of companies that contributed, and the limited but growing number of contributors in certain product/channel categories, the results should be viewed with caution, particularly in comparing the results of this study with those of the previous studies.

As of the date of this report, the Committee has distributed a request for and received many contributions to the upcoming 2004 study to continue this annual effort. The Committee expresses its appreciation to all of the contributing companies for their assistance and support of this study. The Committee also expresses its appreciation and thanks to SOA Staff, Steve Siegel and Jeanne Nallon, who were responsible for much of the work of producing the study.

Section 1: Description of Data Received from Contributors

Appendix 1 contains a sample data submission form for both individual life and annuity products. Contributors were asked to provide both expenses and corresponding units. There are two applicable worksheets for each product category. Expenses were categorized as either acquisition or non-acquisition. Non-acquisition expenses, except Renewal Commissions, were not requested by distribution channel.

Contributors were also asked to separately identify any non-recurring expenses of significant size (in excess of 2.0% of total expenses) with their data submission. These non-recurring expenses totaled about 3.0% of total expenses for life insurance and 2.0% of total expenses for annuities. The tables in the results section include all non-recurring expenses. No further evaluation was conducted of these expenses.

The 28 companies that contributed data to the 2003 study represent \$4.8 B of life insurance expenses, \$19.5 B of life insurance premium, \$2.8 B of annuity expenses and \$31.5 B of annuity premium.

For certain universal life insurance and variable universal life insurance products, dump-ins and excess first year premiums (premiums paid in excess of planned periodic payments, typically compensated more like single premiums) were separately identified. For this study, these were combined with single premiums for calculation purposes. The table below presents the total amount (\$000,000s) of the dump-ins and corresponding dump-in commissions reported by contributors for the applicable life insurance products.

	Product	
	Individual Permanent Life	Individual Variable Life
Dump-ins	\$ 590 M	\$ 210 M
First Year Premiums*	\$2,300 M	\$ 750 M
Dump-in Commissions	\$ 17.3 M (2.9%)	\$ 3.3 M (1.6%)
First Year Commissions*	\$ 967 M (42.0%)	\$ 235 M (31.3 %)

* Includes Dump-ins

Section 2: Data Issues

As part of the data cleansing process, a series of data checks were conducted. Overall, the quality of the data has consistently improved since the initiation of the study in 2001. This is, in part, as a result of repeating contributors that have become more familiar with the process and the data requirements of the study. In addition, the data checks have become more sophisticated based on prior years' experience. The data issues encountered this year include:

- 1. Missing Units or Expenses for a Given Set of Data** – In some instances, a contributor provided the units and not the expenses, or vice versa, for a particular product and distribution channel combination. This required one of several remedial actions, depending upon the situation. First, detailed feedback from the contributor was sought. If detailed corrections or adjustments from the contributor were not available, a pro-rata approach for allocating expenses and units was proposed. If a pro-rata solution did not prove to be reasonable, the missing units or expenses were handled on an individual basis and a decision was made regarding whether to include the data in the study results.

- 2. Not Enough Data to Present Detailed Level Results by Product/Distribution Channel** – For some products and distribution channels, an insufficient number of contributors provided data to present detailed level statistics. In these instances, only summary level statistics are shown to maintain confidentiality of contributor experience. In addition, there was an insufficient number of contributors in this year's study with COLI, BOLI, or Variable Immediate experience to publish results for these product categories.

- 3. Wide Company Variation in Unit Costs** – Abnormally high unit costs and wide company variation were observed in several products/distribution channels. This is particularly evident for Variable products. The primary explanations for this variation included the recent introduction of this product line by a company resulting in relatively high unit expenses or a small number of policies sold and inforce. When a valid explanation for the unit costs was obtained from the contributor, the data was retained. Otherwise, the data was eliminated.

- 4. Claim/Surrender/Lapse Expenses** – A number of contributors did not include the number of claims and/or applicable expenses needed to derive the Per Termination, Per Claim, and Per Annuitized Contract unit costs. Where possible, units or expenses were imputed for these contributors based on the study averages (for those that did submit such data). For life products, an insufficient number of contributors provided surrender and lapse information. Consequently, an explicit unit cost for surrender and lapse expense was unable to be developed. Surrender and lapse expenses were included in the Per Policy Inforce calculation for life products. For annuity products, more credible surrender and lapse information was submitted and this is the basis of the Per Termination calculation.

5. **Premium Tax** – Several companies were unable to provide premium tax data by the categories requested. Companies that did not provide premium tax information were excluded from these averages.
6. **Additivity of Unit Cost Factors** – In order to maintain the additivity of the average unit cost factors, adjustments were made to the data when necessary, e.g., when a company did not report any expenses that were related to a particular unit.
7. **Capped Expenses** – In a small number of instances, expenses for a particular contributor were capped (limited) in the derivation of unit costs such that the resulting unit cost for the contributor would be equal to the maximum unit cost of all other contributors. This was only done when the contributor confirmed that the expense level was representative of its book of business. The rationale for capping the expenses was to retain the contributor's expense information, rather than discarding it, and at the same time, ensuring the averages in the study would not be correspondingly skewed.

Section 3: Description of Unit Cost Formulas Used

The following formulas were used to develop the unit cost calculations shown in the tables and graphs included in Section 6.

Life Products

Acquisition

Per Policy Issued= (Underwriting – All Other + Policy and Contract Issue + 1/3 * Product Development + 1/3 * Other Acquisition) / (Total Policies/Contracts Issued)

Per 1000 Issued= (Underwriting – Inspection Reports and Medical Exams +1/3* Product Development +1/3* Other Acquisition) / (Total Volume Issued)

Percent of First Year Premium= (Sales and Marketing + 1/3 * Product Development + 1/3 * Other Acquisition) / (First Year Premium Collected - 0.9 * UL and VUL Dump-in Included in First Year Premium Collected + 0.1* Single Premium Collected - 0.1 * Paid-Up Additions Included in Single Premium Collected)

First Year Commission Percent= (First Year Commissions – UL and VUL Dump-in Included in First Year Commissions) / (First Year Premium Collected – UL and VUL Dump-in Included in First Year Premiums Collected)

Single Commission Expense= (UL and VUL Dump-in Included in First Year Commissions + Single Commissions) / (UL and VUL Dump-in Included in First Year Premium Collected + Single Premium Collected – Paid-Up Additions Included in Single Premiums Collected)

Per Policy Index= (Sum of the numerators (expenses) for the Per Policy Issued, Per 1000 Issued and Percent of First Year Premium Calculations) / (Total Policies and Contracts Issued)

Per Premium (Includes Single Premium) Index (see Table 17) = (Sum of the numerators (expenses) for the Per Policy Issued, Per 1000 Issued and Percent of First Year Premium Calculations) / (First Year Premium Collected + Single Premium Collected)

Per Premium (First Year Premium Basis Only) Index (see Table 17) = (Sum of the numerators (expenses) for the Per Policy Issued, Per 1000 Issued and Percent of First Year Premium Calculations) / (First Year Premium Collected - 0.9 * UL and VUL Dump-in Included in First Year Premium Collected + 0.1* Single Premium Collected - 0.1 * Paid-Up Additions Included in Single Premium Collected)

Per 1,000 Issued Index= (Sum of the numerators (expenses) for the Per Policy Issued, Per 1000 Issued and Percent of First Year Premium Calculations) / (Total Volume Issued)

Non-Acquisition

Renewal Commission Percent= (Renewal Commissions) / (Renewal Premium Collected)

Premium Tax= (Premium Tax & Guarantee Association Assessments) / (First Year Premium Collected + Single Premium Collected + Renewal Premium Collected)

Per Claim= (Benefit Department(s) and Claim Settlement Expenses) / (Number of Claims)

Per Policy Inforce= (Policyowner Services + Surrender and Lapse Expenses + Significant Non-recurring Expenses + Total Overhead + Other non-overhead) / (0.5 * Policies and Contracts – Current Year + 0.5 * Policies and Contracts Previous Year)

Annuity Products

Acquisition

Per Policy Issued= (Policy and Contract Issue + 2/3 * Product Development + 2/3 * Other Acquisition) / (Total Policies and Contracts Issued)

Per Policy Index= (Sum of the numerators (expenses) for the Per Policy Issued and Percent of First Year Premium Calculations) / (Total Policies and Contracts Issued)

Per Premium Index (see Table 17) = (Sum of the numerators (expenses) for the Per Policy Issued and Percent of First Year Premium Calculations) / (First Year Premium Collected + Single Premium Collected)

Percent of First Year Premium/Single Premium= Sales and Marketing + 1/3 * Product Development + 1/3 * Other Acquisition) / (First Year Premium Collected + Single Premium Collected)

Commission Percent= (First Year Commissions + Single Commissions) / (First Year Premium Collected + Single Premium Collected)

Non-Acquisition

Renewal Commission Percent= (Renewal Commissions) / (Renewal Premium Collected)

Premium Tax= (Premium Tax & Guarantee Association Assessments) / (First Year Premium Collected + Single Premium Collected + Renewal Premium Collected)

Per Termination= (Surrender and Lapse Expenses) / (Number of Surrender and Lapses)

Per Annuitized Contract= (Benefit Department(s) and Claim Settlement Expenses / (Number of Annuity Contracts on which a Periodic Payment was made)

Per Policy Inforce= (Policyowner Services + Significant Non-recurring Expenses + Total Overhead + Other non-overhead) / (0.5 * Policies and Contracts – Current Year + 0.5 * Policies and Contracts – Previous Year)

Section 4: List of Participating Companies

The Committee on Life Insurance Company Expenses gratefully acknowledges the participation of the following companies. Their support of this study and assistance proved invaluable in its completion.

Participating Companies

AAA Life	MassMutual Financial Group
AEGON	Mennonite Mutual Aid Association
Assurity Life	MetLife
Empire General Life	Minnesota Life
Farm Bureau Life	Modern Woodmen of America
Farm Bureau Life of Missouri	Motorists Life
Fidelity Investments Life	Nationwide Life
GE Partnership Marketing Group	Prudential Financial
Guardian Life	Reliance Standard Life
Horace Mann Life	Southern Farm Bureau Life
Illinois Mutual Life	Standard Life
Independent Order of Foresters	State Farm Life
Jackson National Life	Symetra Life
Lafayette Life	Thrivent Financial for Lutherans

Section 5: Explanatory Notes for the Results Tables and Graphs

Unit Cost Statistics

The following are definitions of the five statistics shown for the unit cost calculations that appear in the results tables and graphs:

1. Weighted Average – (The sum of applicable expenses of all contributors for a given product-distribution channel)/(The sum of applicable units for all contributors for a given product-distribution channel)
2. Unweighted Average – (The sum of all contributors' individual unit cost calculations for a given product-distribution channel)/(Number of contributors)
3. Median – The median unit cost of all contributors for a given product-distribution channel.
4. 25th Percentile – The 25th percentile unit cost of all contributors for a given product-distribution channel.
5. 75th Percentile – The 75th percentile unit cost of all contributors for a given product-distribution channel.

Note that the 25th Percentile and 75th Percentile are only shown if at least 6 companies provided data that product-distribution channel. If a Percentile did not represent a particular company, the average of the two adjoining company results was used.

It is possible that the Weighted Average is either greater than the 75th Percentile or less than the 25th Percentile. This can occur if the distribution of weights represented by individual companies is significantly skewed.

Definition of Company Size

For the results tables and graphs categorized by company size, definitions for small, medium and large contributors for both life and annuity products are given below. Note that size is defined as the total premium for either *all* life products or *all* annuity products. As a result for example, if a company had a large life insurance portfolio that included only a very small amount of variable life insurance inforce, that variable life business would still be included in the large company category. The size ranges were chosen to produce roughly the same number of contributors in the small, medium and large categories. In addition, it is possible, based on the size definitions, that not all size categories are represented for a given individual product.

Life

Small: <\$100 million in premium for all life products

Medium: \$100 million - \$1 billion in premium for all life products
Large: >\$1 billion in premium for all life products

Annuity

Small: <\$150 million in premium for all annuity products
Medium: \$150 million - \$1 billion in premium for all annuity products
Large: > \$1 billion in premium for all annuity products

Number of Company Totals

In some instances, the number of company totals will appear to be inconsistent in summary exhibits. This is caused by the study's protocol for only showing specific results for a particular product/distribution channel if there are a minimum number of companies. However, the data not explicitly presented will still be included in the summary totals for the product. For example, if only three contributors included information for the Term Life Brokerage category, results for Term Life Brokerage will not be explicitly presented. Yet, the data for Term Life Brokerage would be included in the Totals calculation for Term Life.

Comparison of 2002 and 2003 Results

The graphs comparing 2002 and 2003 results are based only on companies that appeared in both the 2002 and 2003 studies. This was done to eliminate the variation that would be caused by a change in company mix. The corresponding figures are shown in Tables 8 and 17.

Although the 2002 and 2003 comparison results are based only on companies that contributed data for both years, significant variation in unit costs between 2002 and 2003 were observed for many individual contributors. This is the primary underlying cause for the substantial changes in some aggregate units costs from 2002 to 2003 that are shown in Tables 8 and 17.

To highlight the variability that was observed, Tables 8 and 17 also include items labeled 25th Percentile Difference and 75th Percentile Difference. These items represent the 25th and 75th percentile of the distribution of the differences in unit costs for 2002 and 2003 for each contributor.

For example, to calculate the 25th Percentile Difference and 75th Percentile Difference for the Term Life Per Policy Index, the percentage change in Per Policy Index cost for 2002 to 2003 is calculated for all companies contributing in both years. The Term Life Per Policy Index differences are then ordered from lowest to highest. The 25th percentile and 75th percentile of these differences are then shown in Table 8 to give an indication of the range of the results.

This observed variation will be further examined in next year's study and contributors will be asked to provide rationale for significant changes in results from one year to the next.

Caveat

Due to differences in expense allocation practice among contributing companies, the mix of companies that contributed, and the limited number of contributors in certain categories provided, the results should be viewed with caution.

Section 6: Results Tables and Graphs

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Life and Annuity Products

Table 19—Per Policy Index Comparison Table

2003 INDIVIDUAL LIFE AND ANNUITY EXPENSE STUDY

Table 1

Term Life Insurance

CAREER

Number of Companies = 9

	Acquisition				Commission Percent		
	Per Policy Issued	Per 1000 Issued	Percent of First Year Premium	Per Policy Index	First Year	Single Premium	Renewal
Weighted Average	\$201	\$0.38	55.9%	\$747	48.9%	N/A	2.8%
Unweighted Average	\$172	\$0.54	44.2%	\$613	80.1%	N/A	3.3%
Median	\$151	\$0.49	62.0%	\$513	58.2%	N/A	3.1%
25th Percentile	\$117	\$0.32	11.0%	\$373	46.1%	N/A	3.0%
75th Percentile	\$274	\$0.66	67.5%	\$772	80.1%	N/A	4.3%

BROKERAGE

Number of Companies = 5

	Acquisition				Commission Percent		
	Per Policy Issued	Per 1000 Issued	Percent of First Year Premium	Per Policy Index	First Year	Single Premium	Renewal
Weighted Average	\$251	\$0.43	18.0%	\$844	87.4%	N/A	4.4%
Unweighted Average	\$253	\$0.44	35.6%	\$1,180	69.0%	N/A	3.9%
Median	\$217	\$0.51	43.6%	\$772	70.0%	N/A	4.4%

MULTI-LINE

Number of Companies = 4

	Acquisition				Commission Percent		
	Per Policy Issued	Per 1000 Issued	Percent of First Year Premium	Per Policy Index	First Year	Single Premium	Renewal
Weighted Average	\$115	\$0.79	32.4%	\$367	45.2%	N/A	5.1%
Unweighted Average	\$164	\$0.85	65.5%	\$646	67.1%	N/A	5.4%
Median	\$143	\$0.71	67.5%	\$715	63.3%	N/A	5.5%

TOTAL

Number of Companies = 22

	Acquisition				Commission Percent		
	Per Policy Issued	Per 1000 Issued	Percent of First Year Premium	Per Policy Index	First Year	Single Premium	Renewal
Weighted Average	\$152	\$0.54	37.8%	\$531	58.7%	N/A	3.8%
Unweighted Average	\$168	\$0.60	57.6%	\$598	72.3%	N/A	4.8%
Median	\$161	\$0.59	49.3%	\$521	59.6%	N/A	4.1%
25th Percentile	\$102	\$0.28	24.8%	\$397	46.6%	N/A	3.1%
75th Percentile	\$248	\$0.80	67.1%	\$764	83.9%	N/A	5.4%

TOTAL

Number of Companies = 22

Non-Acquisition - All Distribution Systems Combined

	Per Policy Inforce	Premium Tax as Percent of Premium	Per Claim	New Business Average Policy Size (1,000's)	Inforce Average Policy Size (1,000's)
Weighted Average	\$82	1.8%	\$418	\$272	\$176
Unweighted Average	\$119	1.6%	\$472	\$305	\$207
Median	\$88	1.8%	\$364	\$255	\$171
25th Percentile	\$62	1.2%	\$150	\$166	\$126
75th Percentile	\$133	2.2%	\$629	\$443	\$260

Note: Please see accompanying report for complete descriptions of the tables and calculations.

2003 INDIVIDUAL LIFE AND ANNUITY EXPENSE STUDY

Table 2

Permanent Life Insurance

CAREER

Number of Companies = 9

	Acquisition				Commission Percent		
	Per Policy Issued	Per 1000 Issued	Percent of First Year Premium	Per Policy Index	First Year	Single Premium	Renewal
Weighted Average	\$238	\$1.06	49.7%	\$1,999	56.1%	1.9%	2.7%
Unweighted Average	\$233	\$1.23	43.5%	\$1,578	90.0%	6.2%	3.8%
Median	\$166	\$0.93	42.6%	\$1,117	67.1%	3.8%	4.1%
25th Percentile	\$146	\$0.51	23.1%	\$575	45.6%	1.0%	3.4%
75th Percentile	\$259	\$1.82	69.9%	\$1,324	108.6%	5.8%	5.0%

BROKERAGE

Number of Companies = 5

	Acquisition				Commission Percent		
	Per Policy Issued	Per 1000 Issued	Percent of First Year Premium	Per Policy Index	First Year	Single Premium	Renewal
Weighted Average	\$224	\$1.23	47.2%	\$2,173	67.6%	2.2%	4.5%
Unweighted Average	\$319	\$2.50	34.6%	\$3,327	114.2%	4.7%	5.3%
Median	\$120	\$2.16	23.1%	\$1,666	67.3%	3.3%	3.8%
25th Percentile	\$114	\$1.41	15.9%	\$535	59.4%	1.2%	3.0%
75th Percentile	\$547	\$3.56	50.5%	\$3,289	118.5%	8.2%	5.0%

MULTI-LINE

Number of Companies = 4

	Acquisition				Commission Percent		
	Per Policy Issued	Per 1000 Issued	Percent of First Year Premium	Per Policy Index	First Year	Single Premium	Renewal
Weighted Average	\$133	\$1.88	23.5%	\$395	42.4%	3.3%	5.3%
Unweighted Average	\$135	\$1.94	42.2%	\$547	72.3%	2.7%	5.9%
Median	\$108	\$1.34	42.2%	\$509	71.2%	3.4%	5.7%

TOTAL

Number of Companies = 21

	Acquisition				Commission Percent		
	Per Policy Issued	Per 1000 Issued	Percent of First Year Premium	Per Policy Index	First Year	Single Premium	Renewal
Weighted Average	\$179	\$1.38	42.5%	\$1,042	55.5%	2.0%	3.3%
Unweighted Average	\$225	\$1.85	43.3%	\$1,145	90.2%	5.0%	4.4%
Median	\$166	\$1.41	30.5%	\$741	67.1%	3.6%	4.7%
25th Percentile	\$87	\$0.63	15.9%	\$402	46.1%	2.3%	2.9%
75th Percentile	\$299	\$2.19	63.6%	\$1,335	108.8%	5.2%	5.6%

TOTAL

Number of Companies = 21

	Non-Acquisition - All Distribution Systems Combined				
	Per Policy Inforce	Premium Tax as Percent of Premium	Per Claim	New Business Average Policy Size (1,000's)	Inforce Average Policy Size (1,000's)
Weighted Average	\$65	1.1%	\$85	\$98	\$39
Unweighted Average	\$90	1.4%	\$220	\$124	\$69
Median	\$74	1.3%	\$169	\$86	\$44
25th Percentile	\$51	0.8%	\$117	\$50	\$31
75th Percentile	\$111	1.8%	\$266	\$156	\$76

Note: Please see accompanying report for complete descriptions of the tables and calculations.

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Table 3

Variable Life Insurance

CAREER

Number of Companies = 6

	Acquisition				Commission Percent		
	Per Policy Issued	Per 1000 Issued	Percent of First Year Premium	Per Policy Index	First Year	Single Premium	Renewal
Weighted Average	\$221	\$0.44	49.8%	\$1,902	64.4%	1.1%	3.0%
Unweighted Average	\$388	\$1.00	40.5%	\$1,906	66.9%	1.5%	4.5%
Median	\$234	\$0.59	45.5%	\$2,002	44.7%	1.0%	5.0%
25th Percentile	\$207	\$0.36	10.2%	\$1,098	41.0%	0.4%	2.3%
75th Percentile	\$263	\$0.97	67.2%	\$2,429	89.1%	2.0%	6.9%

BROKERAGE

Number of Companies = 4

	Acquisition				Commission Percent		
	Per Policy Issued	Per 1000 Issued	Percent of First Year Premium	Per Policy Index	First Year	Single Premium	Renewal
Weighted Average	\$820	\$0.13	17.9%	\$3,417	30.2%	1.3%	5.1%
Unweighted Average	\$872	\$0.96	26.3%	\$4,491	45.8%	6.0%	4.2%
Median	\$998	\$0.38	19.7%	\$4,363	43.0%	1.7%	4.1%

TOTAL

Number of Companies = 9

	Acquisition				Commission Percent		
	Per Policy Issued	Per 1000 Issued	Percent of First Year Premium	Per Policy Index	First Year	Single Premium	Renewal
Weighted Average	\$354	\$0.50	30.5%	\$1,968	43.7%	1.3%	3.5%
Unweighted Average	\$396	\$1.42	31.4%	\$1,922	59.8%	2.5%	4.6%
Median	\$249	\$0.76	26.7%	\$2,236	40.7%	2.1%	4.6%
25th Percentile	\$198	\$0.33	12.3%	\$830	28.6%	0.7%	2.3%
75th Percentile	\$265	\$1.67	56.2%	\$2,570	69.9%	4.3%	7.4%

TOTAL

Number of Companies = 9

	Non-Acquisition - All Distribution Systems Combined				
	Per Policy Inforce	Premium Tax as Percent of Premium	Per Claim	New Business Average Policy Size (1,000's)	Inforce Average Policy Size (1,000's)
Weighted Average	\$141	1.8%	\$223	\$285	\$143
Unweighted Average	\$218	1.7%	\$911	\$283	\$208
Median	\$195	1.8%	\$214	\$246	\$130
25th Percentile	\$180	1.7%	\$186	\$146	\$125
75th Percentile	\$277	1.9%	\$790	\$413	\$323

Note: Please see accompanying report for complete descriptions of the tables and calculations.

**2003 INDIVIDUAL LIFE AND ANNUITY EXPENSE STUDY
TABLE 4 -- WEIGHTED AVERAGES -- INDIVIDUAL LIFE PRODUCTS**

CAREER

	Number of Companies	Acquisition				Commission Percent		
		Per Policy Issued	Per 1000 Issued	Percent of First Year Premium	Per Policy Index	First Year	Single Premium	Renewal
Term Life	9	\$201	\$0.38	55.9%	\$747	48.9%	N/A	2.8%
Permanent Life	9	\$238	\$1.06	49.7%	\$1,999	56.1%	1.9%	2.7%
Variable Life	6	\$221	\$0.44	49.8%	\$1,902	64.4%	1.1%	3.0%
TOTAL	9	\$218	\$0.57	50.8%	\$1,375	55.8%	1.8%	2.8%

BROKERAGE

	Number of Companies	Acquisition				Commission Percent		
		Per Policy Issued	Per 1000 Issued	Percent of First Year Premium	Per Policy Index	First Year	Single Premium	Renewal
Term Life	5	\$251	\$0.43	18.0%	\$844	87.4%	N/A	4.4%
Permanent Life	5	\$224	\$1.23	47.2%	\$2,173	67.6%	2.2%	4.5%
Variable Life	4	\$820	\$0.13	17.9%	\$3,417	30.2%	1.3%	5.1%
TOTAL	7	\$297	\$0.46	24.2%	\$1,319	60.8%	1.9%	4.8%

MULTI-LINE

	Number of Companies	Acquisition				Commission Percent		
		Per Policy Issued	Per 1000 Issued	Percent of First Year Premium	Per Policy Index	First Year	Single Premium	Renewal
Term Life	4	\$115	\$0.79	32.4%	\$367	45.2%	N/A	5.1%
Permanent Life	4	\$133	\$1.88	23.5%	\$395	42.4%	3.3%	5.3%
TOTAL	5	\$128	\$1.03	25.7%	\$388	42.1%	3.6%	5.2%

TOTAL

	Number of Companies	Acquisition				Commission Percent		
		Per Policy Issued	Per 1000 Issued	Percent of First Year Premium	Per Policy Index	First Year	Single Premium	Renewal
Term Life	22	\$152	\$0.54	37.8%	\$531	58.7%	N/A	3.8%
Permanent Life	21	\$179	\$1.38	42.5%	\$1,042	55.5%	2.0%	3.3%
Variable Life	9	\$354	\$0.50	30.5%	\$1,968	43.7%	1.3%	3.5%
TOTAL	23	\$171	\$0.70	39.2%	\$799	54.5%	1.9%	3.4%

TOTAL

	Number of Companies	Non-Acquisition - All Distribution Systems Combined				
		Per Policy Inforce	Premium Tax as Percent of Premium	Per Claim	New Business Average Policy Size (1,000's)	Inforce Average Policy Size (1,000's)
Term Life	22	\$82	1.8%	\$418	\$272	\$176
Permanent Life	21	\$65	1.1%	\$85	\$98	\$39
Variable Life	9	\$141	1.8%	\$223	\$285	\$143
TOTAL	23	\$73	1.3%	\$97	\$202	\$71

Note: Please see accompanying report for complete descriptions of the tables and calculations.

2003 INDIVIDUAL LIFE AND ANNUITY EXPENSE STUDY

Table 5

Term Life Insurance

SMALL

Number of Companies = 7

	Acquisition				Commission Percent		
	Per Policy Issued	Per 1000 Issued	Percent of First Year Premium	Per Policy Index	First Year	Single Premium	Renewal
Weighted Average	\$91	\$0.62	66.9%	\$354	69.4%	N/A	5.5%
Unweighted Average	\$179	\$0.72	84.7%	\$534	63.7%	N/A	5.3%
Median	\$180	\$0.82	53.0%	\$494	80.1%	N/A	5.5%
25th Percentile	\$128	\$0.23	28.0%	\$367	58.7%	N/A	3.6%
75th Percentile	\$226	\$1.15	81.1%	\$676	81.9%	N/A	5.8%

SMALL

Number of Companies = 7

Non-Acquisition - All Distribution Systems Combined					
	Per Policy Inforce	Premium Tax as Percent of Premium	Per Claim	New Business Average Policy Size (1,000's)	Inforce Average Policy Size (1,000's)
Weighted Average	\$83	1.3%	\$453	\$141	\$126
Unweighted Average	\$90	1.3%	\$532	\$205	\$170
Median	\$73	1.7%	\$415	\$160	\$135
25th Percentile	\$55	1.0%	\$360	\$126	\$120
75th Percentile	\$87	1.8%	\$760	\$243	\$185

MEDIUM

Number of Companies = 10

	Acquisition				Commission Percent		
	Per Policy Issued	Per 1000 Issued	Percent of First Year Premium	Per Policy Index	First Year	Single Premium	Renewal
Weighted Average	\$149	\$0.59	22.3%	\$560	81.2%	N/A	4.0%
Unweighted Average	\$135	\$0.61	44.4%	\$549	91.4%	N/A	5.3%
Median	\$143	\$0.63	40.8%	\$581	82.2%	N/A	4.5%
25th Percentile	\$70	\$0.56	16.6%	\$423	58.7%	N/A	3.3%
75th Percentile	\$198	\$0.69	65.1%	\$679	110.1%	N/A	5.2%

MEDIUM

Number of Companies = 10

Non-Acquisition - All Distribution Systems Combined					
	Per Policy Inforce	Premium Tax as Percent of Premium	Per Claim	New Business Average Policy Size (1,000's)	Inforce Average Policy Size (1,000's)
Weighted Average	\$89	2.2%	\$306	\$362	\$208
Unweighted Average	\$132	1.9%	\$443	\$317	\$216
Median	\$93	2.3%	\$190	\$288	\$193
25th Percentile	\$70	1.6%	\$144	\$199	\$124
75th Percentile	\$121	2.6%	\$378	\$388	\$259

2003 INDIVIDUAL LIFE AND ANNUITY EXPENSE STUDY

Table 5

Term Life Insurance

LARGE

Number of Companies = 5

	Acquisition				Commission Percent		
	Per Policy Issued	Per 1000 Issued	Percent of First Year Premium	Per Policy Index	First Year	Single Premium	Renewal
Weighted Average	\$161	\$0.50	44.8%	\$545	45.2%	N/A	3.6%
Unweighted Average	\$219	\$0.44	46.1%	\$783	46.3%	N/A	3.0%
Median	\$271	\$0.38	62.2%	\$739	46.6%	N/A	3.2%

LARGE

Number of Companies = 5

Non-Acquisition - All Distribution Systems Combined					
	Per Policy Inforce	Premium Tax as Percent of Premium	Per Claim	New Business Average Policy Size (1,000's)	Inforce Average Policy Size (1,000's)
Weighted Average	\$78	1.6%	\$494	\$258	\$167
Unweighted Average	\$130	1.3%	\$456	\$421	\$238
Median	\$135	1.7%	\$423	\$458	\$226

Note: Please see accompanying report for complete descriptions of the tables and calculations.

2003 INDIVIDUAL LIFE AND ANNUITY EXPENSE STUDY

Table 6

Permanent Life Insurance

SMALL

Number of Companies = 6

	Acquisition				Commission Percent		
	Per Policy Issued	Per 1000 Issued	Percent of First Year Premium	Per Policy Index	First Year	Single Premium	Renewal
Weighted Average	\$75	\$1.54	40.6%	\$303	97.3%	6.3%	5.5%
Unweighted Average	\$110	\$2.00	57.7%	\$395	80.8%	5.4%	5.1%
Median	\$100	\$1.59	39.0%	\$273	79.7%	4.1%	4.9%
25th Percentile	\$74	\$1.04	18.6%	\$252	59.0%	4.1%	3.9%
75th Percentile	\$122	\$3.00	50.1%	\$472	106.6%	7.9%	6.5%

SMALL

Number of Companies = 6

Non-Acquisition - All Distribution Systems Combined					
	Per Policy Inforce	Premium Tax as Percent of Premium	Per Claim	New Business Average Policy Size (1,000's)	Inforce Average Policy Size (1,000's)
Weighted Average	\$49	0.9%	\$193	\$33	\$24
Unweighted Average	\$59	1.2%	\$240	\$38	\$35
Median	\$62	1.4%	\$183	\$28	\$31
25th Percentile	\$42	0.9%	\$156	\$16	\$26
75th Percentile	\$78	1.7%	\$275	\$48	\$50

MEDIUM

Number of Companies = 10

	Acquisition				Commission Percent		
	Per Policy Issued	Per 1000 Issued	Percent of First Year Premium	Per Policy Index	First Year	Single Premium	Renewal
Weighted Average	\$126	\$1.49	33.4%	\$603	79.9%	4.4%	4.7%
Unweighted Average	\$260	\$2.07	33.2%	\$934	116.4%	5.9%	4.4%
Median	\$260	\$1.47	27.7%	\$806	100.5%	4.0%	4.9%
25th Percentile	\$89	\$0.70	10.8%	\$585	66.5%	0.0%	3.0%
75th Percentile	\$322	\$2.68	56.6%	\$1,280	126.1%	5.6%	5.6%

MEDIUM

Number of Companies = 10

Non-Acquisition - All Distribution Systems Combined					
	Per Policy Inforce	Premium Tax as Percent of Premium	Per Claim	New Business Average Policy Size (1,000's)	Inforce Average Policy Size (1,000's)
Weighted Average	\$75	1.4%	\$176	\$73	\$47
Unweighted Average	\$106	1.7%	\$209	\$140	\$81
Median	\$95	1.7%	\$180	\$93	\$51
25th Percentile	\$68	1.0%	\$123	\$63	\$34
75th Percentile	\$120	2.4%	\$250	\$179	\$90

2003 INDIVIDUAL LIFE AND ANNUITY EXPENSE STUDY

Table 6

Permanent Life Insurance

LARGE

Number of Companies = 5

	Acquisition				Commission Percent		
	Per Policy Issued	Per 1000 Issued	Percent of First Year Premium	Per Policy Index	First Year	Single Premium	Renewal
Weighted Average	\$206	\$1.36	43.9%	\$1,251	50.2%	1.9%	3.0%
Unweighted Average	\$294	\$1.20	46.1%	\$2,467	49.3%	2.7%	3.5%
Median	\$203	\$0.94	42.6%	\$1,765	45.4%	2.7%	3.8%

LARGE

Number of Companies = 5

	Non-Acquisition - All Distribution Systems Combined				
	Per Policy Inforce	Premium Tax as Percent of Premium	Per Claim	New Business Average Policy Size (1,000's)	Inforce Average Policy Size (1,000's)
Weighted Average	\$62	1.0%	\$75	\$113	\$39
Unweighted Average	\$88	1.0%	\$217	\$196	\$87
Median	\$53	1.1%	\$148	\$118	\$47

Note: Please see accompanying report for complete descriptions of the tables and calculations.

2003 INDIVIDUAL LIFE AND ANNUITY EXPENSE STUDY

Table 7

Variable Life Insurance

LARGE

Number of Companies = 6

	Acquisition				Commission Percent		
	Per Policy Issued	Per 1000 Issued	Percent of First Year Premium	Per Policy Index	First Year	Single Premium	Renewal
Weighted Average	\$391	\$0.51	34.8%	\$2,242	33.5%	1.5%	2.9%
Unweighted Average	\$524	\$1.15	36.5%	\$2,301	34.7%	2.1%	4.7%
Median	\$264	\$0.75	35.6%	\$2,416	34.5%	1.6%	4.1%
25th Percentile	\$253	\$0.35	13.0%	\$1,991	27.4%	0.8%	2.6%
75th Percentile	\$663	\$1.51	62.9%	\$2,657	40.7%	2.9%	6.7%

LARGE

Number of Companies = 6

Non-Acquisition - All Distribution Systems Combined					
	Per Policy Inforce	Premium Tax as Percent of Premium	Per Claim	New Business Average Policy Size (1,000's)	Inforce Average Policy Size (1,000's)
Weighted Average	\$126	1.8%	\$204	\$265	\$134
Unweighted Average	\$183	1.5%	\$486	\$281	\$218
Median	\$188	1.8%	\$202	\$295	\$215
25th Percentile	\$129	1.7%	\$175	\$168	\$129
75th Percentile	\$196	1.9%	\$218	\$396	\$317

Note: Please see accompanying report for complete descriptions of the tables and calculations.

2003 INDIVIDUAL LIFE AND ANNUITY EXPENSE STUDY
Table 8

**Life Products - Comparison of 2002 and 2003 Unit Costs
for Companies Contributing in both 2002 and 2003**

Term Life Insurance										
	Acquisiton		Commission Percent						Non-acquisition	
	Per Policy Index		First Year		Single Premium		Renewal		Per Policy Inforce	
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
Weighted Average	\$433	\$546	58.4%	60.6%	N/A	N/A	3.5%	3.4%	\$71	\$75
25th Percentile	\$424	\$408	59.6%	58.2%	N/A	N/A	3.0%	3.1%	\$58	\$59
75th Percentile	\$859	\$783	92.1%	84.3%	N/A	N/A	5.7%	5.2%	\$145	\$128
25th Percentile Difference		-9%		-12%		N/A		-22%		-8%
75th Percentile Difference		25%		6%		N/A		6%		12%

Perm Life Insurance										
	Acquisiton		Commission Percent						Non-acquisition	
	Per Policy Index		First Year		Single Premium		Renewal		Per Policy Inforce	
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
Weighted Average	\$713	\$1,017	53.0%	50.7%	3.2%	2.9%	2.7%	2.7%	\$58	\$65
25th Percentile	\$264	\$367	49.3%	49.5%	3.2%	2.7%	3.6%	2.2%	\$53	\$66
75th Percentile	\$1,268	\$1,651	119.6%	118.5%	5.3%	6.3%	6.0%	5.5%	\$132	\$120
25th Percentile Difference		-22%		-7%		-29%		-15%		-7%
75th Percentile Difference		45%		18%		53%		11%		7%

Variable Life Insurance										
	Acquisiton		Commission Percent						Non-acquisition	
	Per Policy Index		First Year		Single Premium		Renewal		Per Policy Inforce	
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
Weighted Average	\$2,411	\$2,259	31.9%	33.4%	1.2%	1.5%	2.1%	2.9%	\$141	\$124
25th Percentile	\$1,895	N/A	27.4%	N/A	1.5%	N/A	3.2%	N/A	\$138	N/A
75th Percentile	\$2,785	N/A	40.4%	N/A	2.7%	N/A	5.7%	N/A	\$208	N/A
25th Percentile Difference		9%		2%		-23%		-11%		-20%
75th Percentile Difference		27%		21%		20%		10%		4%

Note: Please see accompanying report for complete descriptions of the tables and calculations.

2003 SOA Expense Study
Total Expense Units - All Companies

Table 9

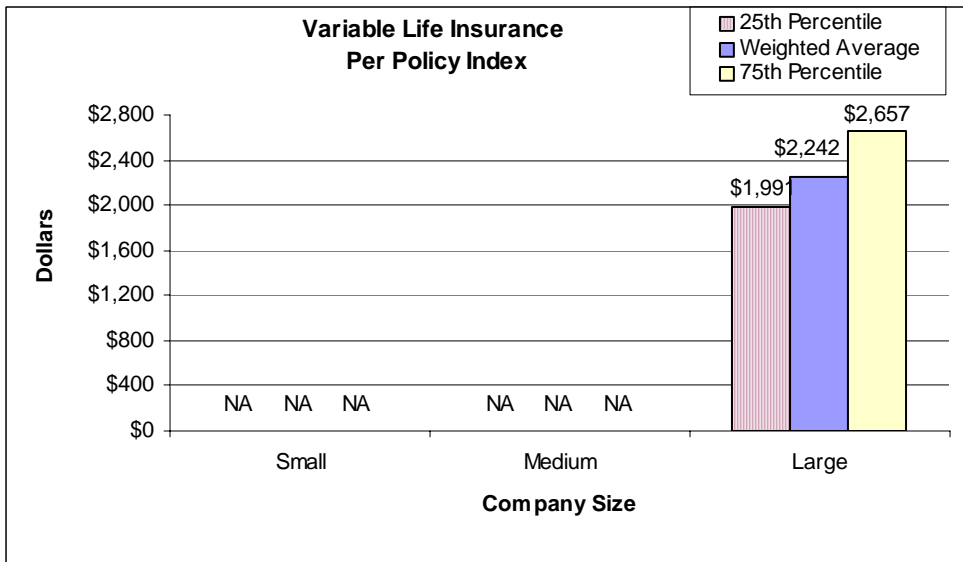
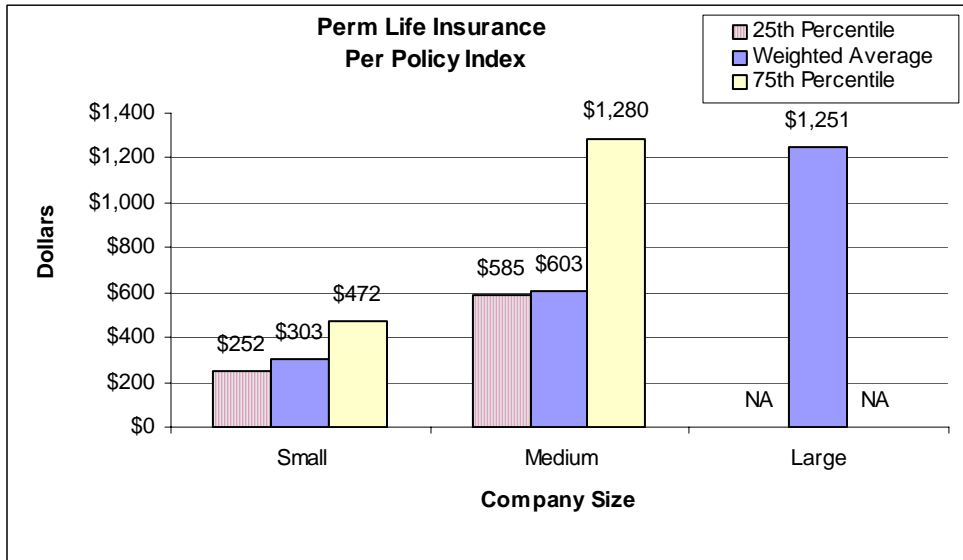
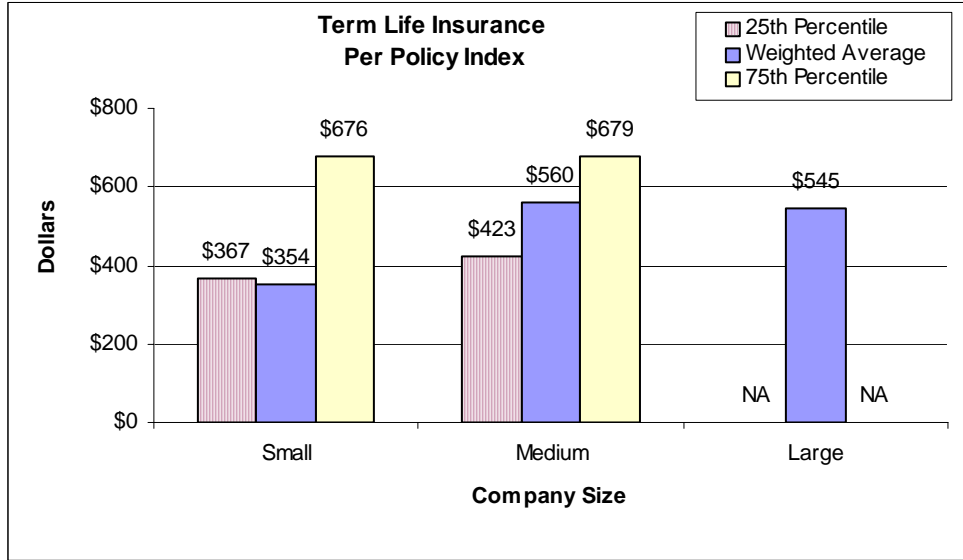
	Life Products							Total
	Career	Brokerage	PPGA	Multi-Line	Direct Response	Other	Unallocated	
A. New Business - Direct								
1. Policies / Contracts Issued	429,038	104,248	11,394	703,554	55,145	2,809	58,351	1,364,539
2. Volume Issued (Round to 1000s)	115,750,921	57,353,882	895,354	79,934,015	2,327,063	1,422,318	18,160,481	275,844,033
3. First Year Premium Collected	1,047,517,098	403,785,116	5,612,703	388,830,544	5,699,598	1,969,000	133,125,190	1,986,539,248
a. UL and VUL Dump-in Included in A-3	282,325,530	85,431,423	422,995	0	0	0	33,953,193	402,133,141
4. Single Premium Collected	2,528,333,570	56,034,800	12,602,294	307,523,791	0	0	962,764,204	3,867,258,658
a. UL and VUL Dump-in Included in A-4	48,874,108	250,421	0	0	0	0	0	49,124,529
b. Paid-Up Additions Included in A-4	1,981,569,381	617,838	11,179,953	284,574,145	0	0	921,934,410	3,199,875,727
B. Inforce - Direct - Current Year								
1. Policies / Contracts	16,052,558	349,691	120,240	7,865,701	289,841	17,130	3,605,597	28,300,758
2. Volume (Round to 1000s)	674,569,093	153,672,620	7,006,895	595,363,935	4,687,222	7,471,041	656,107,399	2,098,878,206
3. Renewal Premium Collected	8,796,978,129	898,538,944	54,219,604	2,532,800,603	70,436,298	9,885,000	1,317,490,010	13,680,348,588
4. Reserves or Account Balances	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	148,952,394,977	148,952,394,977
C. Inforce - Direct - Previous Year								
1. Policies / Contracts	16,691,351	275,127	114,341	7,755,352	355,802	15,081	3,593,216	28,800,270
2. Volume (Round to 1000s)	661,339,924	110,649,095	6,697,069	566,194,528	3,797,942	6,370,914	606,032,484	1,961,081,956
3. Renewal Premium Collected	8,791,152,321	805,486,234	41,324,205	2,623,793,734	64,543,848	8,123,000	1,362,151,272	13,696,574,615
4. Reserves or Account Balances	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	141,968,752,243	141,968,752,243
D. Claims/Contracts								
1. Number of Claims	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	396,982	396,982
2. Number of Surrenders/Lapses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	1,215,460	1,215,460

**2003 SOA Expense Study
Total Expenses - All Companies**

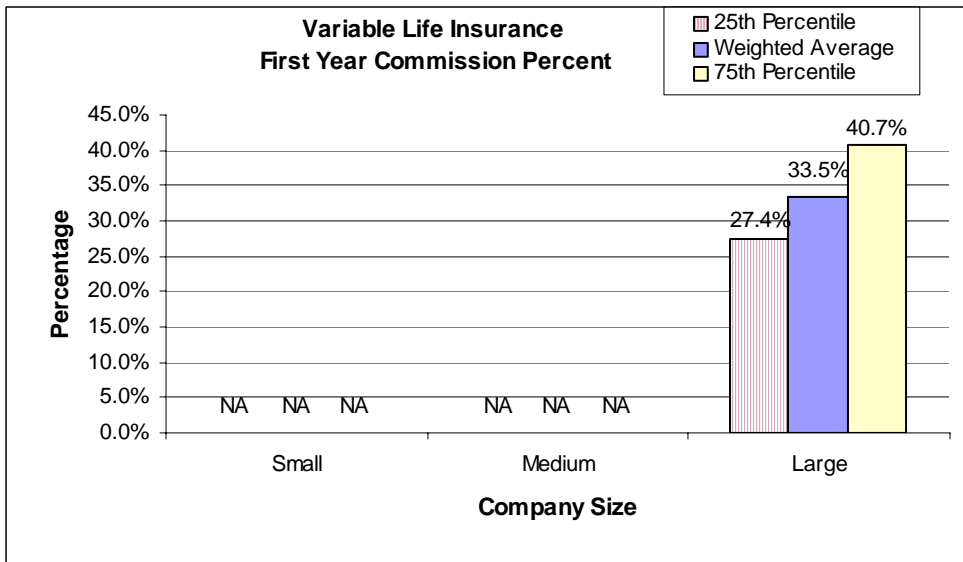
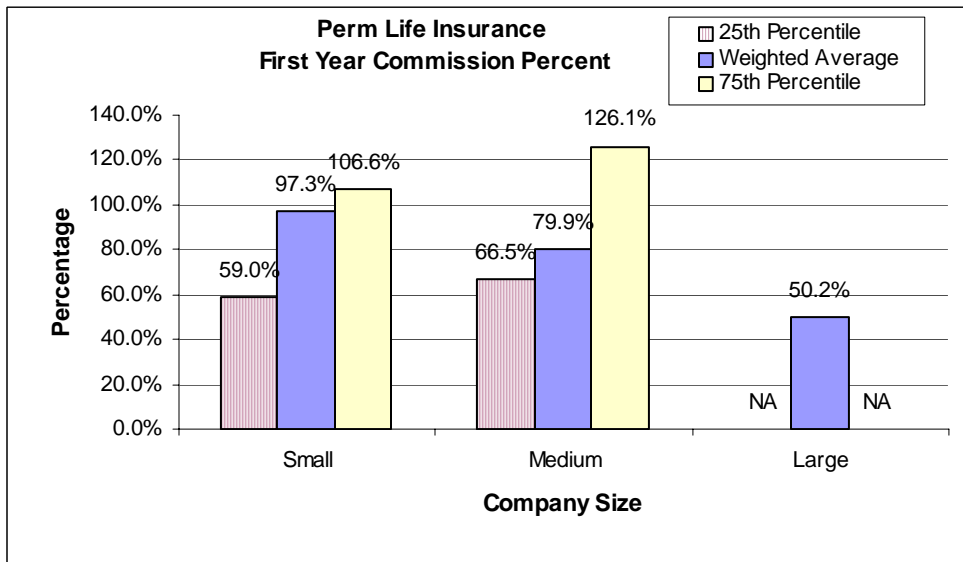
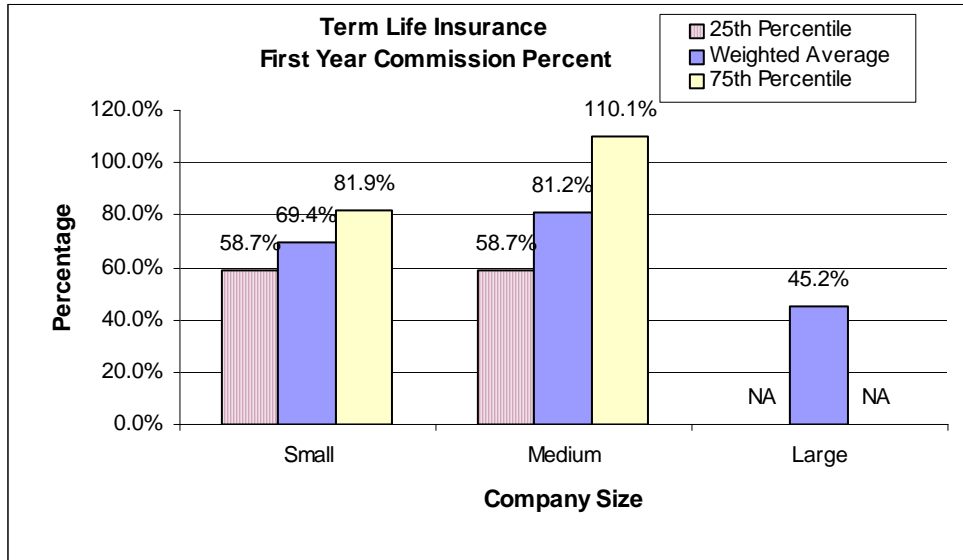
Table 9

Function	Life Products							Total
	Career	Brokerage	PPGA	Multi-Line	Direct Response	Other	Unallocated	
E. Commissions Paid								
1. First Year Commissions	433,786,101	195,503,165	3,696,623	163,738,471	431,931	1,151,865	74,903,131	873,211,287
a. UL and VUL Dump-in Included in F-1	6,744,698	1,845,212	16,920	0	0	0	1,708,359	10,315,188
2. Single Commissions	7,908,740	812,836	48,926	830,642	0	0	623,586	10,224,730
a. UL and VUL Dump-in Included in F-2	0	0	0	0	0	0	0	0
3. Renewal Commissions	243,417,058	42,954,938	1,852,679	132,391,999	6,088,126	306,136	38,302,737	465,313,672
F. Other Acquisition Expenses Paid								
1. Sales / Marketing	410,532,513	77,641,639	1,130,322	62,297,189	11,110,224	1,661,041	31,396,841	595,769,768
2. Underwriting - Inspection Reports and Medical Exams	44,990,189	23,495,121	678,259	44,532,648	756,090	0	12,095,670	126,547,977
3. Underwriting - All Other	30,603,437	18,193,650	892,799	38,953,976	112,498	997,682	7,951,380	97,705,423
4. Policy / Contract Issue	42,550,758	10,031,730	393,785	12,810,281	254,875	16,089	3,031,885	69,089,401
5. Product Development	4,069,740	1,059,335	80,805	814,979	103,991	53,314	1,831,140	8,013,304
6. Other Acquisition - Please list								
a.	57,385,910	7,103,028	368,392	113,446,330	2,461,287	0	12,658,125	193,423,073
b.	0	0	0	0	0	0	0	0
c.	0	0	0	0	0	0	0	0
d.	0	0	0	0	0	0	0	0
G. Other Expenses Paid								
1. Benefit Department(s) / Claim Settlement Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	38,509,510	38,509,510
2. Policyowner Services	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	503,088,509	503,088,509
3. Surrender and Lapse Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	8,564,896	8,564,896
4. Significant Non-recurring Expenses (specify)								
a.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	141,385,161	141,385,161
b.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	0	0
c.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	0	0
d.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	0	0
5. Total Overhead	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	1,356,878,294	1,356,878,294
6. Amount of Total Overhead Allocable to Acquisition	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	126,824,693	126,824,693
7. Other non-overhead								
a.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	54,459,793	54,459,793
b.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	0	0
c.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	0	0
d.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	0	0
H. Premium Tax & Guar Assoc Assessments								
	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	247,193,840	247,193,840
I. Total Expenses								
	1,275,244,447	376,795,441	9,142,589	569,816,515	21,319,021	4,186,127	2,532,874,497	4,789,378,636

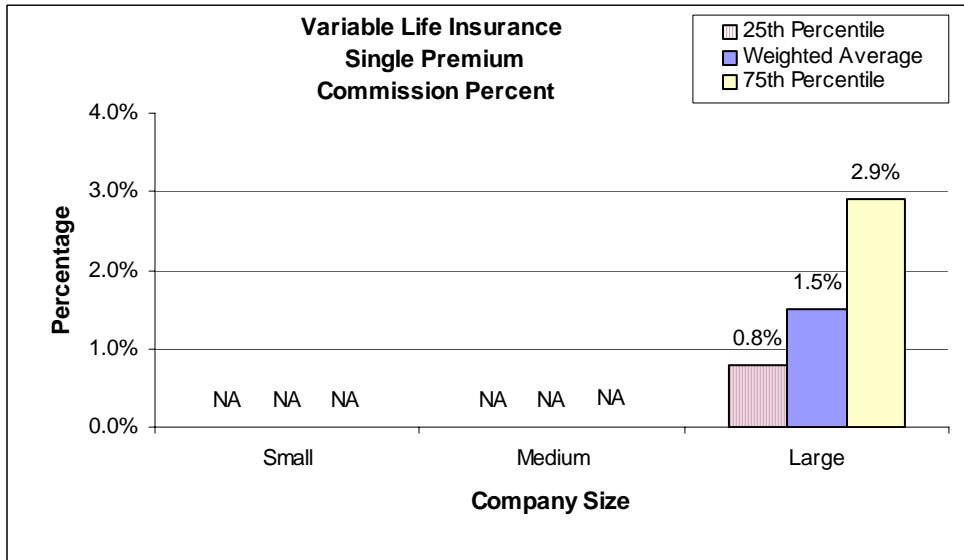
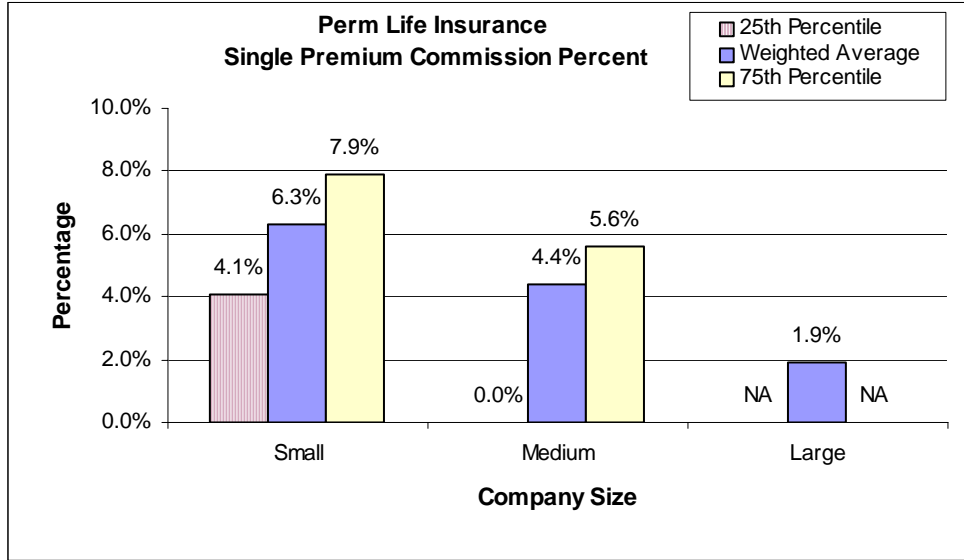
2003 Life Products
Graph 1—Acquisition Expense—All Distribution Systems Combined
Per Policy Index



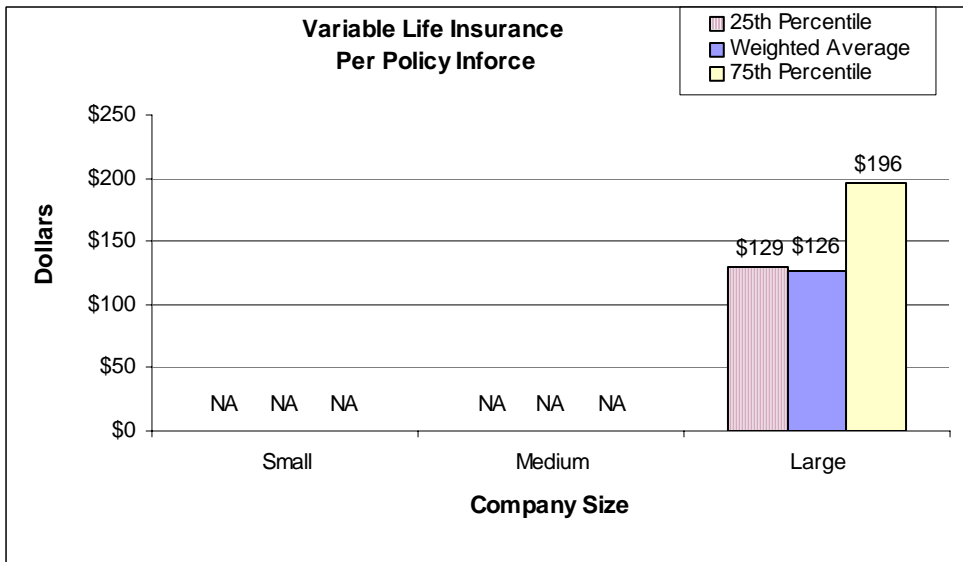
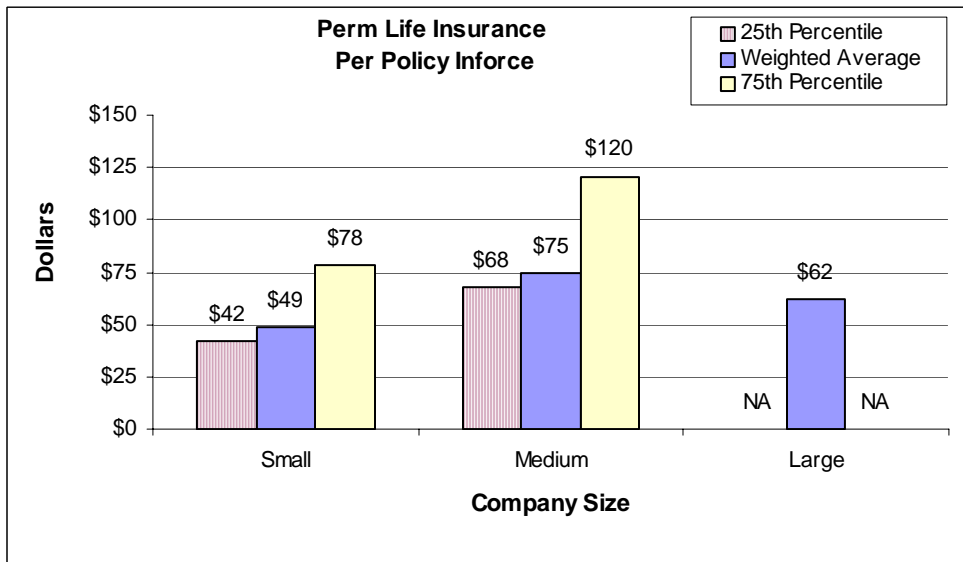
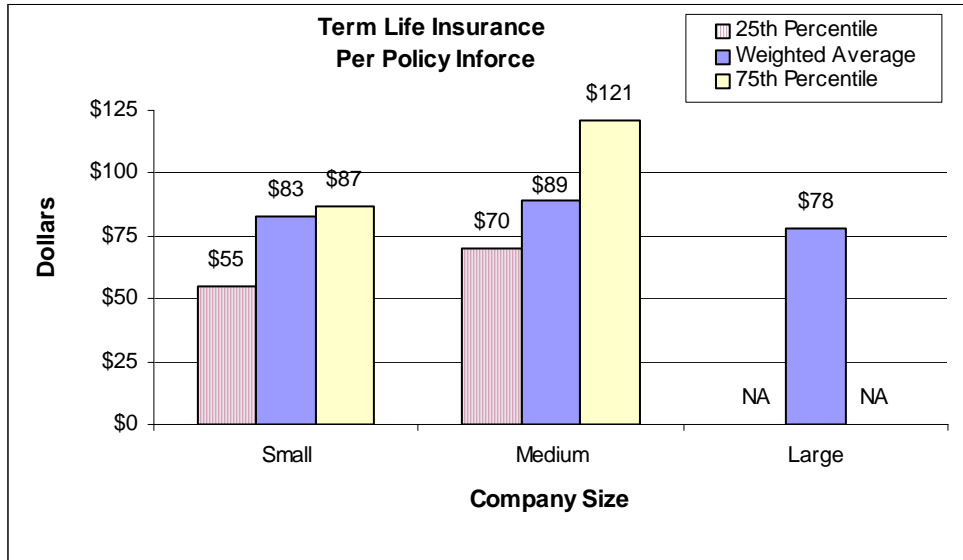
2003 Life Products
Graph 2—Acquisition Expense—All Distribution Systems Combined
First Year Commission Percent



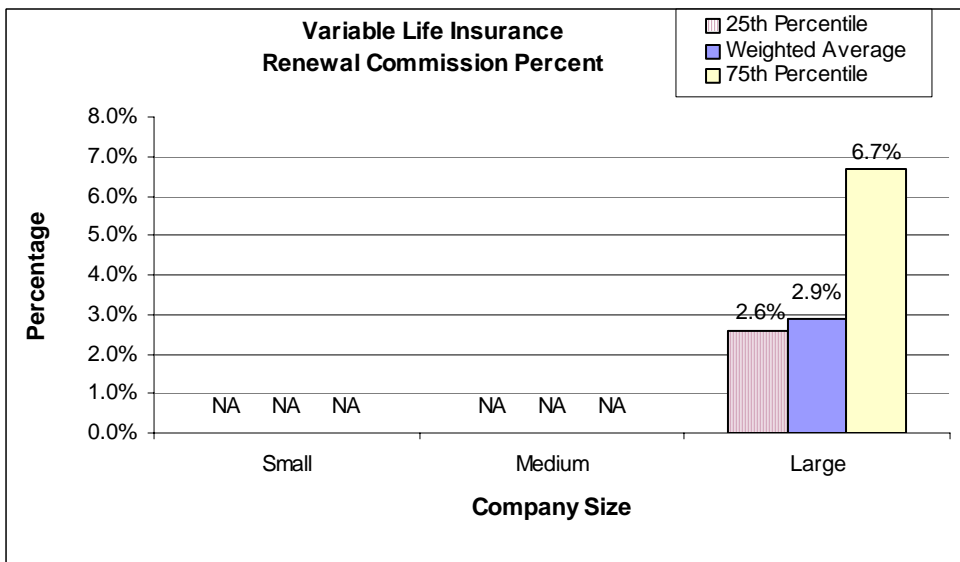
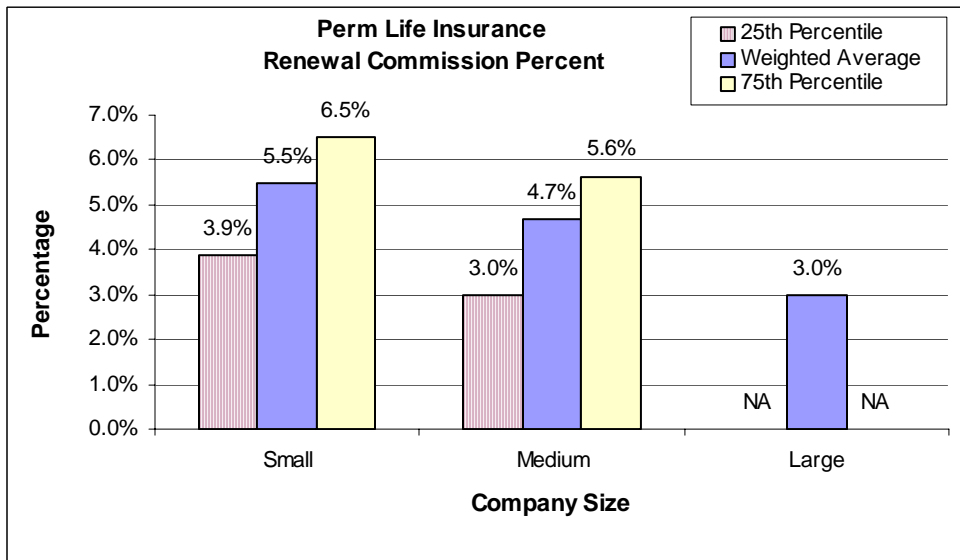
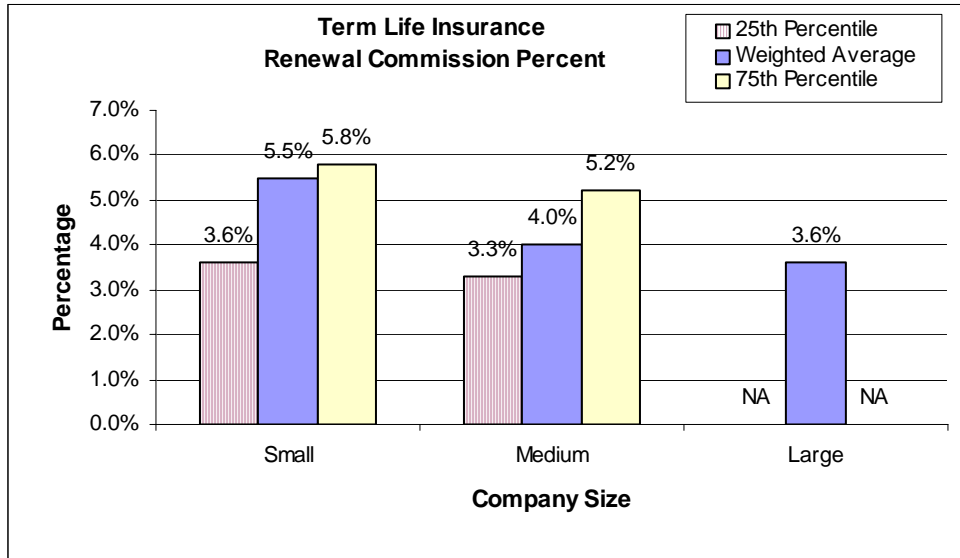
2003 Life Products
Graph 3—Acquisition Expense—All Distribution Systems Combined
Single Premium Commission Percent



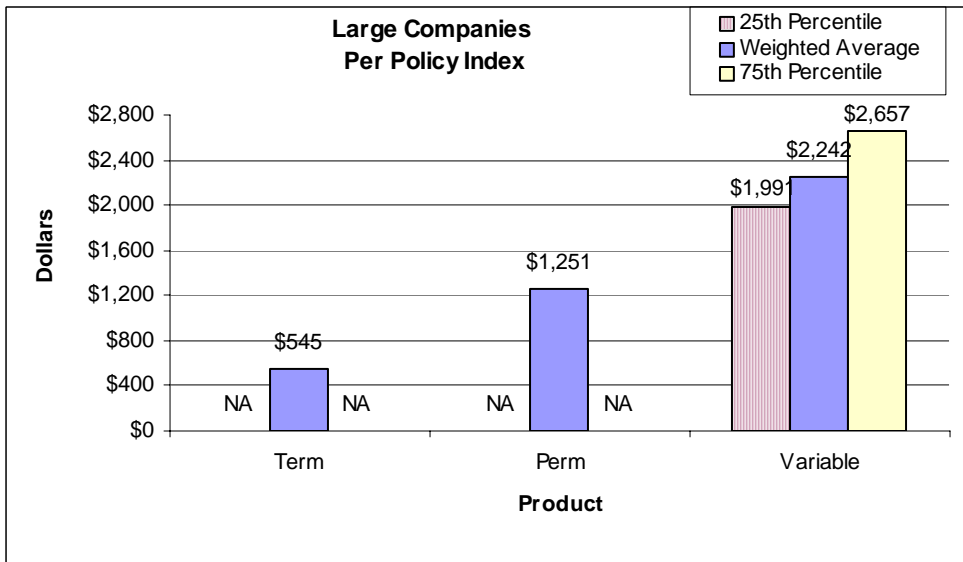
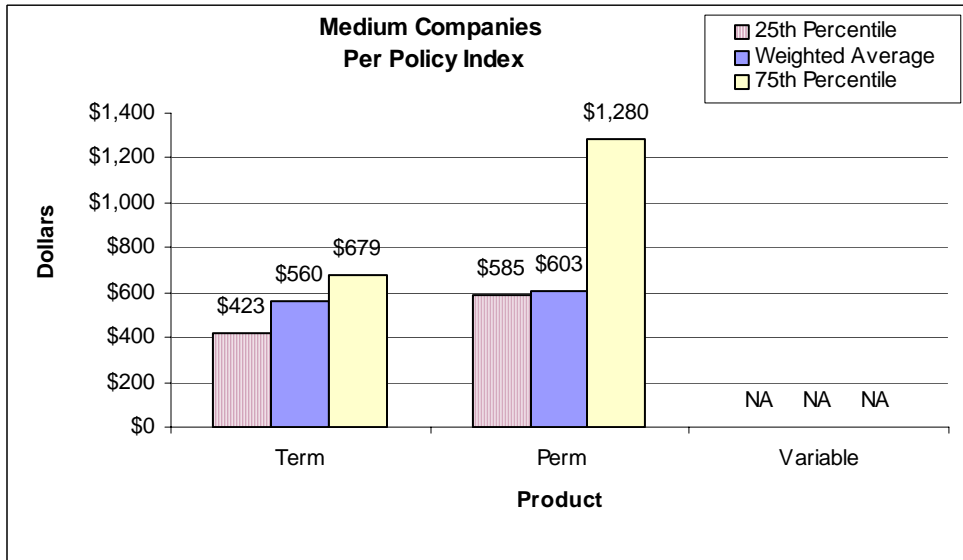
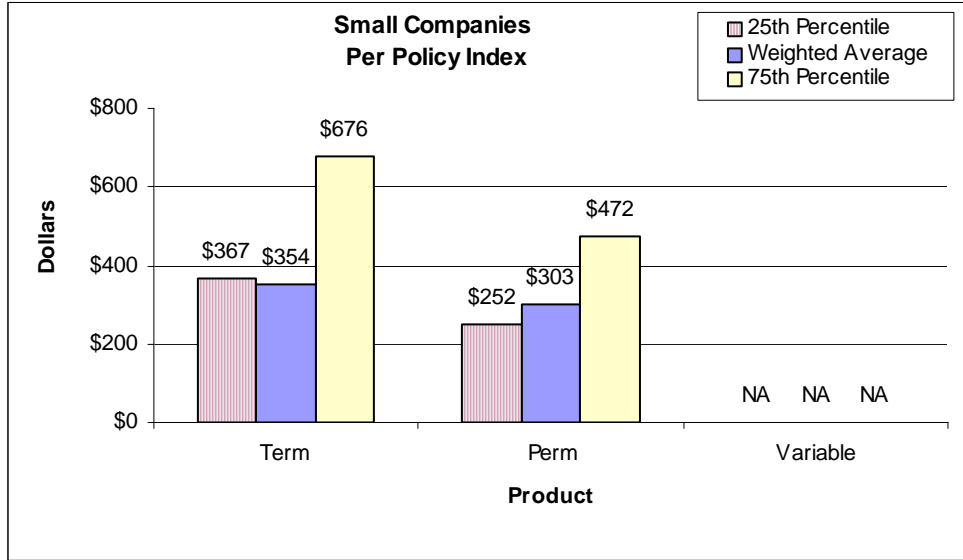
2003 Life Products
Graph 4—Non-acquisition Expense—All Distribution Systems Combined
Per Policy Inforce



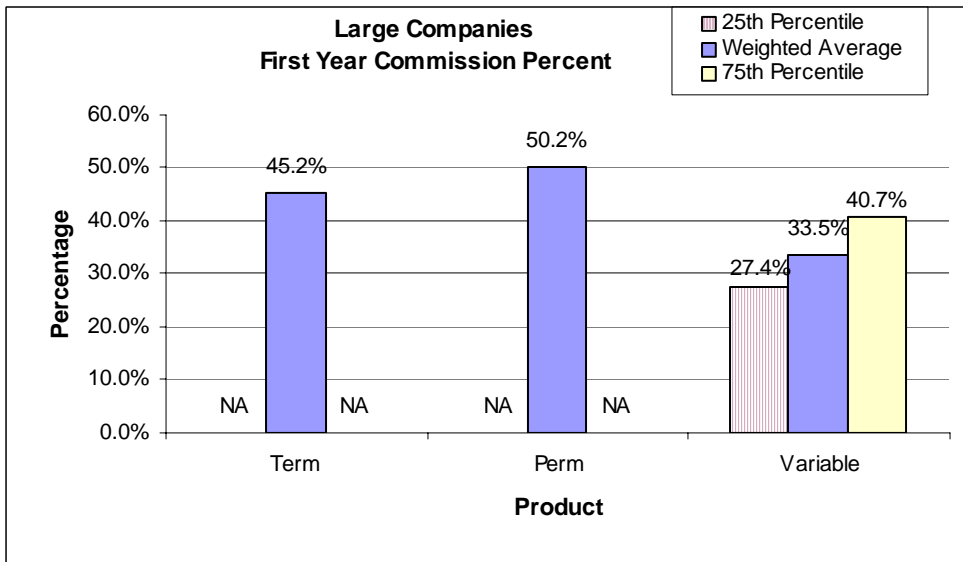
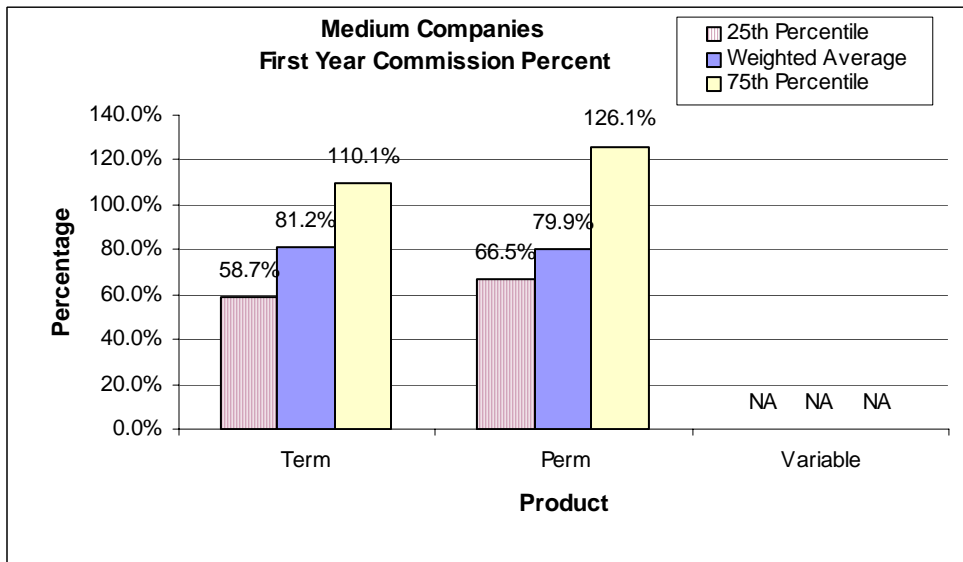
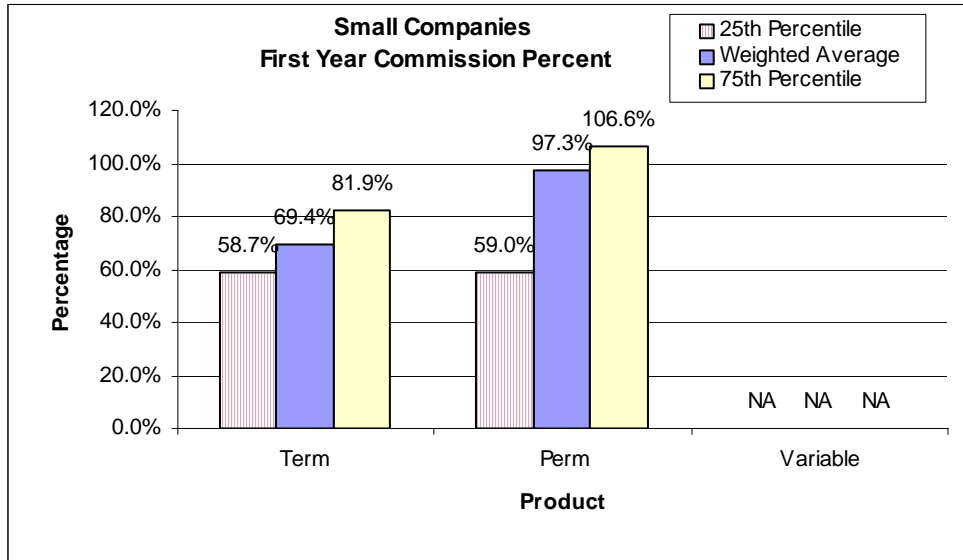
2003 Life Products
Graph 5—Acquisition Expense—All Distributions Systems Combined
Renewal Commission Percent



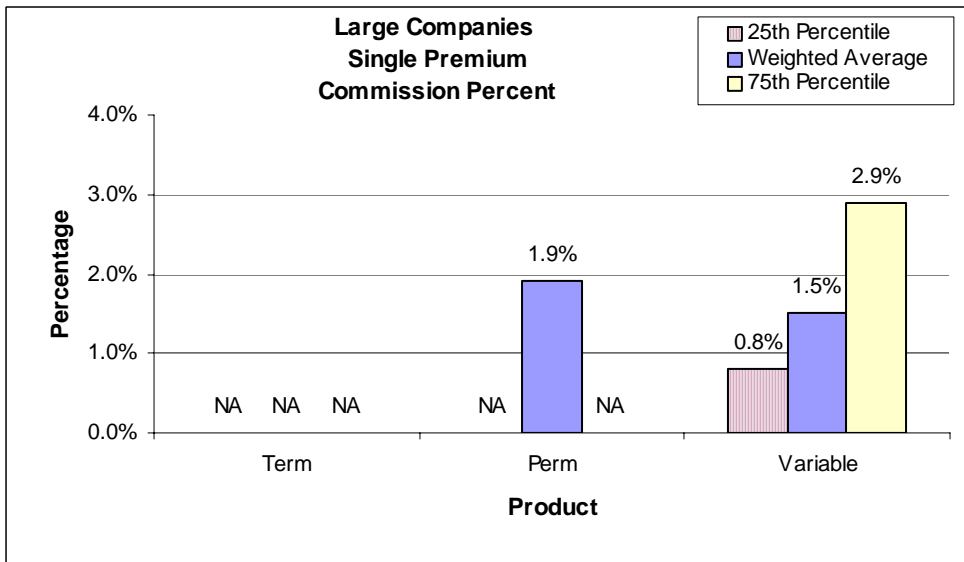
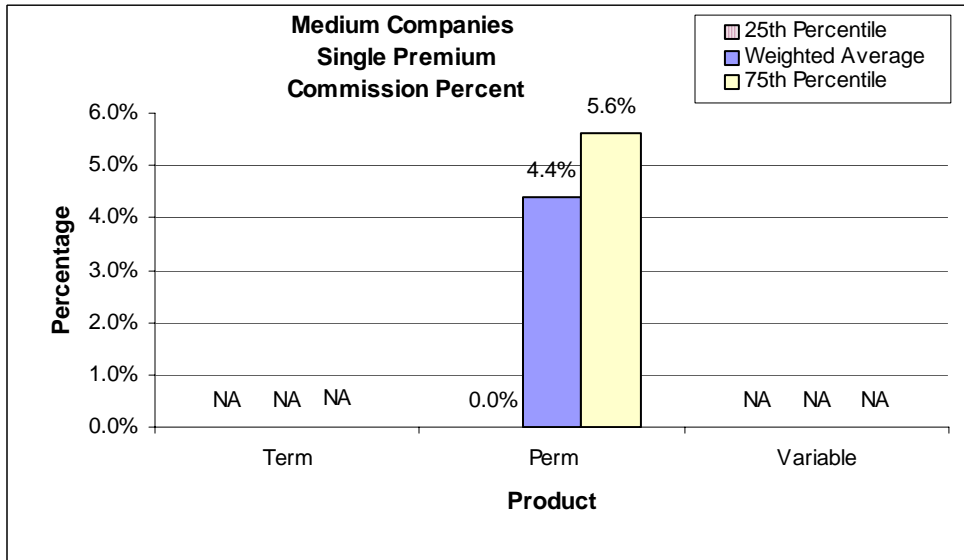
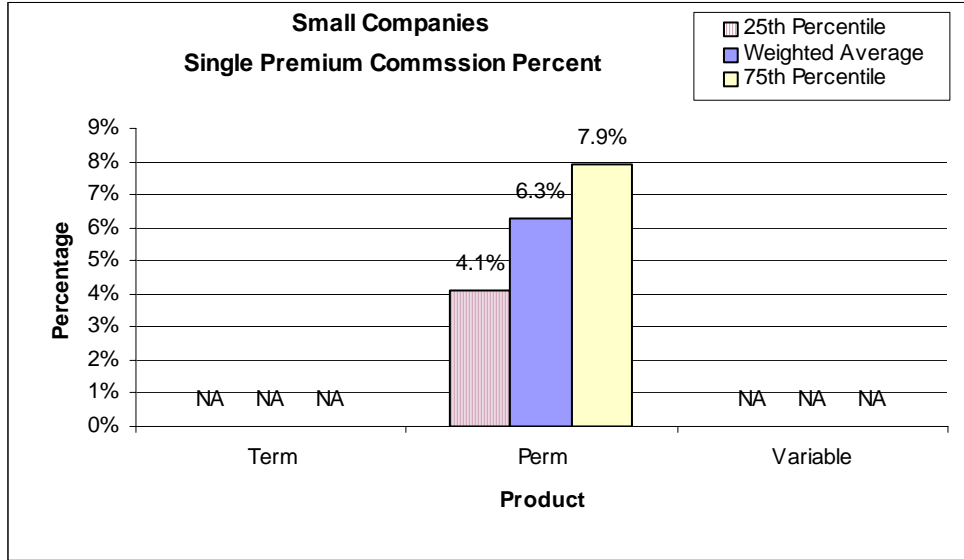
2003 Life Products
Graph 6—Acquisition Expense—All Distribution Systems Combined
Per Policy Index



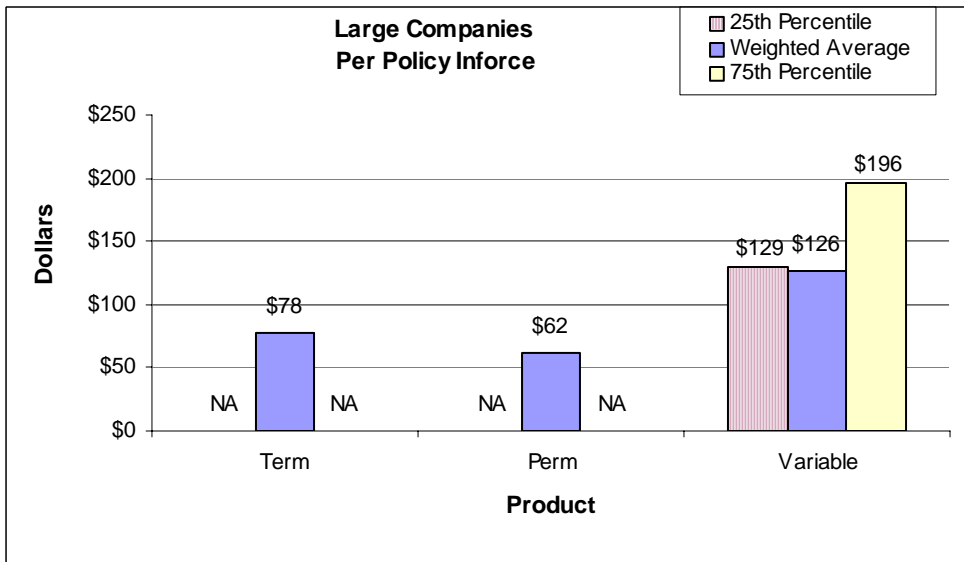
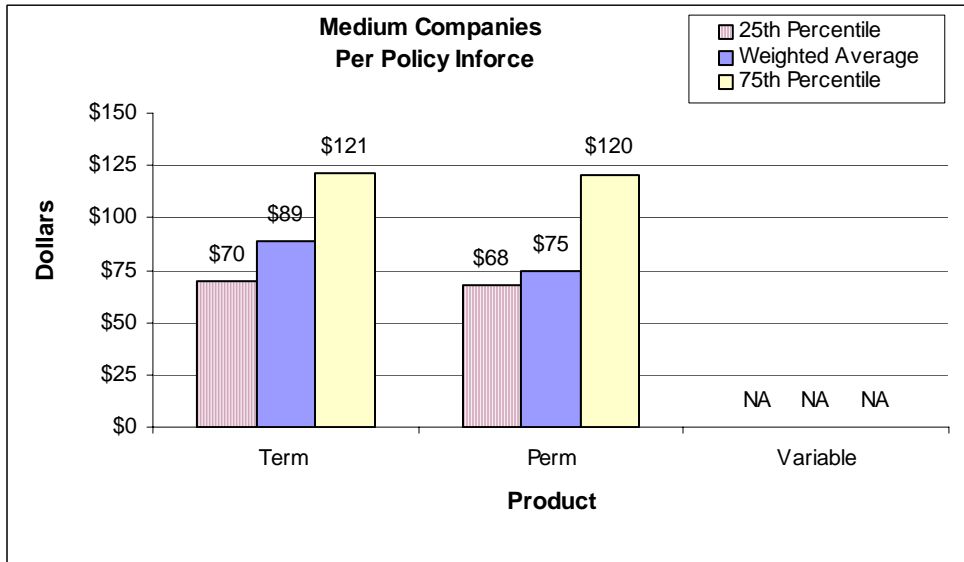
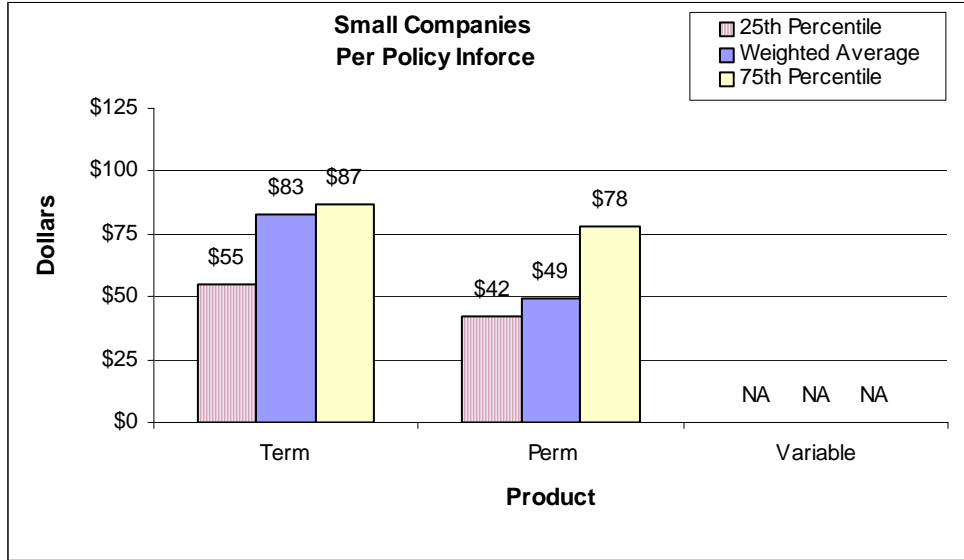
2003 Life Products
Graph 7—Acquisition Expense—All Distribution Systems Combined
First Year Commission Percent



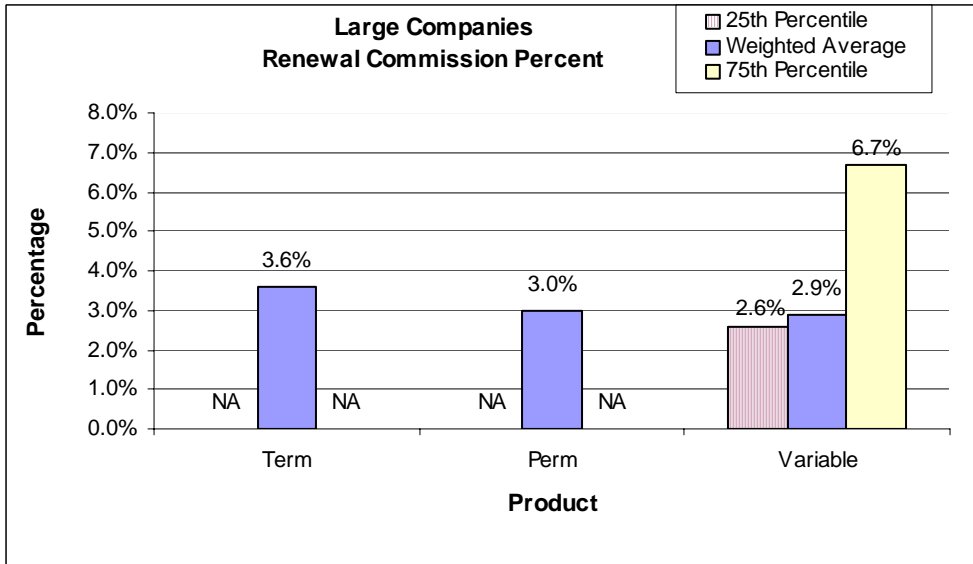
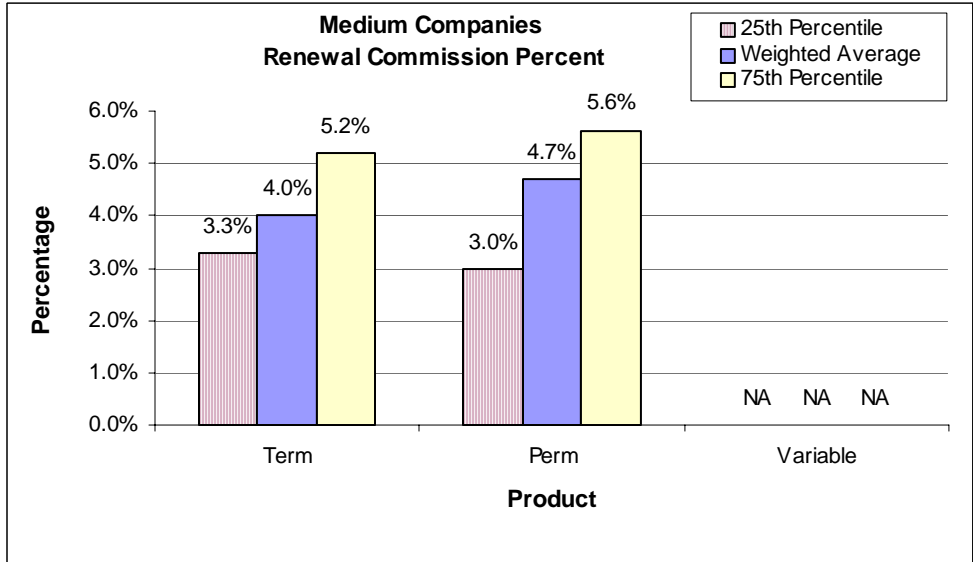
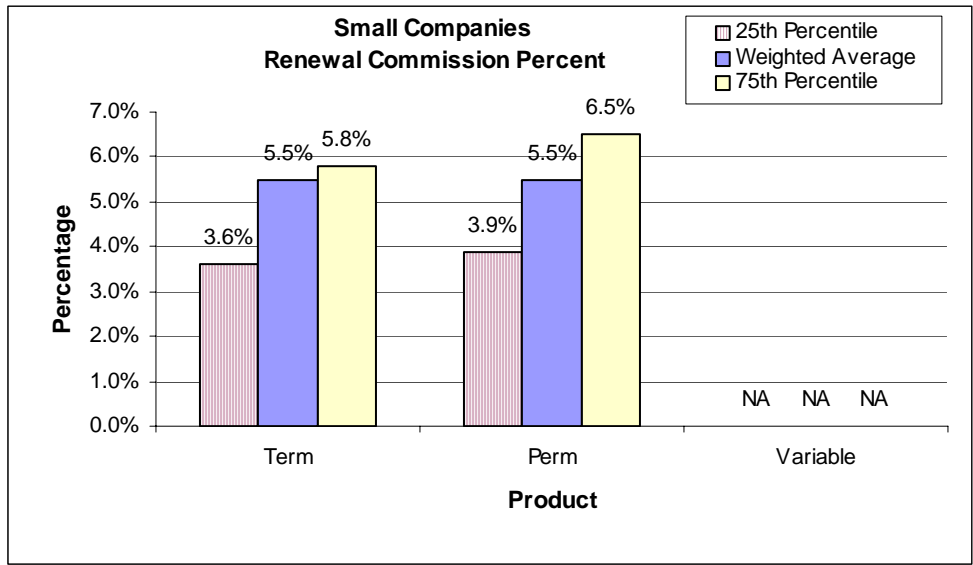
2003 Life Products
Graph 8—Acquisition Expense—All Distribution Systems Combined
Single Premium Commission Percent



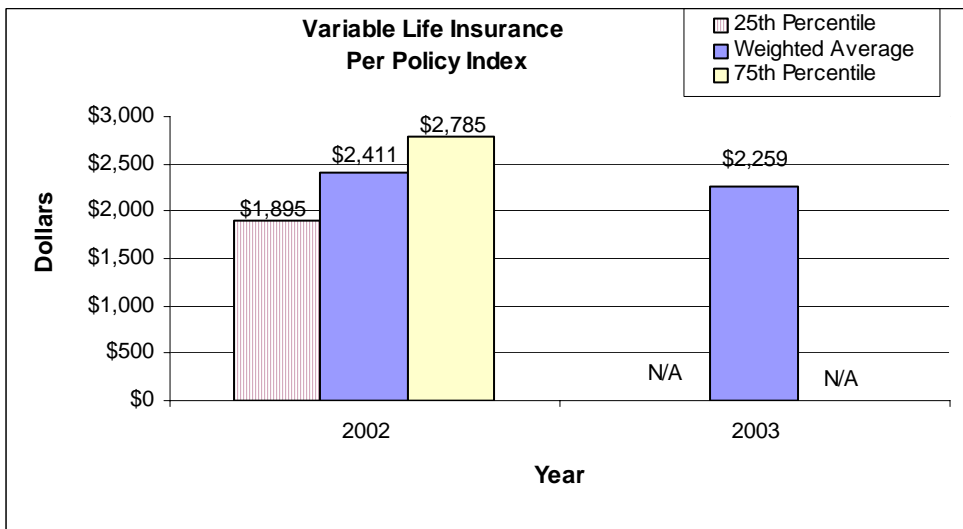
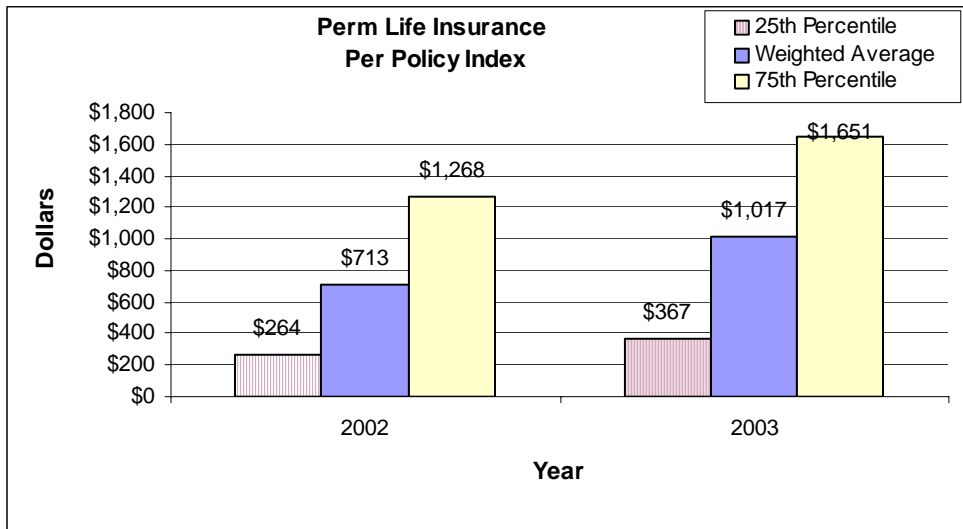
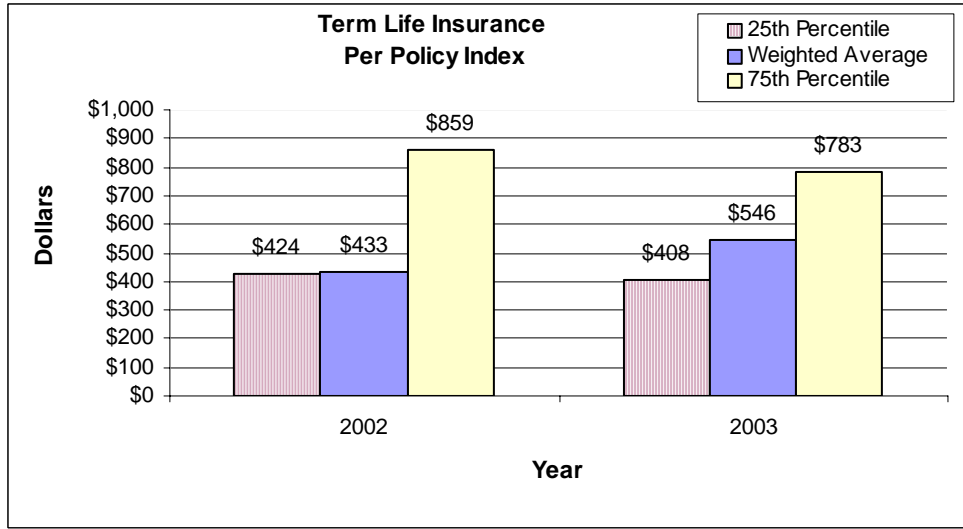
2003 Life Products
Graph 9—Non-acquisition Expense—All Distribution Systems Combined
Per Policy Inforce



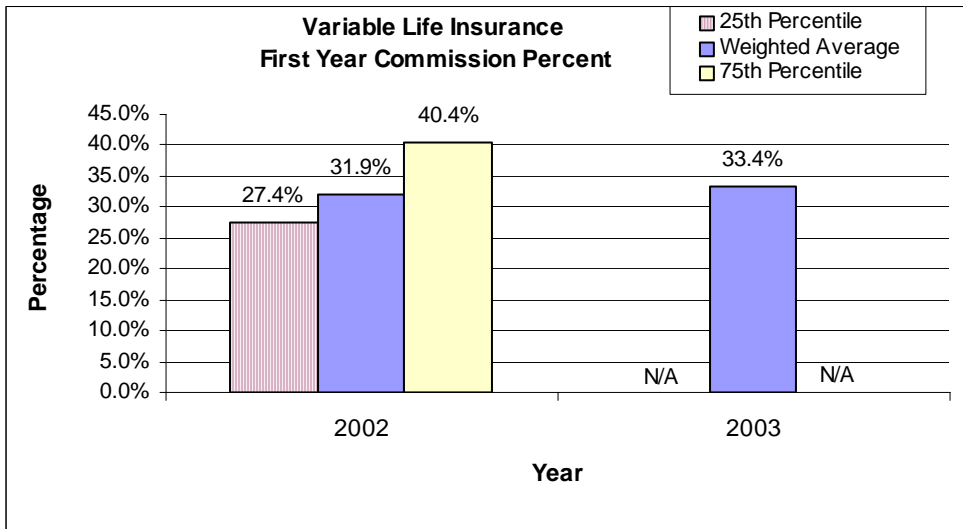
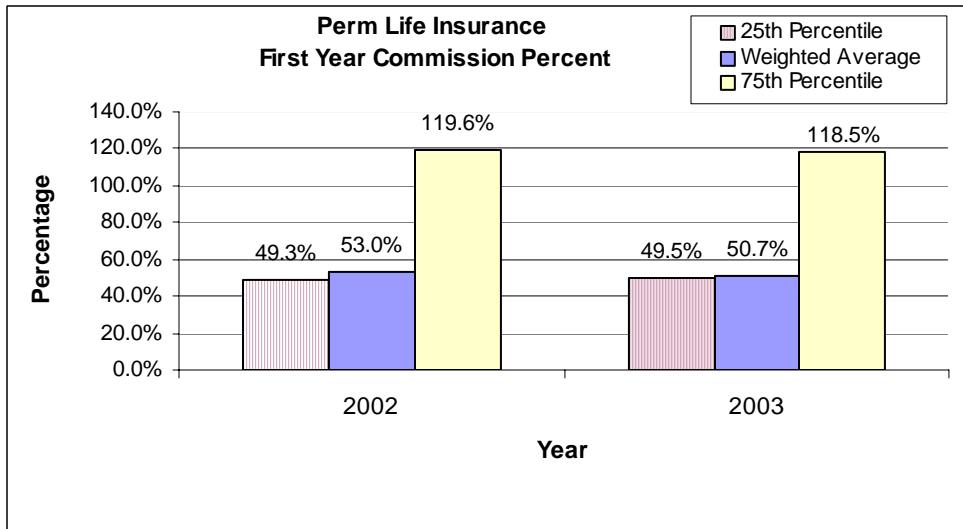
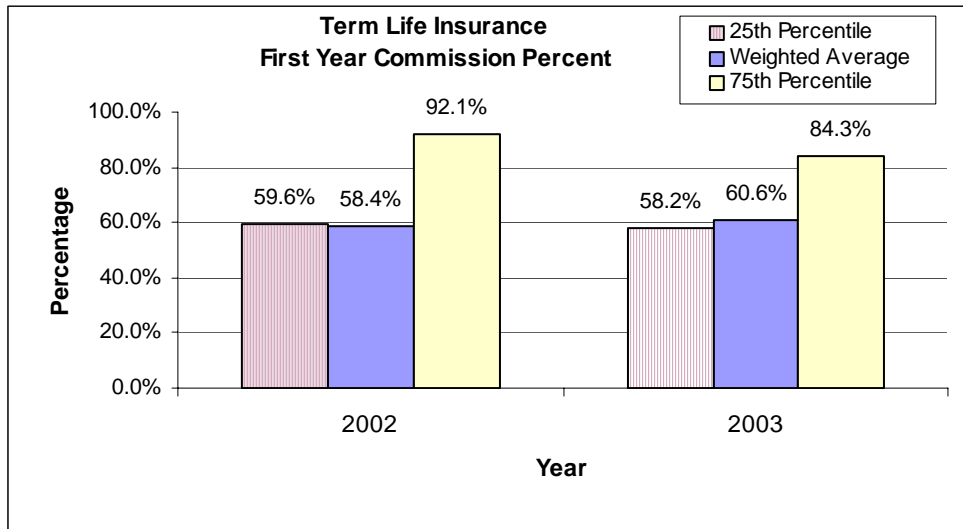
2003 Life Products
Graph 10—Acquisition Expense—All Distribution Systems Combined
Renewal Commission Percent



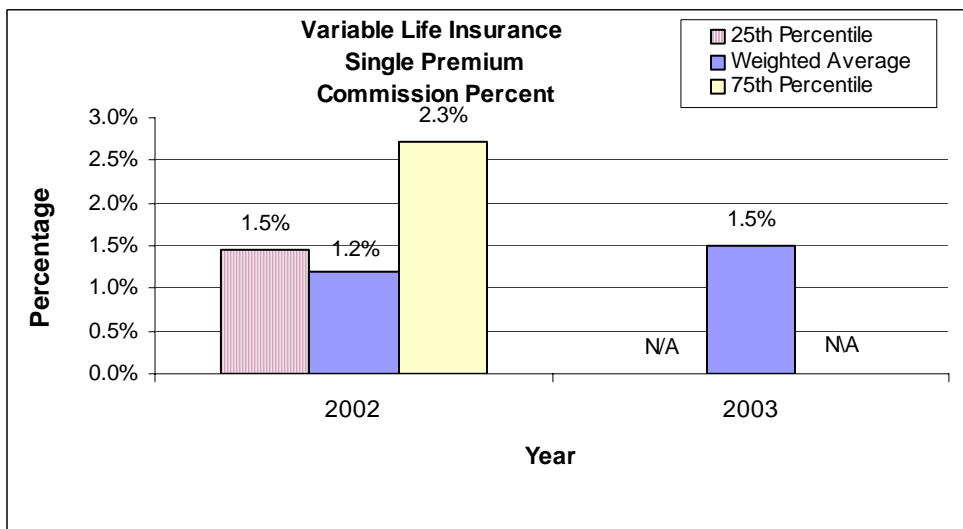
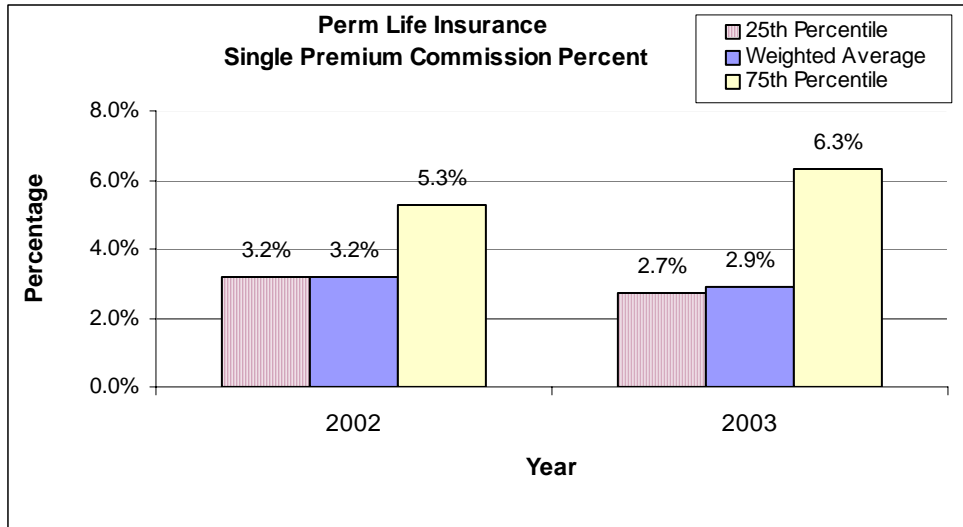
**Graph 11—Comparison of 2002 & 2003 Results
Based on only Companies Contributing in both 2002 & 2003
Acquisition—All Distribution Systems Combined
Per Policy Index**



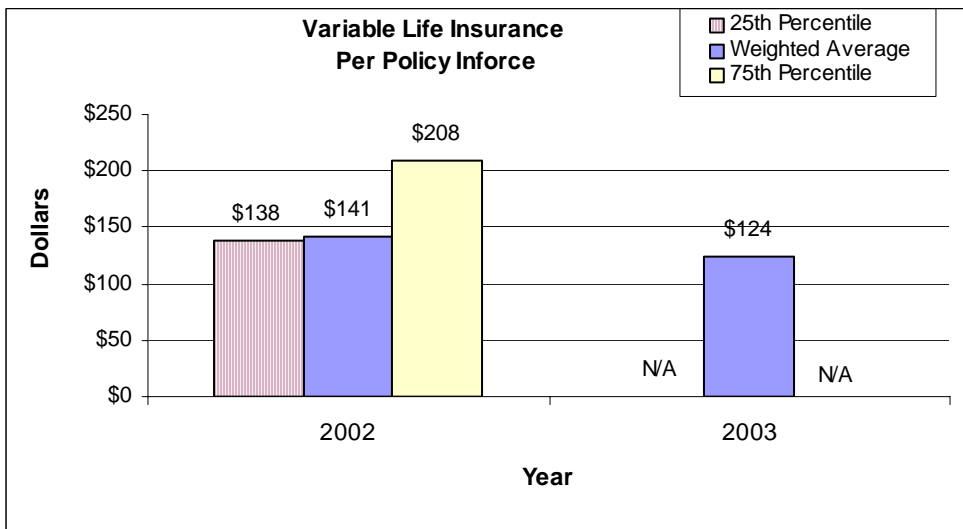
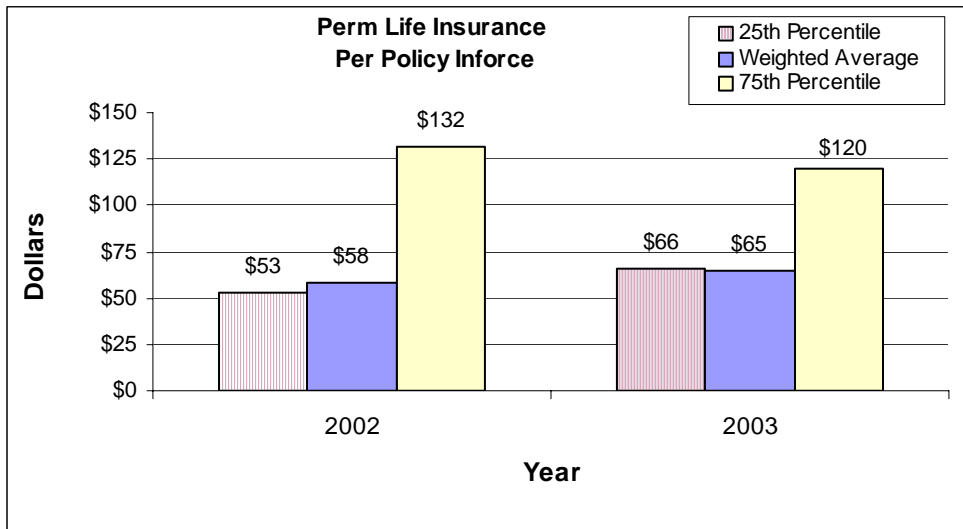
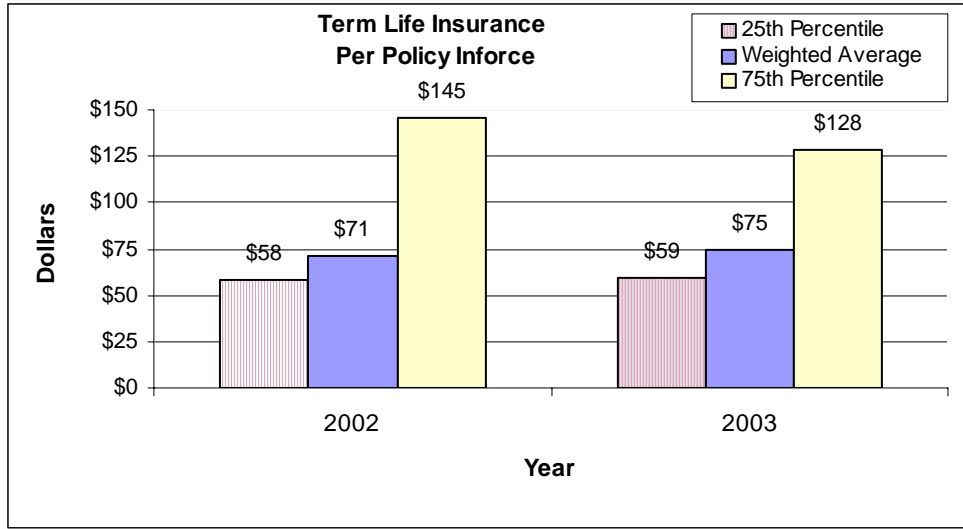
**Graph 12—Comparison of 2002 & 2003 Results
Based on only Companies Contributing in both 2002 & 2003
Acquisition—All Distribution Systems Combined
First Year Commission Percent**



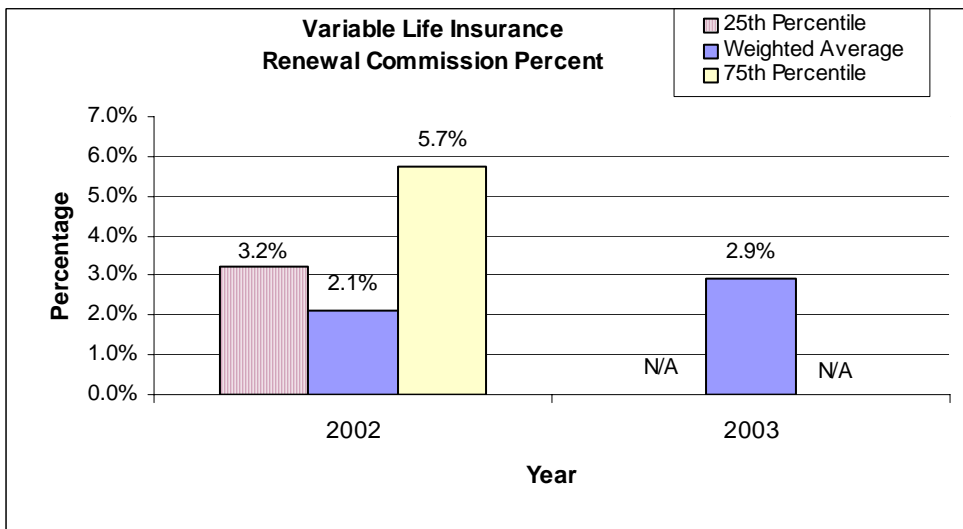
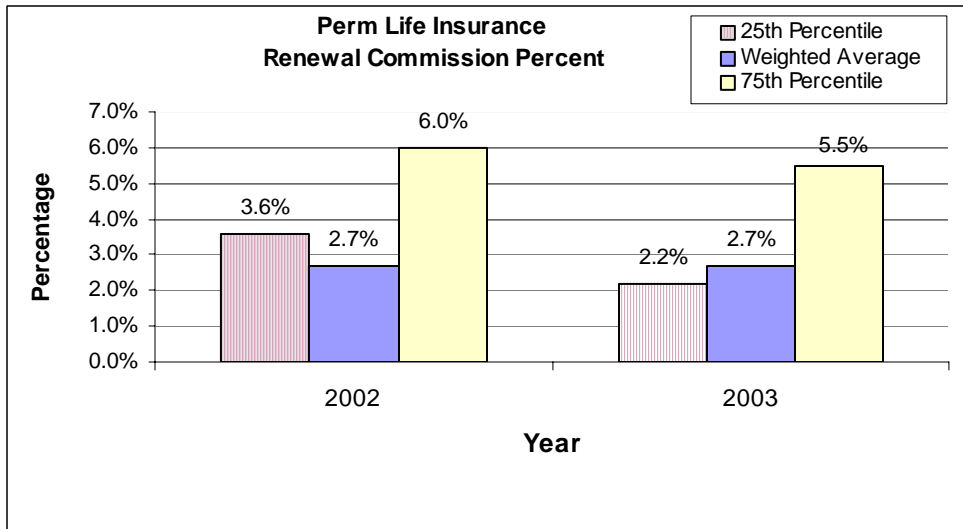
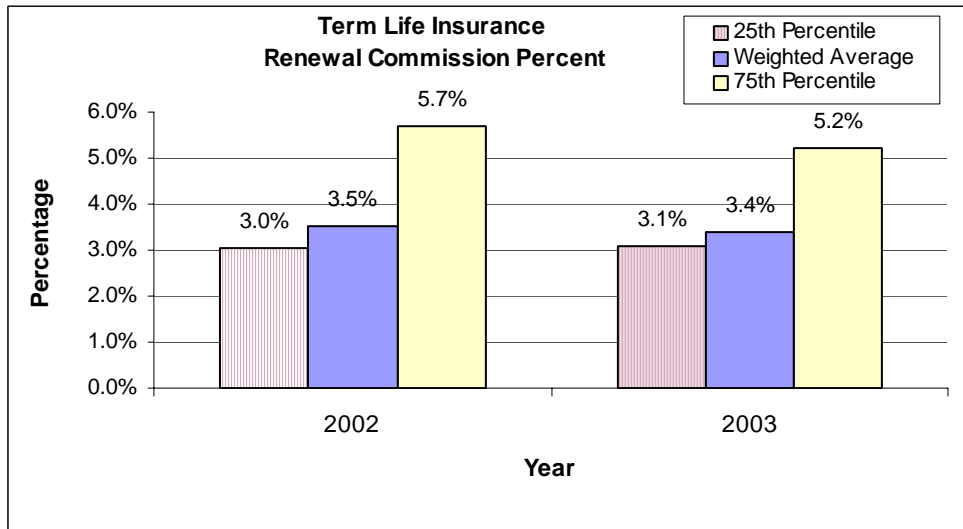
**Graph 13—Comparison of 2002 & 2003 Results
Based on only Companies Contributing in both 2002 & 2003
Acquisition—All Distribution Systems Combined
Single Premium Commission Percent**



**Graph 14—Comparison of 2002 & 2003 Results
Based on only Companies Contributing in both 2002 & 2003
Non-acquisition—All Distribution Systems Combined
Per Policy Inforce**



**Graph 15—Comparison of 2002 & 2003 Results
Based on only Companies Contributing in both 2002 & 2003
Acquisition—All Distribution Systems Combined
Renewal Commission Percent**



2003 INDIVIDUAL LIFE & ANNUITY EXPENSE STUDY

Table 10

Fixed Deferred Annuity

CAREER

Number of Companies = 10

	Acquisition			Commission Percent	
	Per Policy Issued	Percent of First Year/Single Premium	Per Policy Index	First Year/Single Premium	Renewal Commission Percent
Weighted Average	\$124	2.5%	\$731	4.4%	4.0%
Unweighted Average	\$211	4.7%	\$1,231	5.8%	4.6%
Median	\$112	1.9%	\$473	4.8%	3.9%
25th Percentile	\$49	1.1%	\$353	4.4%	3.1%
75th Percentile	\$163	4.0%	\$1,114	5.4%	4.9%

BROKERAGE

Number of Companies = 5

	Acquisition			Commission Percent	
	Per Policy Issued	Percent of First Year/Single Premium	Per Policy Index	First Year/Single Premium	Renewal Commission Percent
Weighted Average	\$248	2.3%	\$2,196	5.5%	4.3%
Unweighted Average	\$202	1.9%	\$1,265	6.0%	5.0%
Median	\$239	1.2%	\$741	5.6%	2.5%

TOTAL

Number of Companies = 21

	Acquisition			Commission Percent	
	Per Policy Issued	Percent of First Year/Single Premium	Per Policy Index	First Year/Single Premium	Renewal Commission Percent
Weighted Average	\$147	1.4%	\$628	4.7%	6.5%
Unweighted Average	\$193	1.9%	\$816	5.8%	6.6%
Median	\$133	1.2%	\$480	4.9%	4.1%
25th Percentile	\$57	0.6%	\$346	4.3%	2.5%
75th Percentile	\$193	1.9%	\$816	5.8%	5.5%

TOTAL

Number of Companies = 21

	Non-Acquisition All Distribution Systems Combined				
	Per Policy Inforce	Per Termination	Per Annuitized Contract	Premium Tax as Percent of Premium	Average Account Balance
Weighted Average	\$92	\$32	\$28	0.1%	\$29,615
Unweighted Average	\$125	\$67	\$41	0.1%	\$27,342
Median	\$96	\$23	\$27	0.0%	\$26,801
25th Percentile	\$67	\$23	\$21	0.0%	\$17,049
75th Percentile	\$146	\$38	\$27	0.1%	\$36,323

Note: Please see accompanying report for complete descriptions of the tables and calculations.

2003 INDIVIDUAL LIFE & ANNUITY EXPENSE STUDY

Table 11

Fixed Immediate Annuity

CAREER

Number of Companies = 8

	Acquisition			Commission Percent	
	Per Policy Issued	Percent of First Year/Single Premium	Per Policy Index	First Year/Single Premium	Renewal Commission Percent
Weighted Average	\$64	1.2%	\$475	1.6%	N/A
Unweighted Average	\$667	3.7%	\$2,015	4.1%	N/A
Median	\$92	0.6%	\$570	2.7%	N/A
25th Percentile	\$59	0.1%	\$214	1.3%	N/A
75th Percentile	\$497	2.2%	\$2,736	4.5%	N/A

TOTAL

Number of Companies = 17

	Acquisition			Commission Percent	
	Per Policy Issued	Percent of First Year/Single Premium	Per Policy Index	First Year/Single Premium	Renewal Commission Percent
Weighted Average	\$108	1.4%	\$785	2.2%	N/A
Unweighted Average	\$411	2.3%	\$1,335	4.3%	N/A
Median	\$98	0.7%	\$492	3.7%	N/A
25th Percentile	\$54	0.1%	\$175	1.5%	N/A
75th Percentile	\$211	1.5%	\$1,346	4.9%	N/A

TOTAL

Number of Companies = 17

	Non-Acquisition All Distribution Systems Combined				
	Per Policy Inforce	Per Termination	Per Annuitized Contract	Premium Tax as Percent of Premium	Average Account Balance
Weighted Average	\$117	\$35	\$5	0.1%	\$24,914
Unweighted Average	\$104	\$33	\$8	0.4%	\$19,901
Median	\$88	\$26	\$7	0.1%	\$24,454
25th Percentile	\$58	\$24	\$2	0.0%	\$4,022
75th Percentile	\$108	\$26	\$7	0.3%	\$31,471

Note: Please see accompanying report for complete descriptions of the tables and calculations.

2003 INDIVIDUAL LIFE & ANNUITY EXPENSE STUDY

Table 12

Variable Deferred Annuity

CAREER

Number of Companies = 6

	Acquisition			Commission Percent	
	Per Policy Issued	Percent of First Year/Single Premium	Per Policy Index	First Year/Single Premium	Renewal Commission Percent
Weighted Average	\$209	5.4%	\$2,068	3.4%	1.9%
Unweighted Average	\$177	4.3%	\$1,136	4.4%	2.9%
Median	\$160	4.0%	\$1,027	4.5%	2.7%
25th Percentile	\$131	2.1%	\$402	3.2%	2.3%
75th Percentile	\$229	5.6%	\$1,484	5.3%	3.6%

TOTAL

Number of Companies = 11

	Acquisition			Commission Percent	
	Per Policy Issued	Percent of First Year/Single Premium	Per Policy Index	First Year/Single Premium	Renewal Commission Percent
Weighted Average	\$238	2.4%	\$1,542	5.2%	2.3%
Unweighted Average	\$305	2.6%	\$1,117	4.9%	3.2%
Median	\$168	1.5%	\$809	5.2%	2.9%
25th Percentile	\$138	1.1%	\$466	4.0%	2.3%
75th Percentile	\$403	3.6%	\$1,544	5.7%	4.0%

TOTAL

Number of Companies = 11

	Non-Acquisition All Distribution Systems Combined				
	Per Policy Inforce	Per Termination	Per Annuitized Contract	Premium Tax as Percent of Premium	Average Account Balance
Weighted Average	\$147	\$36	\$34	0.1%	\$33,517
Unweighted Average	\$205	\$37	\$41	0.1%	\$31,248
Median	\$167	\$26	\$26	0.0%	\$30,573
25th Percentile	\$127	\$23	\$26	0.0%	\$13,518
75th Percentile	\$270	\$43	\$26	0.1%	\$45,480

Note: Please see accompanying report for complete descriptions of the tables and calculations.

**2003 INDIVIDUAL LIFE AND ANNUITY EXPENSE STUDY
TABLE 13 -- WEIGHTED AVERAGES -- INDIVIDUAL ANNUITY PRODUCTS**

CAREER

	Number of Companies	Acquisition			Commission Percent	
		Per Policy Issued	Percent of First Year/Single Premium	Per Policy Index	First Year/Single Premium	Renewal Commission Percent
Fixed Deferred Annuity	10	\$124	2.5%	\$731	4.4%	4.0%
Fixed Immediate Annuity	8	\$64	1.2%	\$475	1.6%	N/A
Variable Deferred Annuity	6	\$209	5.4%	\$2,068	3.4%	1.9%
TOTAL	10	\$173	4.2%	\$1,496	3.6%	2.5%

BROKERAGE

	Number of Companies	Acquisition			Commission Percent	
		Per Policy Issued	Percent of First Year/Single Premium	Per Policy Index	First Year/Single Premium	Renewal Commission Percent
Fixed Deferred Annuity	5	\$248	2.3%	\$2,196	5.5%	4.3%
TOTAL	5	\$117	1.6%	\$1,450	5.3%	3.4%

TOTAL

	Number of Companies	Acquisition			Commission Percent	
		Per Policy Issued	Percent of First Year/Single Premium	Per Policy Index	First Year/Single Premium	Renewal Commission Percent
Fixed Deferred Annuity	21	\$147	1.4%	\$628	4.7%	6.5%
Fixed Immediate Annuity	17	\$108	1.4%	\$785	2.2%	N/A
Variable Deferred Annuity	11	\$238	2.4%	\$1,542	5.2%	2.3%
TOTAL	22	\$194	2.0%	\$1,109	4.9%	4.3%

TOTAL

	Number of Companies	Non-Acquisition - All Distribution Systems Combined				
		Per Policy Inforce	Per Termination	Per Contract	Premium Tax as Percent of Premium	Average Account Balance
Fixed Deferred Annuity	21	\$92	\$32	\$28	0.1%	\$29,615
Fixed Immediate Annuity	17	\$117	\$35	\$5	0.1%	\$24,914
Variable Deferred Annuity	11	\$147	\$36	\$34	0.1%	\$33,517
TOTAL	22	\$117	\$34	\$23	0.1%	\$31,117

Note: Please see accompanying report for complete descriptions of the tables and calculations.

2003 INDIVIDUAL LIFE & ANNUITY EXPENSE STUDY

Table 14

Fixed Deferred Annuity

SMALL

Number of Companies = 9

	Acquisition			Commission Percent	
	Per Policy Issued	Percent of First Year/Single Premium	Per Policy Index	First Year/Single Premium	Renewal Commission Percent
Weighted Average	\$227	2.1%	\$1,004	5.3%	4.6%
Unweighted Average	\$244	3.5%	\$1,142	6.3%	5.0%
Median	\$143	1.2%	\$597	5.2%	2.9%
25th Percentile	\$56	0.3%	\$98	4.6%	1.7%
75th Percentile	\$259	1.6%	\$750	5.8%	5.1%

SMALL

Number of Companies = 9

	Non-Acquisition All Distribution Systems Combined				
	Per Policy Inforce	Per Termination	Per Contract	Premium Tax as Percent of Premium	Average Account Balance
Weighted Average	\$96	\$51	\$50	0.6%	\$25,248
Unweighted Average	\$84	\$37	\$61	0.1%	\$21,651
Median	\$69	\$23	\$27	0.0%	\$23,390
25th Percentile	\$67	\$21	\$27	0.0%	\$8,827
75th Percentile	\$95	\$31	\$27	0.0%	\$32,681

MEDIUM

Number of Companies = 8

	Acquisition			Commission Percent	
	Per Policy Issued	Percent of First Year/Single Premium	Per Policy Index	First Year/Single Premium	Renewal Commission Percent
Weighted Average	\$100	1.3%	\$427	4.1%	4.2%
Unweighted Average	\$194	1.6%	\$569	4.7%	9.2%
Median	\$98	1.1%	\$420	4.3%	4.0%
25th Percentile	\$64	1.0%	\$365	3.6%	3.1%
75th Percentile	\$143	1.8%	\$507	5.5%	4.8%

MEDIUM

Number of Companies = 8

	Non-Acquisition All Distribution Systems Combined				
	Per Policy Inforce	Per Termination	Per Contract	Premium Tax as Percent of Premium	Average Account Balance
Weighted Average	\$96	\$62	\$21	0.1%	\$22,771
Unweighted Average	\$180	\$115	\$25	0.2%	\$31,715
Median	\$119	\$23	\$27	0.0%	\$25,514
25th Percentile	\$82	\$23	\$22	0.0%	\$20,983
75th Percentile	\$205	\$49	\$27	0.2%	\$38,444

2003 INDIVIDUAL LIFE & ANNUITY EXPENSE STUDY

Table 14

Fixed Deferred Annuity

LARGE

Number of Companies = 4

	Acquisition			Commission Percent	
	Per Policy Issued	Percent of First Year/Single Premium	Per Policy Index	First Year/Single Premium	Renewal Commission Percent
Weighted Average	\$169	1.4%	\$719	4.9%	7.0%
Unweighted Average	\$166	1.8%	\$927	4.9%	5.5%
Median	\$172	2.1%	\$1,086	4.9%	5.3%

LARGE

Number of Companies =4

	Non-Acquisition All Distribution Systems Combined				
	Per Policy Inforce	Per Termination	Per Contract	Premium Tax as Percent of Premium	Average Account Balance
Weighted Average	\$87	\$23	\$30	0.1%	\$32,060
Unweighted Average	\$93	\$32	\$42	0.1%	\$31,398
Median	\$106	\$23	\$17	0.1%	\$32,123

Note: Please see accompanying report for complete descriptions of the tables and calculations.

2003 INDIVIDUAL LIFE & ANNUITY EXPENSE STUDY

Table 15

Fixed Immediate Annuity

SMALL

Number of Companies = 8

	Acquisition			Commission Percent	
	Per Policy Issued	Percent of First Year/Single Premium	Per Policy Index	First Year/Single Premium	Renewal Commission Percent
Weighted Average	\$336	4.5%	\$1,922	5.7%	N/A
Unweighted Average	\$278	3.9%	\$1,453	5.6%	N/A
Median	\$57	0.2%	\$108	3.8%	N/A
25th Percentile	\$18	0.1%	\$51	3.1%	N/A
75th Percentile	\$230	0.6%	\$523	5.9%	N/A

SMALL

Number of Companies = 8

	Non-Acquisition All Distribution Systems Combined				
	Per Policy Inforce	Per Termination	Per Contract	Premium Tax as Percent of Premium	Average Account Balance
Weighted Average	\$75	\$29	\$22	0.4%	\$23,969
Unweighted Average	\$52	\$31	\$12	0.6%	\$19,995
Median	\$47	\$26	\$7	0.1%	\$22,648
25th Percentile	\$24	\$26	\$4	0.0%	\$4,409
75th Percentile	\$74	\$26	\$13	1.2%	\$29,276

MEDIUM

Number of Companies = 5

	Acquisition			Commission Percent	
	Per Policy Issued	Percent of First Year/Single Premium	Per Policy Index	First Year/Single Premium	Renewal Commission Percent
Weighted Average	\$116	0.8%	\$982	1.3%	N/A
Unweighted Average	\$776	0.8%	\$1,501	4.0%	N/A
Median	\$98	0.9%	\$492	3.9%	N/A

MEDIUM

Number of Companies = 5

	Non-Acquisition All Distribution Systems Combined				
	Per Policy Inforce	Per Termination	Per Contract	Premium Tax as Percent of Premium	Average Account Balance
Weighted Average	\$220	\$89	\$6	0.0%	\$9,517
Unweighted Average	\$168	\$52	\$6	0.3%	\$11,329
Median	\$134	\$26	\$7	0.0%	\$4,022

2003 INDIVIDUAL LIFE & ANNUITY EXPENSE STUDY

Table 15

Fixed Immediate Annuity

LARGE

Number of Companies = 4

	Acquisition			Commission Percent	
	Per Policy Issued	Percent of First Year/Single Premium	Per Policy Index	First Year/Single Premium	Renewal Commission Percent
Weighted Average	\$164	1.9%	\$1,146	2.8%	N/A
Unweighted Average	\$155	1.7%	\$949	2.9%	N/A
Median	\$154	1.2%	\$750	2.6%	N/A

LARGE

Number of Companies = 4

	Non-Acquisition				
	All Distribution Systems Combined				
	Per Policy Inforce	Per Termination	Per Contract	Premium Tax as Percent of Premium	Average Account Balance
Weighted Average	\$98	\$23	\$4	0.2%	\$27,503
Unweighted Average	\$94	\$16	\$3	0.2%	\$30,427
Median	\$103	\$23	\$1	0.2%	\$31,232

Note: Please see accompanying report for complete descriptions of the tables and calculations.

2003 INDIVIDUAL LIFE & ANNUITY EXPENSE STUDY

Table 16

Variable Deferred Annuity

MEDIUM

Number of Companies = 7

	Acquisition			Commission Percent	
	Per Policy Issued	Percent of First Year/Single Premium	Per Policy Index	First Year/Single Premium	Renewal Commission Percent
Weighted Average	\$359	1.6%	\$941	4.7%	2.3%
Unweighted Average	\$331	2.9%	\$1,045	4.3%	3.2%
Median	\$168	1.5%	\$575	5.0%	2.5%
25th Percentile	\$109	1.2%	\$348	3.4%	2.3%
75th Percentile	\$515	3.0%	\$1,544	5.2%	3.6%

MEDIUM

Number of Companies = 7

	Non-Acquisition All Distribution Systems Combined				
	Per Policy Inforce	Per Termination	Per Contract	Premium Tax as Percent of Premium	Average Account Balance
Weighted Average	\$194	\$56	\$26	0.1%	\$36,079
Unweighted Average	\$239	\$42	\$30	0.2%	\$25,907
Median	\$212	\$26	\$26	0.0%	\$16,185
25th Percentile	\$152	\$23	\$26	0.0%	\$9,057
75th Percentile	\$333	\$43	\$26	0.2%	\$38,197

LARGE

Number of Companies = 4

	Acquisition			Commission Percent	
	Per Policy Issued	Percent of First Year/Single Premium	Per Policy Index	First Year/Single Premium	Renewal Commission Percent
Weighted Average	\$220	2.4%	\$1,633	5.3%	2.3%
Unweighted Average	\$259	2.1%	\$1,243	6.0%	3.2%
Median	\$176	2.1%	\$1,134	5.9%	3.5%

LARGE

Number of Companies = 4

	Non-Acquisition All Distribution Systems Combined				
	Per Policy Inforce	Per Termination	Per Contract	Premium Tax as Percent of Premium	Average Account Balance
Weighted Average	\$133	\$27	\$38	0.0%	\$32,841
Unweighted Average	\$140	\$28	\$55	0.0%	\$40,596
Median	\$126	\$26	\$18	0.0%	\$38,846

Note: Please see accompanying report for complete descriptions of the tables and calculations.

2003 INDIVIDUAL LIFE AND ANNUITY EXPENSE STUDY
Table 17

Annuity Products - Comparison of 2002 and 2003 Unit Costs
for Companies Contributing in both 2002 and 2003

Fixed Deferred Annuity

	Acquisiton		Commission Percent				Non-acquisition	
	Per Policy Index		First Year/Single Premium		Renewal		Per Policy Inforce	
	2002	2003	2002	2003	2002	2003	2002	2003
Weighted Average	\$374	\$466	3.6%	4.0%	6.4%	6.7%	\$84	\$68
25th Percentile	\$128	\$303	3.3%	3.5%	2.1%	2.2%	\$46	\$44
75th Percentile	\$586	\$593	4.8%	5.2%	5.3%	4.7%	\$192	\$105
25th Percentile Difference		6%		-8%		-13%		-20%
75th Percentile Difference		48%		53%		26%		7%

Fixed Immediate Annuity

	Acquisiton		Commission Percent				Non-acquisition	
	Per Policy Index		First Year/Single Premium		Renewal		Per Policy Inforce	
	2002	2003	2002	2003	2002	2003	2002	2003
Weighted Average	\$1,328	\$1,390	2.2%	1.4%	N/A	N/A	\$178	\$99
25th Percentile	\$163	\$100	2.7%	1.1%	N/A	N/A	\$46	\$47
75th Percentile	\$1,281	\$1,544	4.0%	3.8%	N/A	N/A	\$206	\$121
25th Percentile Difference		-41%		-41%		N/A		N/A
75th Percentile Difference		44%		23%		N/A		1%

Variable Deferred Annuity

	Acquisiton		Commission Percent				Non-acquisition	
	Per Policy Index		First Year/Single Premium		Renewal		Per Policy Inforce	
	2002	2003	2002	2003	2002	2003	2002	2003
Weighted Average	\$1,320	\$1,681	5.2%	4.7%	2.8%	2.2%	\$173	\$127
25th Percentile	\$221	\$466	3.9%	3.4%	2.8%	2.3%	\$130	\$119
75th Percentile	\$1,191	\$1,775	5.8%	5.6%	3.1%	3.1%	\$202	\$192
25th Percentile Difference		32%		-7%		-36%		-23%
75th Percentile Difference		101%		96%		9%		0%

Note: Please see accompanying report for complete descriptions of the tables and calculations.

**2003 SOA Expense Study
Total Expense Units - All Companies**

Table 18

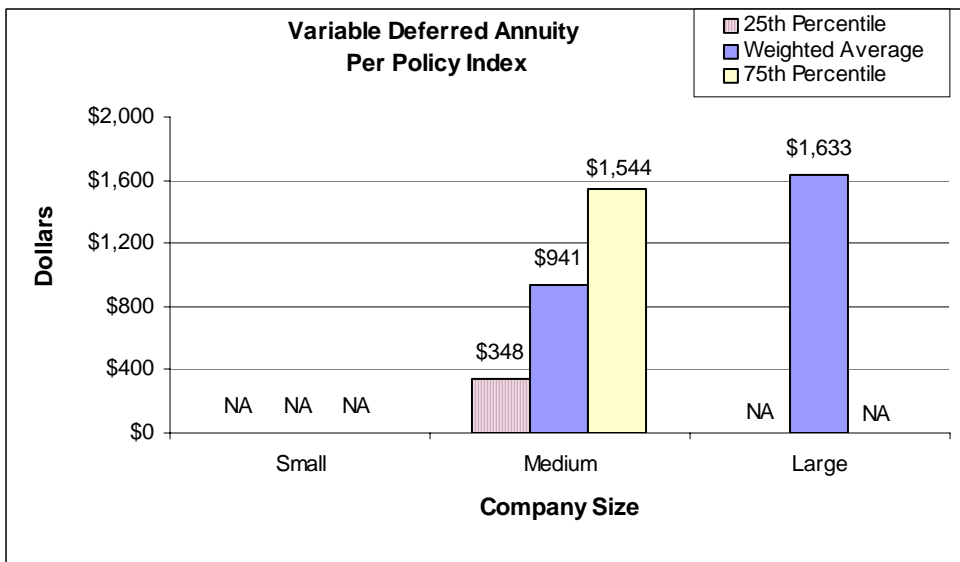
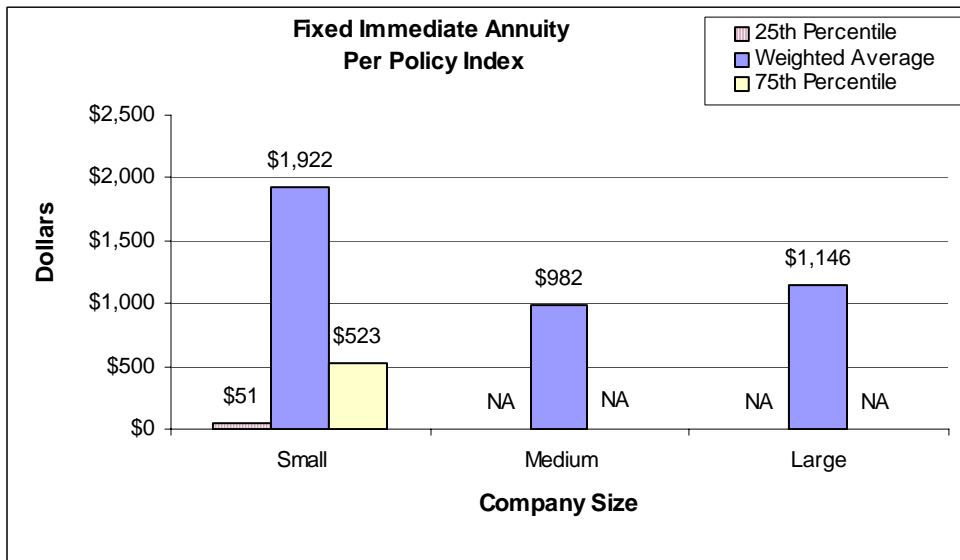
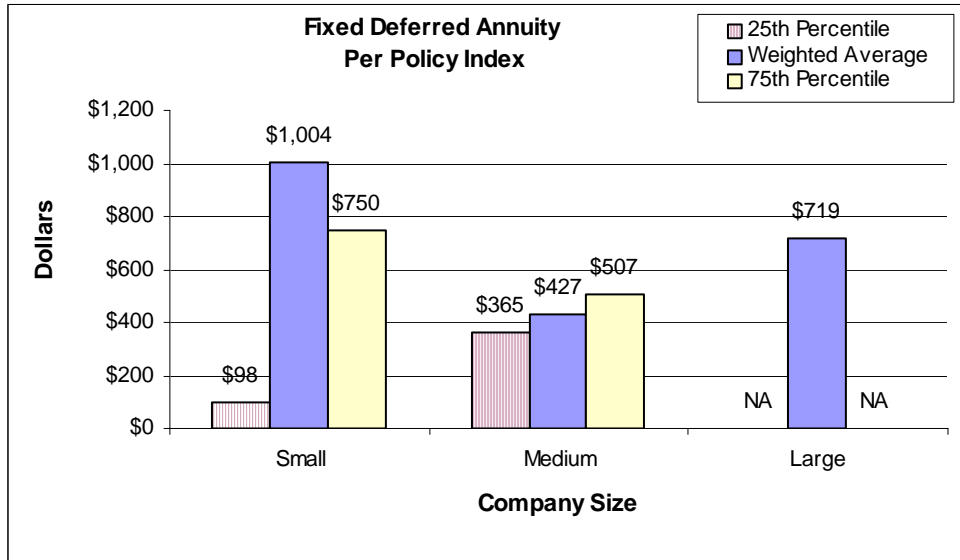
	Annuity Products							Total
	Career	Brokerage	PPGA	Stockbroker	Financial Institutions	Other	Unallocated	
A. New Business - Direct								
1. Policies / Contracts Issued	249,577	71,649	1,718	92,369	25,408	6,531	120,240	567,492
2. First Year Premium Collected	5,252,565,149	5,094,267,625	8,241,717	2,785,137,888	1,501,254,619	809,220,237	5,566,733,361	21,017,420,596
3. Single Premium Collected	2,531,536,628	856,698,793	37,307,881	290,661,588	0	216,449,643	1,162,259,241	5,094,913,773
B. Inforce - Direct - Current Year								
1. Policies / Contracts	3,113,892	271,869	69,288	703,854	111,412	253,263	1,101,704	5,625,282
2. Volume (not applicable to annuities)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
3. Renewal Premium Collected	2,556,047,432	147,734,174	40,199,206	1,487,285,184	443,349,000	265,066,861	401,105,201	5,340,787,058
4. Account Balances	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	179,122,009,353	179,122,009,353
C. Inforce - Direct - Previous Year								
1. Policies / Contracts	3,041,519	184,281	72,763	801,810	91,715	266,248	1,097,598	5,555,934
2. Renewal Premium Collected	2,317,005,851	235,098,178	121,641,669	1,151,456,205	331,274,000	285,946,006	260,405,645	4,702,827,553
3. Account Balances	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	169,157,492,630	169,157,492,630
D. Claims/Contracts								
1. Number of Surrenders/Lapses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	267,350	267,350
2. Number of Annuity Contracts on which a Periodic Payment was made	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	507,175	507,175

**2003 SOA Expense Study
Total Expenses - All Companies**

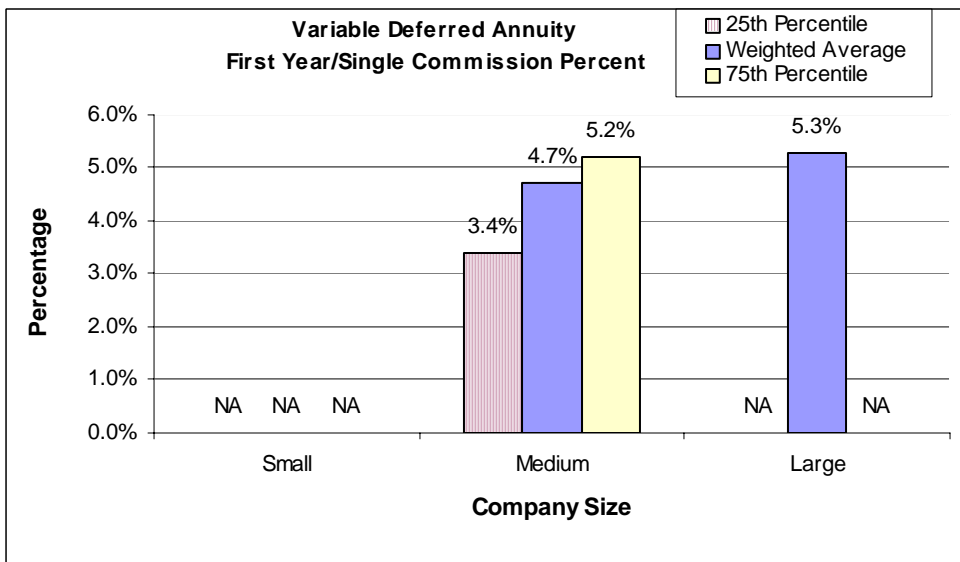
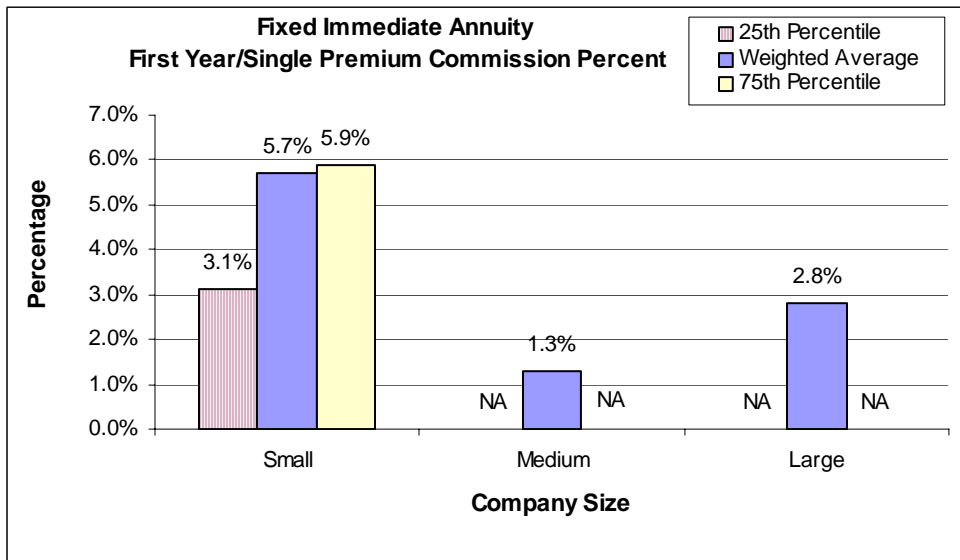
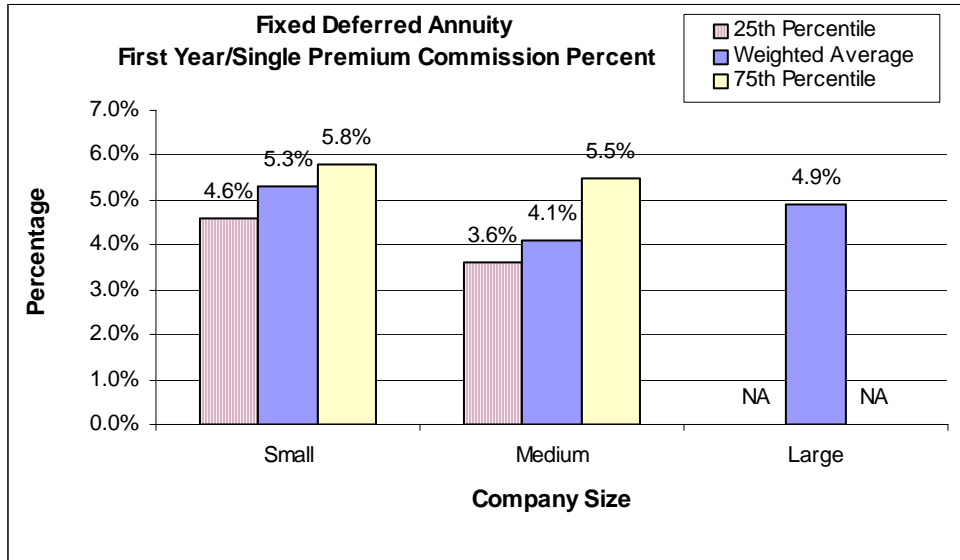
Table 18

Function	Annuity Products							Total
	Career	Brokerage	PPGA	Stockbroker	Financial Institutions	Other	Unallocated	
E. Commissions Paid								
1. First Year Commissions	218,736,126	269,031,257	212,075	104,922,233	120,029,817	23,068,082	380,356,383	1,116,355,972
2. Single Commissions	62,427,801	45,913,995	2,004,785	14,280,470	0	0	48,432,577	173,059,629
3. Renewal Commissions	64,222,443	5,006,056	1,050,083	112,575,667	15,029,518	14,369,609	15,884,790	228,138,165
F. Acquisition / Developmental Expenses Paid								
1. Sales / Marketing	319,160,590	93,425,929	687,305	7,628,438	1,179,026	8,554,029	59,723,199	490,358,516
2. UW - IR and ME - Not applicable	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
3. UW - Other - Not applicable	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
4. Policy / Contract Issue	21,146,558	4,138,016	129,440	11,227,121	9,985,071	3,284,265	2,244,779	52,155,250
5. Product Development	15,827,555	6,315,039	30,361	5,162,364	4,971,881	951,485	442,755	33,701,441
6. Other Acquisition - Please list								
a.	17,169,699	0	13,422	0	0	115,200	35,666,682	52,965,003
b.	0	0	0	0	0	0	0	0
c.	0	0	0	0	0	0	0	0
d.	0	0	0	0	0	0	0	0
G. Other Expenses Paid								
1. Benefit Department(s) / Claim Settlement Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	11,530,072	11,530,072
2. Policyowner Services	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	177,618,869	177,618,869
3. Surrender and Lapse Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	8,993,444	8,993,444
4. Significant Non-recurring Expenses (specify)								
a.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	55,562,857	55,562,857
b.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	0	0
c.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	0	0
d.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	0	0
5. Total Overhead	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	399,292,693	399,292,693
6. Amount of Total Overhead Allocable to Acquisition	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	33,337,720	33,337,720
7. Other non-overhead								
a.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	3,607,586	3,607,586
b.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	3,379,287	3,379,287
c.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	2,507,794	2,507,794
d.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	0	0
H. Premium Tax & Guar Assoc Assessments								
	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	20,262,645	20,262,645
I. Total Expenses								
	718,690,771	423,830,291	4,127,471	255,796,294	151,195,313	50,342,670	1,225,506,412	2,829,489,223

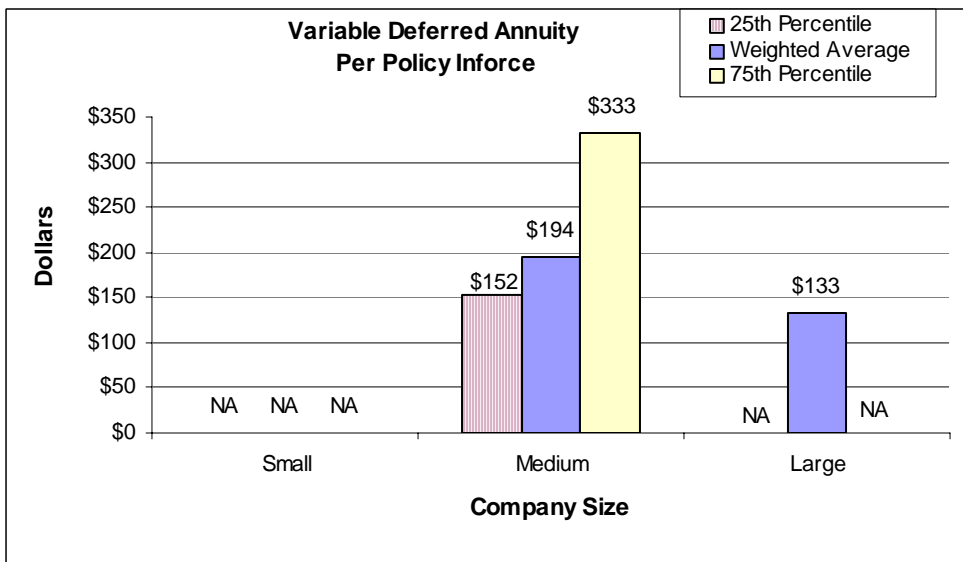
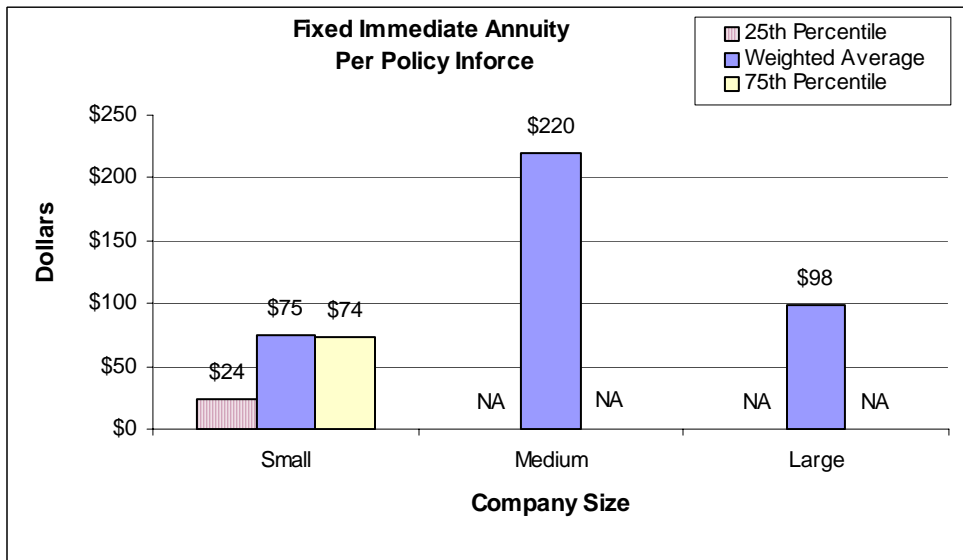
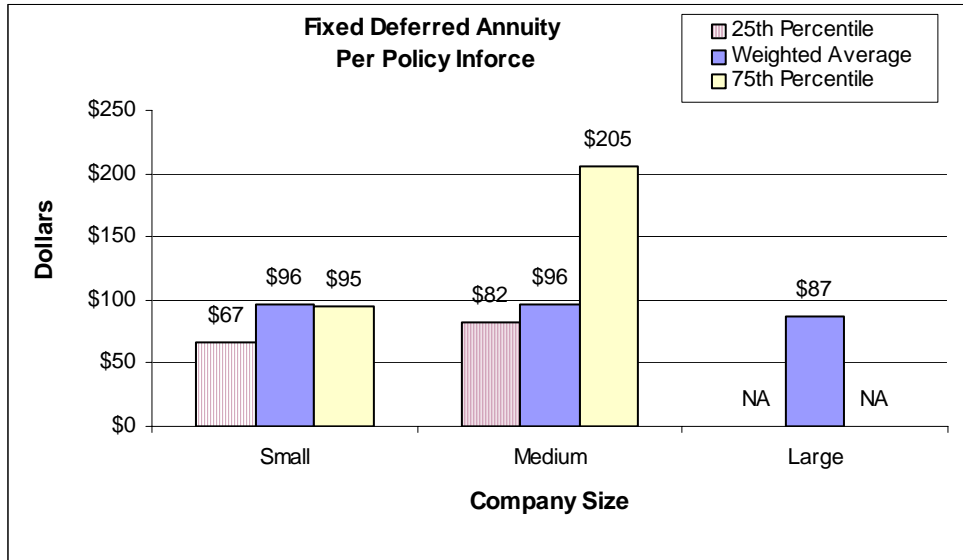
2003 Annuity Products
Graph 16—Acquisition Expense—All Distribution Systems Combined
Per Policy Index



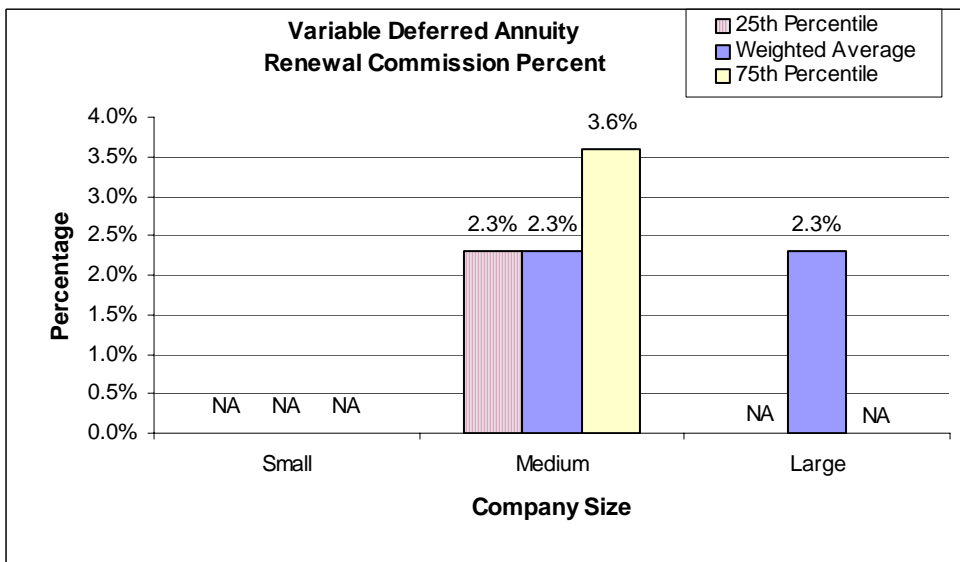
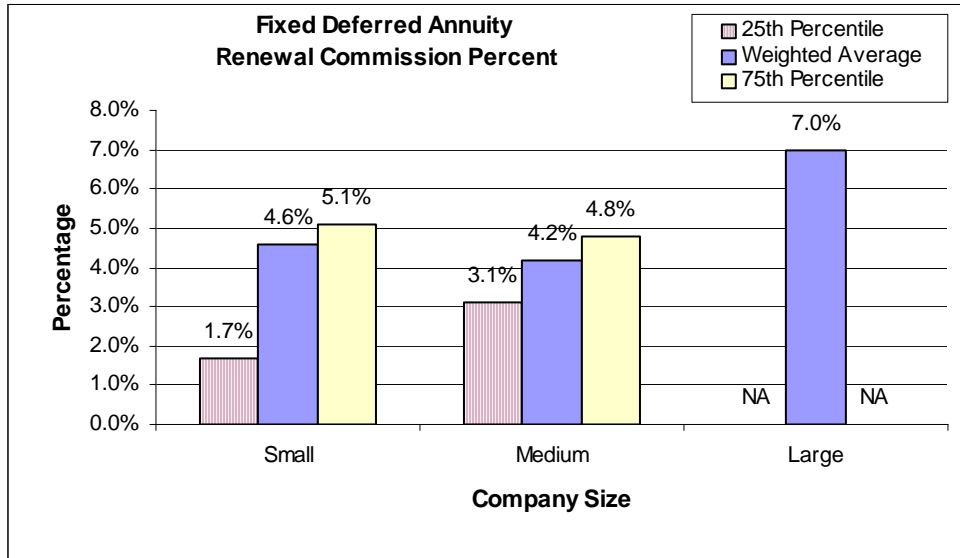
2003 Annuity Products
Graph 17—Acquisition Expense—All Distribution Systems Combined
First Year/Single Premium Commission Percent



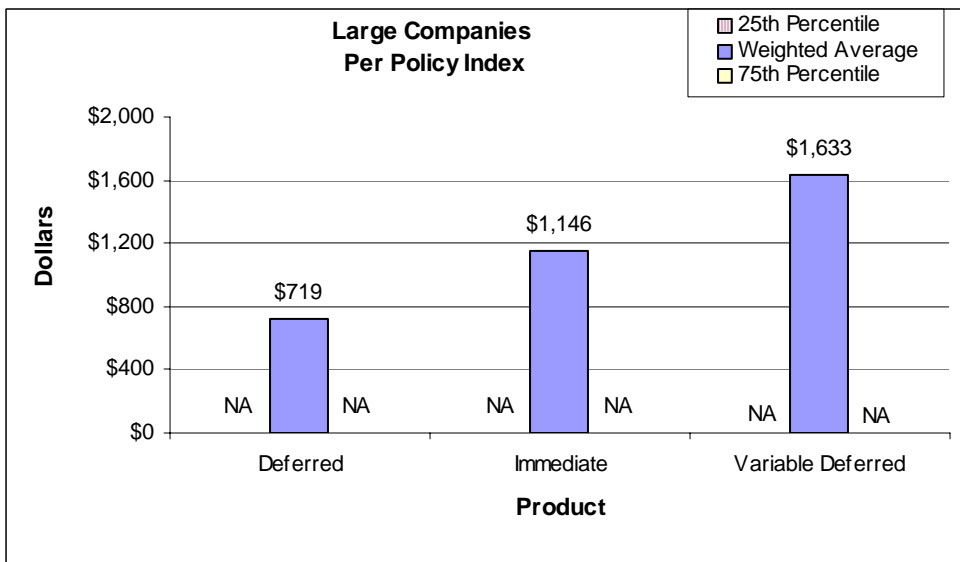
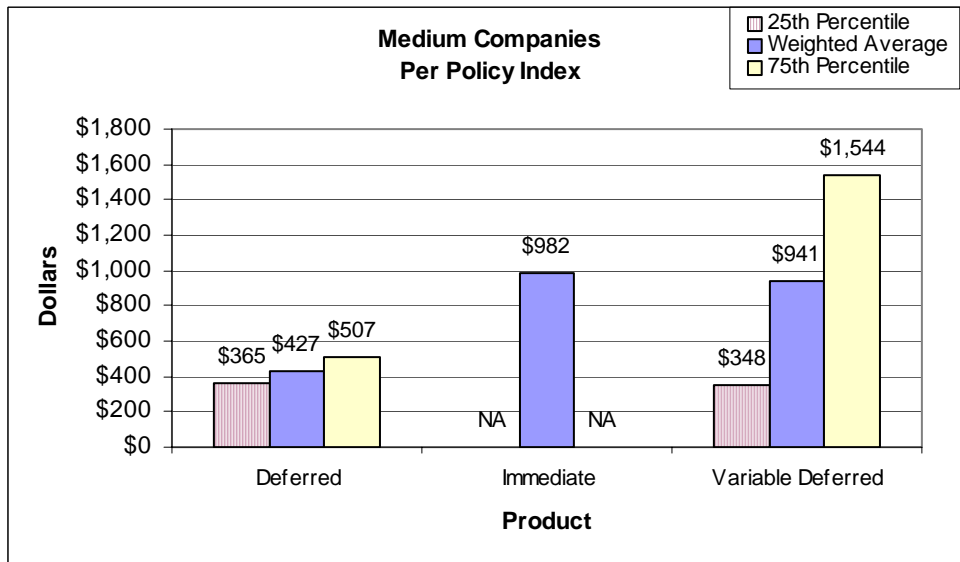
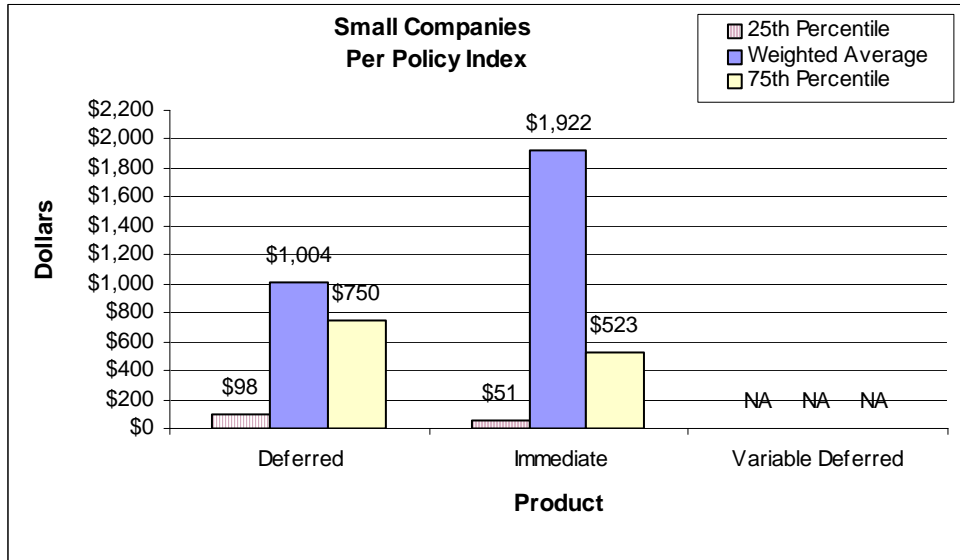
2003 Annuity Products
Graph 18—Non-acquisition Expense—All Distribution Systems Combined
Per Policy Inforce



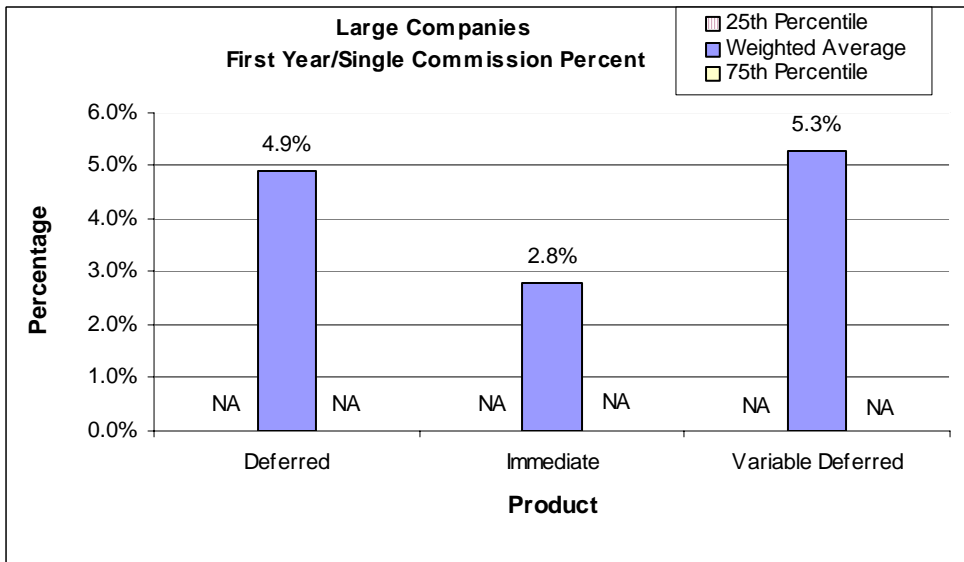
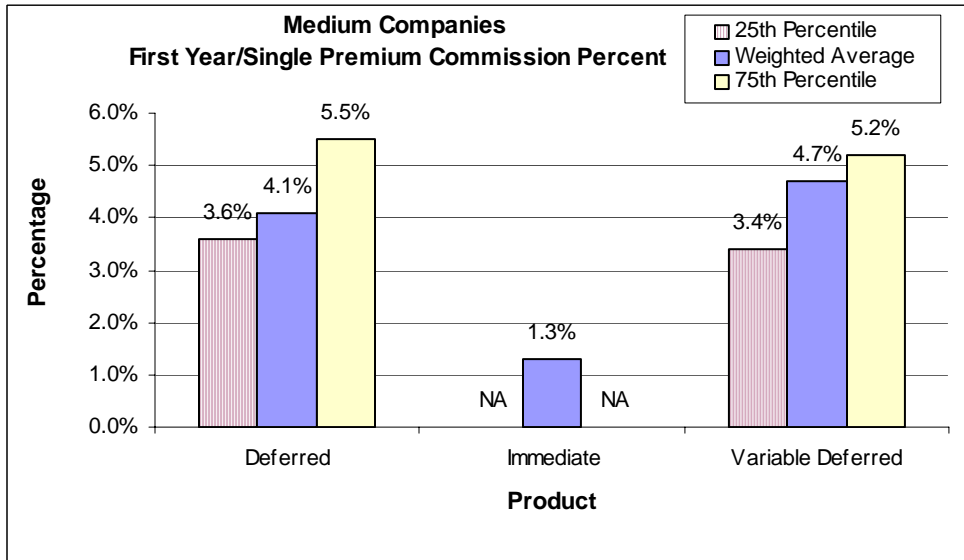
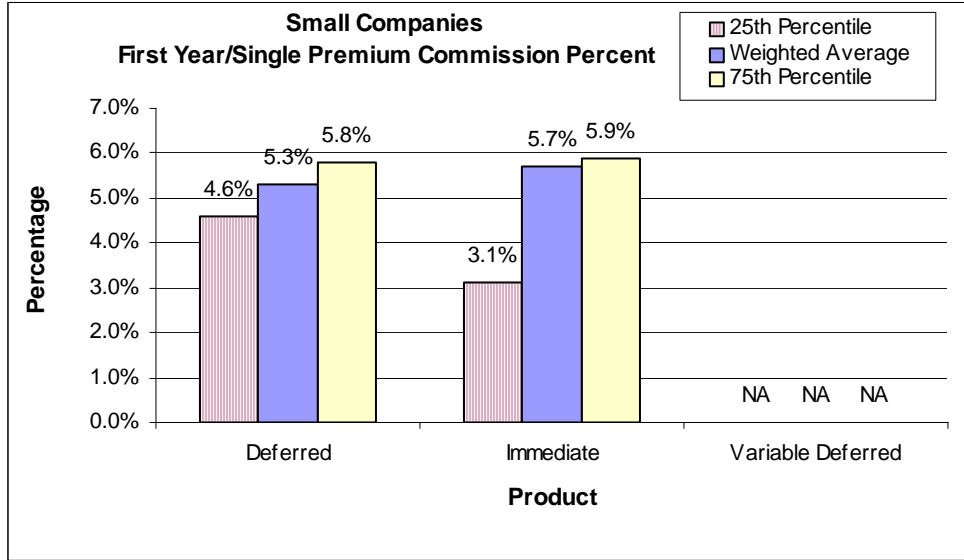
2003 Annuity Products
Graph 19—Acquisition Expense—All Distribution Systems Combined
Renewal Commission Percent



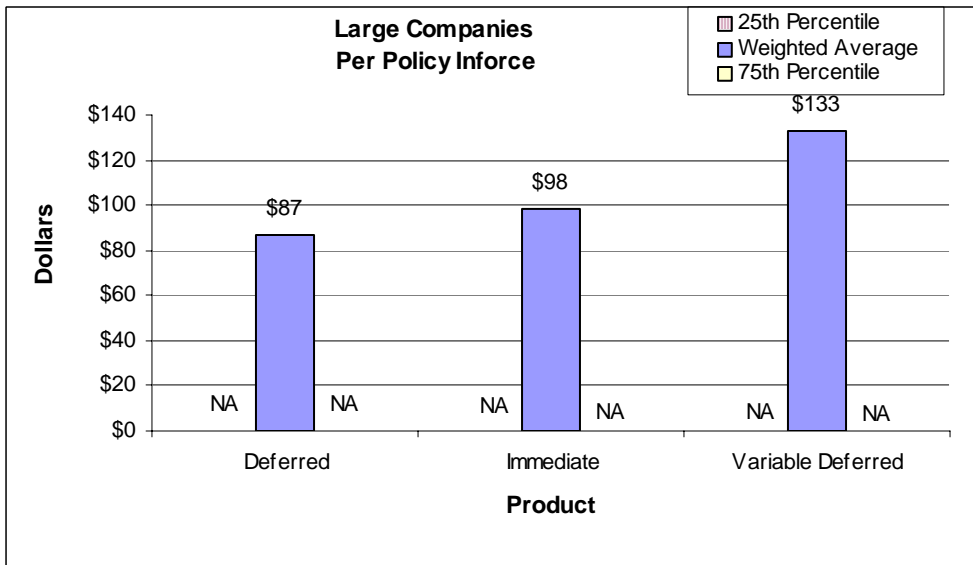
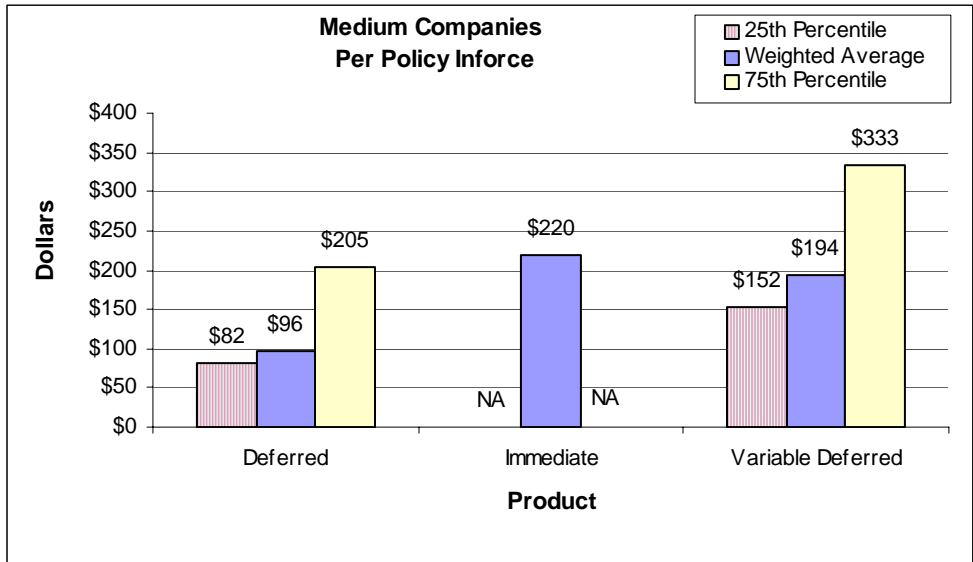
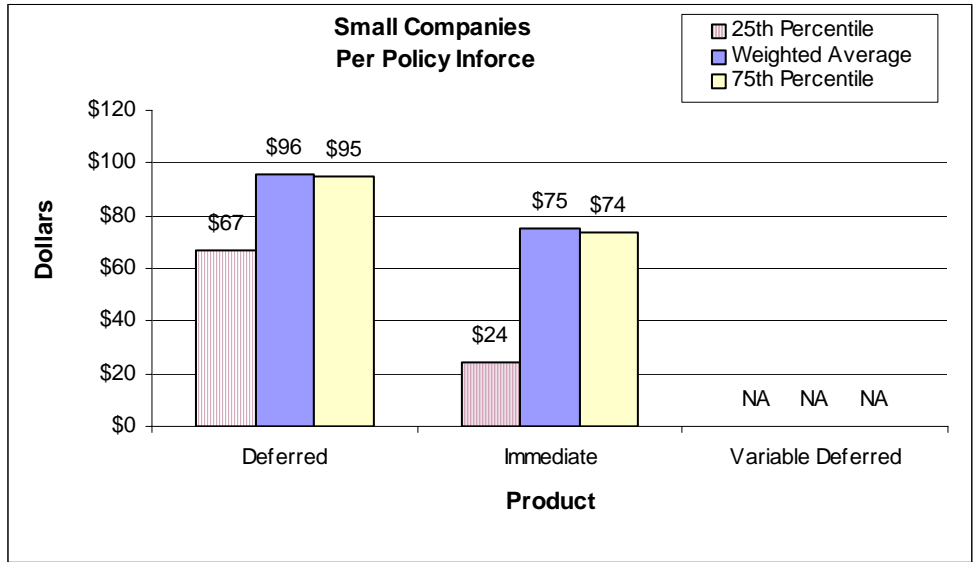
2003 Annuity Products
Graph 20—Acquisition Expense—All Distribution Systems Combined
Per Policy Index



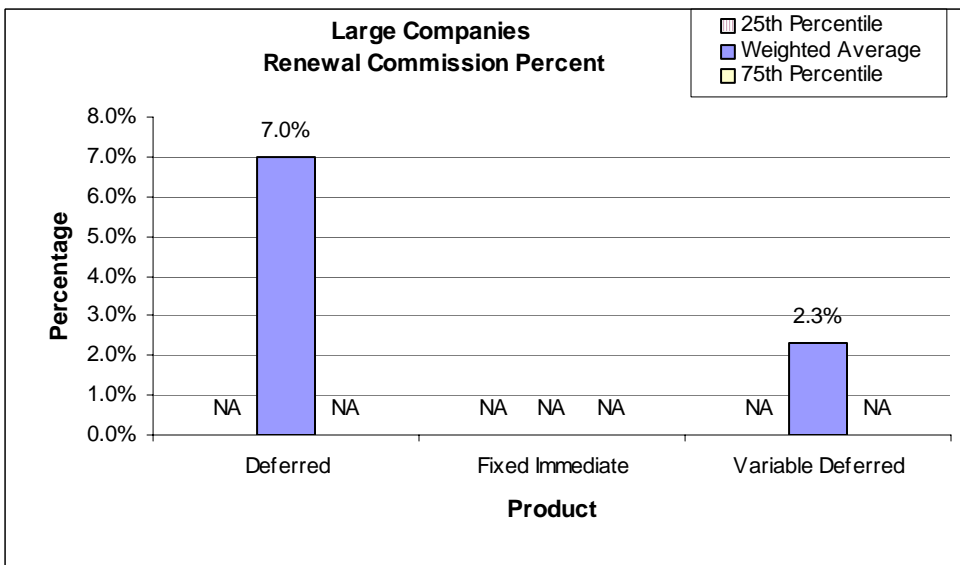
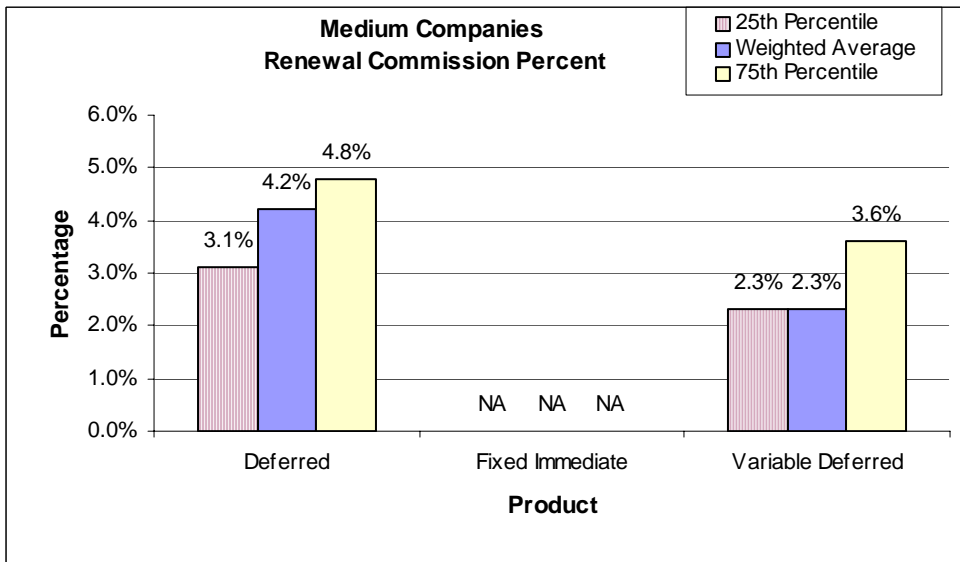
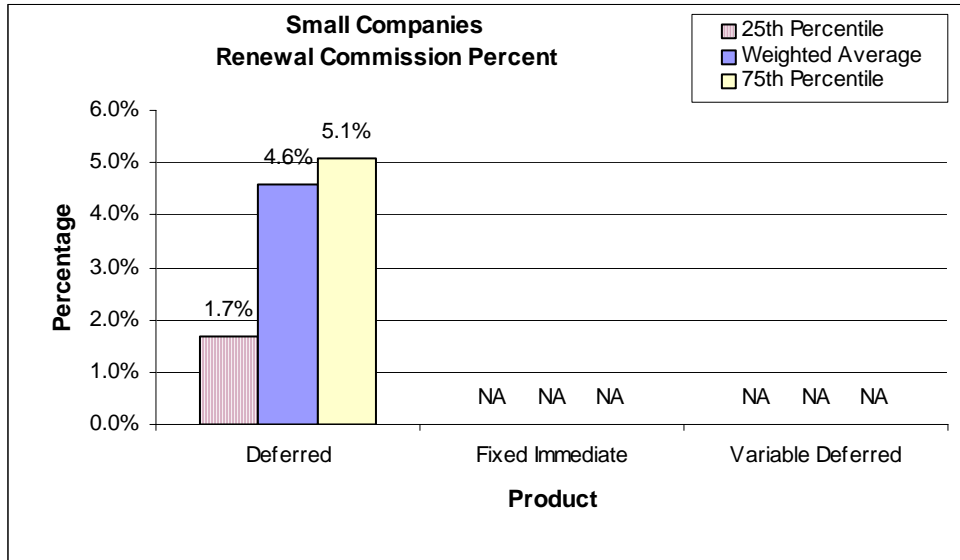
2003 Annuity Products
Graph 21—Acquisition Expense—All Distribution Systems Combined
First Year/Single Premium Commission Percent



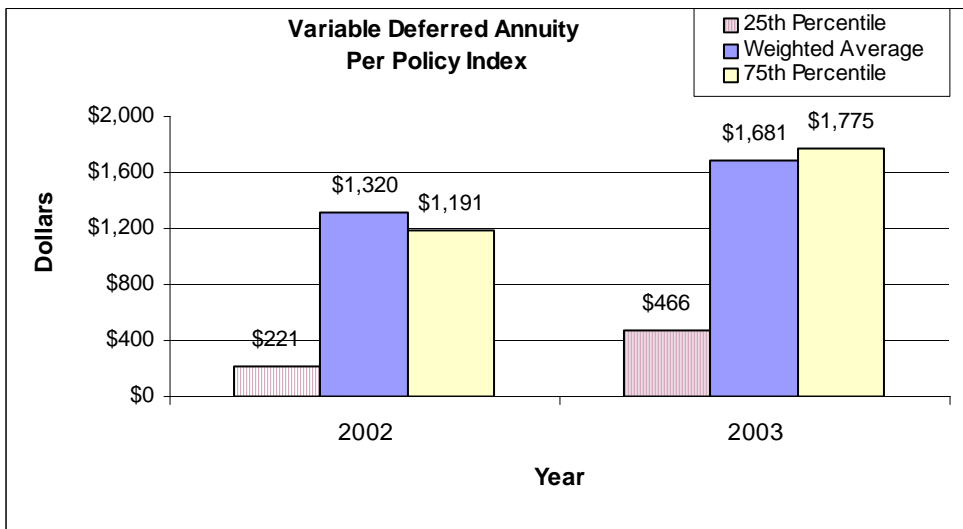
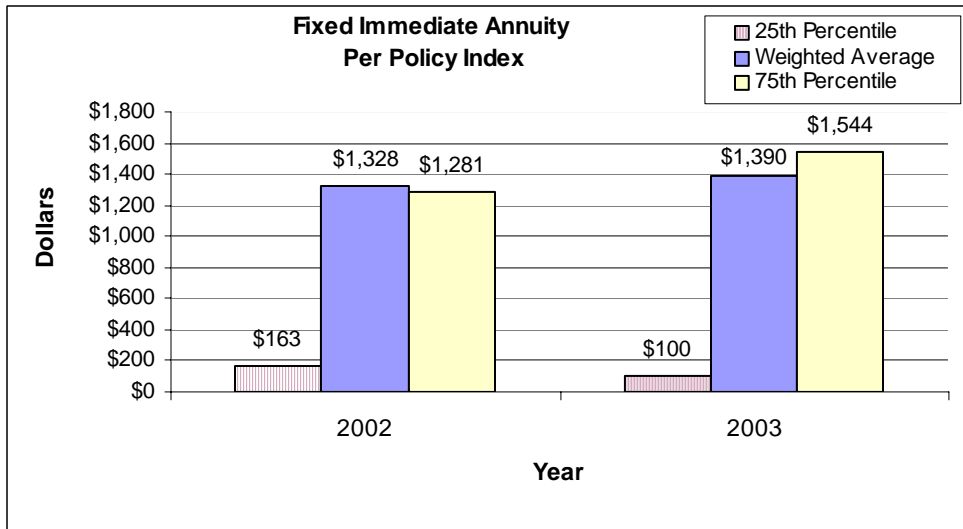
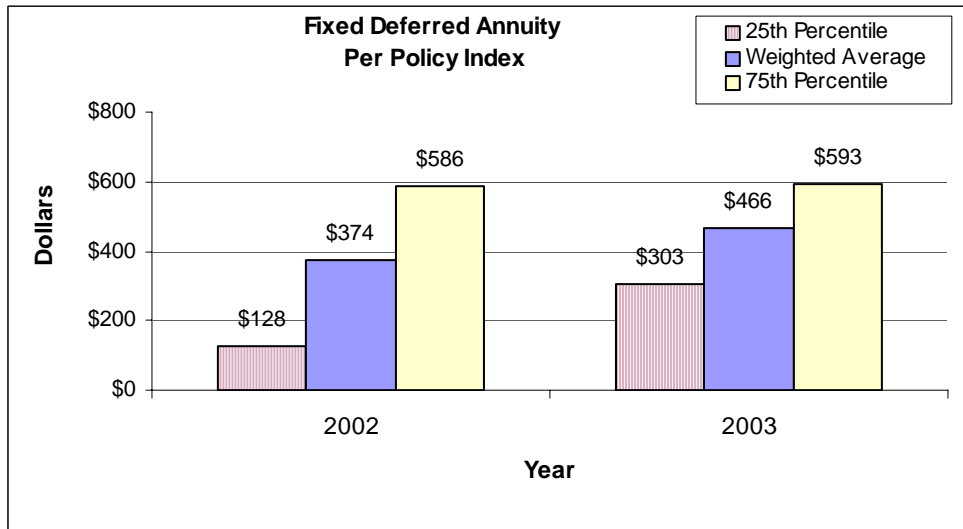
2003 Annuity Products
Graph 22—Non-acquisition Expense—All Distribution Systems Combined
Per Policy Inforce



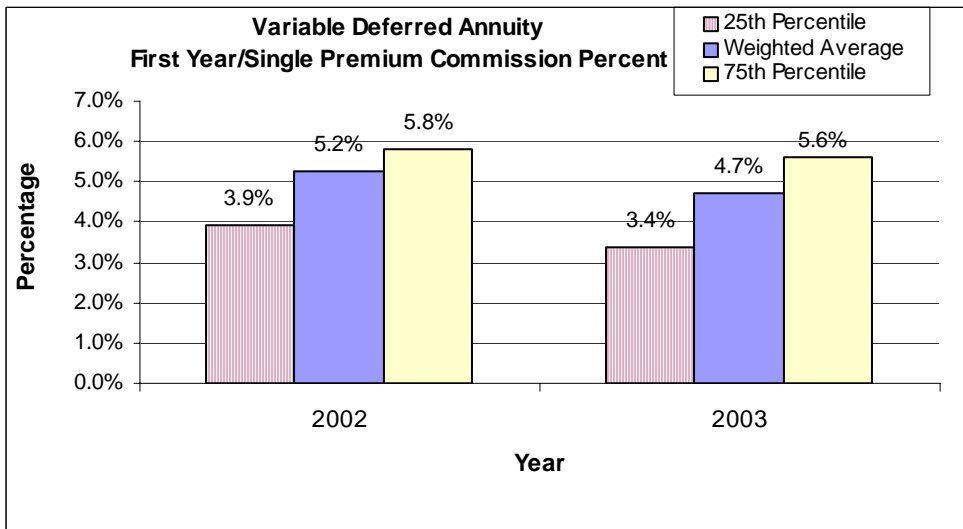
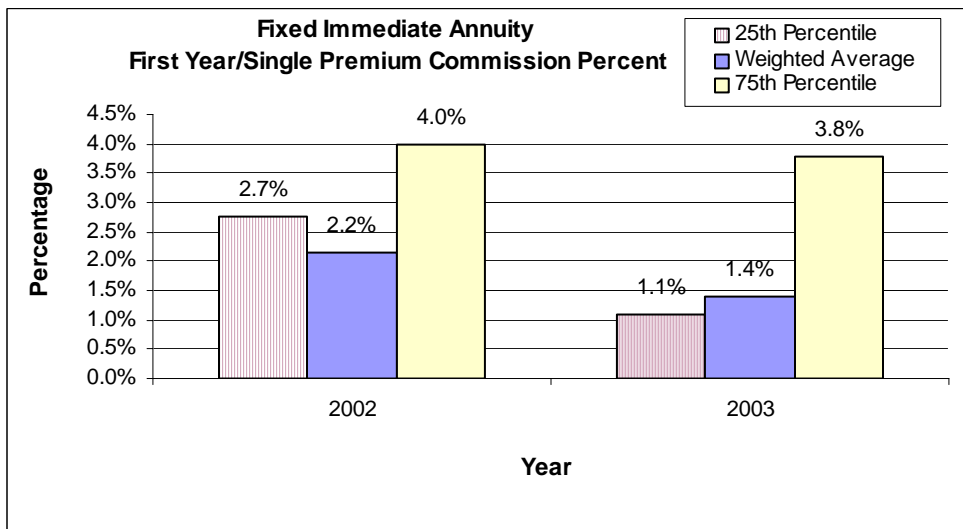
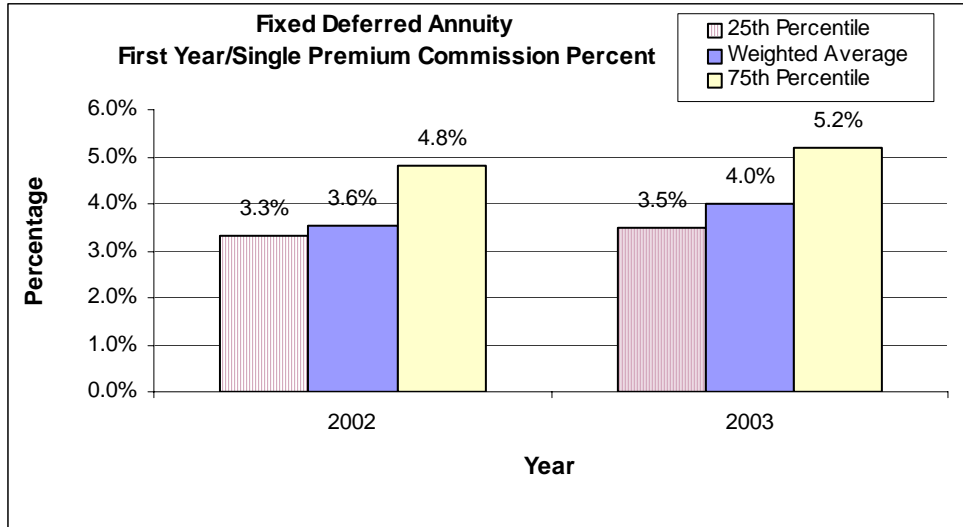
2003 Annuity Products
Graph 23—Acquisition Expense—All Distribution Systems Combined
Renewal Commission Percent



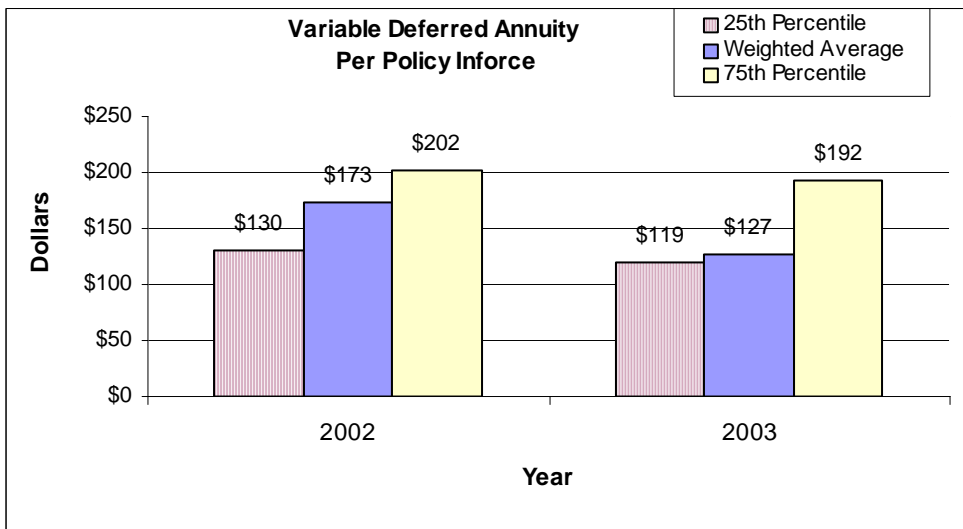
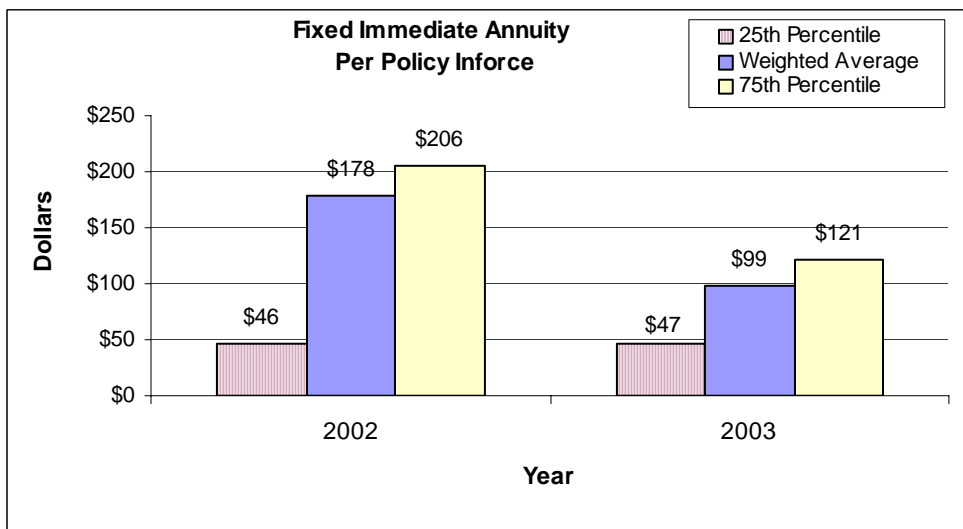
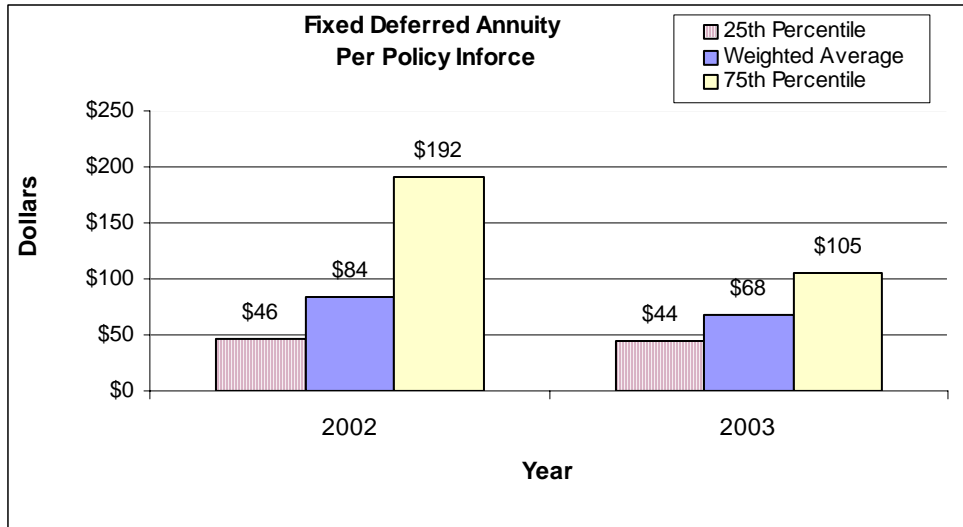
**Graph 24—Comparison of 2002 & 2003 Results
Based on only Companies Contributing in both 2002 & 2003
Acquisition—All Distribution Systems Combined
Per Policy Index**



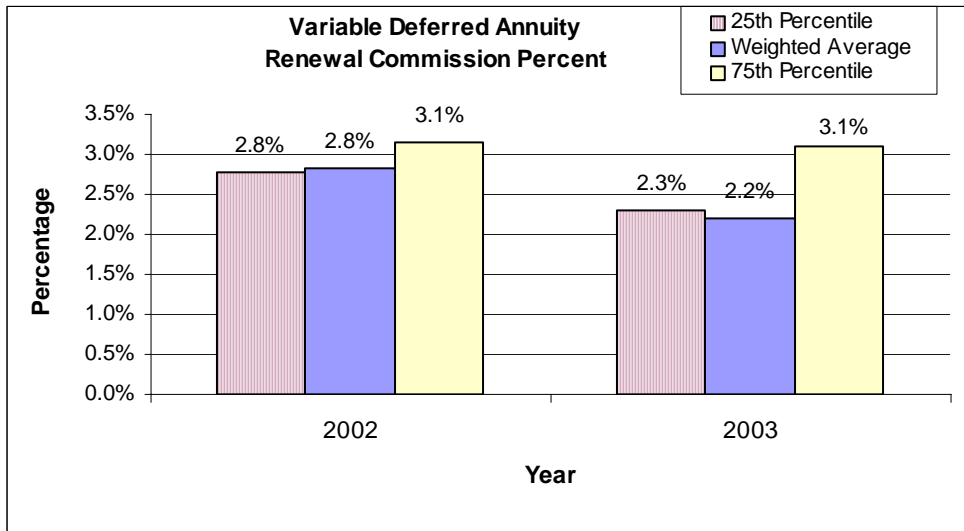
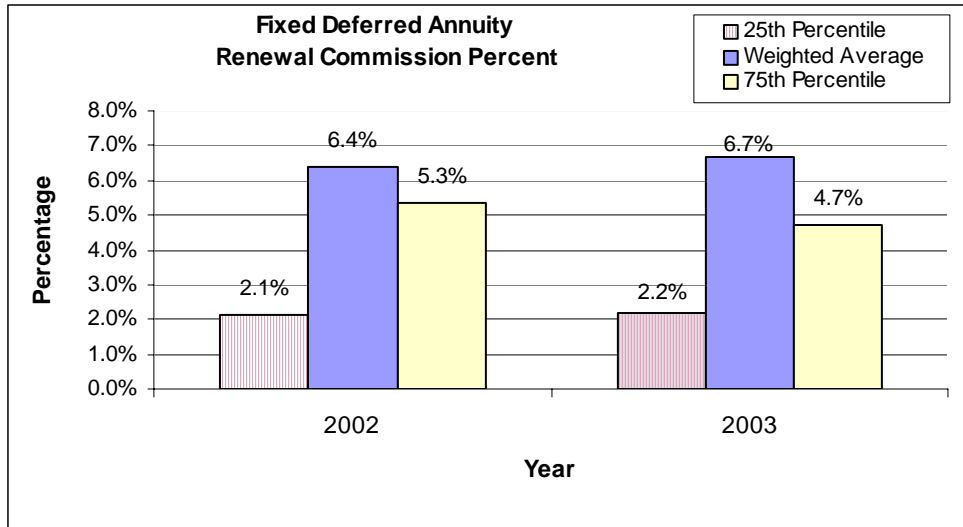
**Graph 25—Comparison of 2002 & 2003 Results
Based on only Companies Contributing in both 2002 & 2003
Acquisition—All Distribution Systems Combined
First Year/Single Premium Commission Percent**



**Graph 26—Comparison of 2002 & 2003 Results
Based on only Companies Contributing in both 2002 & 2003
Non-acquisition—All Distribution Systems Combined
Per Policy Inforce**



**Graph 27—Comparison of 2002 & 2003 Results
Based on only Companies Contributing in both 2002 & 2003
Acquisition—All Distribution Systems Combined
Renewal Commission Percent**



Comparison of Per Policy, Per Premium, and Per 1,000 Issued Indexes

Table 19

Life Insurance Products

Product	Per Policy Index	Per Premium Index (Includes Single Premium)	Per Premium Index (Includes First Year Premium Only)	Per 1,000 Issued Index
Term	\$ 531	84.9%	86.1%	\$ 1.95
Perm	1,042	11.6%	60.9%	10.59
Variable	1,968	27.0%	40.7%	6.90

Annuity Products

Product	Per Policy Index	Per Premium Index
Deferred	\$ 628	1.8%
Immediate	785	1.7%
Variable Deferred	1,542	2.8%

Note: See Section 3 for Index Formulas.

**2003 SOA Expense Study Worksheet
Expense Units**

	Individual Term Life Insurance							Total
	Career	Brokerage	PPGA	Multi-Line	Direct Response	Other	Unallocated	
A. New Business - Direct								
1. Policies / Contracts Issued								0
2. Volume Issued (Round to 1000s)								0
3. First Year Premium Collected								0
a. UL and VUL Dump-in Included in A-3								0
4. Single Premium Collected								0
a. UL and VUL Dump-in Included in A-4								0
b. Paid-Up Additions Included in A-4								0
B. Inforce - Direct - Current Year								
1. Policies / Contracts								0
2. Volume (Round to 1000s)								0
3. Renewal Premium Collected								0
4. Reserves or Account Balances	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
C. Inforce - Direct - Previous Year								
1. Policies / Contracts								0
2. Volume (Round to 1000s)								0
3. Renewal Premium Collected								0
4. Reserves or Account Balances	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
D. Claims/Contracts								
1. Number of Claims	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
2. Number of Surrenders/Lapses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0

Comments / Notes:

**2003 SOA Expense Study Worksheet
Expenses**

Function	Individual Term Life Insurance							Total
	Career	Brokerage	PPGA	Multi-Line	Direct Response	Other	Unallocated	
E. Commissions Paid								
1. First Year Commissions								0
a. UL and VUL Dump-in Included in F-1								0
2. Single Commissions								0
a. UL and VUL Dump-in Included in F-2								0
3. Renewal Commissions								0
F. Other Acquisition Expenses Paid								
1. Sales / Marketing								0
2. Underwriting - Inspection Reports and Medical Exams								0
3. Underwriting - All Other								0
4. Policy / Contract Issue								0
5. Product Development								0
6. Other Acquisition - Please list								0
a.								0
b.								0
c.								0
d.								0
G. Other Expenses Paid								
1. Benefit Department(s) / Claim Settlement Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
2. Policyowner Services	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
3. Surrender and Lapse Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
4. Significant Non-recurring Expenses (specify)								0
a.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
b.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
c.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
d.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
5. Total Overhead	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
6. Amount of Total Overhead Allocable to Acquisition	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
7. Other non-overhead								0
a.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
b.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
c.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
d.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
H. Premium Tax & Guar Assoc Assessments								
	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
I. Total Expenses								
	0	0	0	0	0	0	0	0

Comments / Notes:

2003 SOA Expense Study Worksheet
Expense Units

	Individual Permanent Life Insurance							Total
	Career	Brokerage	PPGA	Multi-Line	Direct Response	Other	Unallocated	
A. New Business - Direct								
1. Policies / Contracts Issued								0
2. Volume Issued (Round to 1000s)								0
3. First Year Premium Collected								0
a. UL and VUL Dump-in Included in A-3								0
4. Single Premium Collected								0
a. UL and VUL Dump-in Included in A-4								0
b. Paid-Up Additions Included in A-4								0
B. Inforce - Direct - Current Year								
1. Policies / Contracts								0
2. Volume (Round to 1000s)								0
3. Renewal Premium Collected								0
4. Reserves or Account Balances	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
C. Inforce - Direct - Previous Year								
1. Policies / Contracts								0
2. Volume (Round to 1000s)								0
3. Renewal Premium Collected								0
4. Reserves or Account Balances	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
D. Claims/Contracts								
1. Number of Claims	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
2. Number of Surrenders/Lapses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0

Comments / Notes:

**2003 SOA Expense Study Worksheet
Expenses**

Function	Individual Permanent Life Insurance							Total
	Career	Brokerage	PPGA	Multi-Line	Direct Response	Other	Unallocated	
E. Commissions Paid								
1. First Year Commissions								0
a. UL and VUL Dump-in Included in F-1								0
2. Single Commissions								0
a. UL and VUL Dump-in Included in F-2								0
3. Renewal Commissions								0
F. Other Acquisition Expenses Paid								
1. Sales / Marketing								0
2. Underwriting - Inspection Reports and Medical Exams								0
3. Underwriting - All Other								0
4. Policy / Contract Issue								0
5. Product Development								0
6. Other Acquisition - Please list								0
a.								0
b.								0
c.								0
d.								0
G. Other Expenses Paid								
1. Benefit Department(s) / Claim Settlement Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
2. Policyowner Services	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
3. Surrender and Lapse Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
4. Significant Non-recurring Expenses (specify)								0
a.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
b.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
c.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
d.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
5. Total Overhead	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
6. Amount of Total Overhead Allocable to Acquisition	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
7. Other non-overhead								0
a.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
b.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
c.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
d.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
H. Premium Tax & Guar Assoc Assessments								
	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
I. Total Expenses								
	0	0	0	0	0	0	0	0

Comments / Notes:

2003 SOA Expense Study Worksheet
Expense Units

	Individual COLI Life Insurance							Total
	Career	Brokerage	PPGA	Multi-Line	Direct Response	Other	Unallocated	
A. New Business - Direct								
1. Policies / Contracts Issued								0
2. Volume Issued (Round to 1000s)								0
3. First Year Premium Collected								0
a. UL and VUL Dump-in Included in A-3								0
4. Single Premium Collected								0
a. UL and VUL Dump-in Included in A-4								0
b. Paid-Up Additions Included in A-4								0
B. Inforce - Direct - Current Year								
1. Policies / Contracts								0
2. Volume (Round to 1000s)								0
3. Renewal Premium Collected								0
4. Reserves or Account Balances	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
C. Inforce - Direct - Previous Year								
1. Policies / Contracts								0
2. Volume (Round to 1000s)								0
3. Renewal Premium Collected								0
4. Reserves or Account Balances	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
D. Claims/Contracts								
1. Number of Claims	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
2. Number of Surrenders/Lapses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0

Comments / Notes:

**2003 SOA Expense Study Worksheet
Expenses**

Function	Individual COLI Life Insurance							Total
	Career	Brokerage	PPGA	Multi-Line	Direct Response	Other	Unallocated	
E. Commissions Paid								
1. First Year Commissions								0
a. UL and VUL Dump-in Included in F-1								0
2. Single Commissions								0
a. UL and VUL Dump-in Included in F-2								0
3. Renewal Commissions								0
F. Other Acquisition Expenses Paid								
1. Sales / Marketing								0
2. Underwriting - Inspection Reports and Medical Exams								0
3. Underwriting - All Other								0
4. Policy / Contract Issue								0
5. Product Development								0
6. Other Acquisition - Please list								0
a.								0
b.								0
c.								0
d.								0
G. Other Expenses Paid								
1. Benefit Department(s) / Claim Settlement Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
2. Policyowner Services	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
3. Surrender and Lapse Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
4. Significant Non-recurring Expenses (specify)								0
a.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
b.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
c.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
d.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
5. Total Overhead	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
6. Amount of Total Overhead Allocable to Acquisition	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
7. Other non-overhead								0
a.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
b.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
c.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
d.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
H. Premium Tax & Guar Assoc Assessments								
	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
I. Total Expenses								
	0	0	0	0	0	0	0	0

Comments / Notes:

2003 SOA Expense Study Worksheet
Expense Units

	Individual BOLI Life Insurance							Total
	Career	Brokerage	PPGA	Multi-Line	Direct Response	Other	Unallocated	
A. New Business - Direct								
1. Policies / Contracts Issued								0
2. Volume Issued (Round to 1000s)								0
3. First Year Premium Collected								0
a. UL and VUL Dump-in Included in A-3								0
4. Single Premium Collected								0
a. UL and VUL Dump-in Included in A-4								0
b. Paid-Up Additions Included in A-4								0
B. Inforce - Direct - Current Year								
1. Policies / Contracts								0
2. Volume (Round to 1000s)								0
3. Renewal Premium Collected								0
4. Reserves or Account Balances	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
C. Inforce - Direct - Previous Year								
1. Policies / Contracts								0
2. Volume (Round to 1000s)								0
3. Renewal Premium Collected								0
4. Reserves or Account Balances	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
D. Claims/Contracts								
1. Number of Claims	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
2. Number of Surrenders/Lapses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0

Comments / Notes:

**2003 SOA Expense Study Worksheet
Expenses**

Function	Individual BOLI Life Insurance							Total
	Career	Brokerage	PPGA	Multi-Line	Direct Response	Other	Unallocated	
E. Commissions Paid								
1. First Year Commissions								0
a. UL and VUL Dump-in Included in F-1								0
2. Single Commissions								0
a. UL and VUL Dump-in Included in F-2								0
3. Renewal Commissions								0
F. Other Acquisition Expenses Paid								
1. Sales / Marketing								0
2. Underwriting - Inspection Reports and Medical Exams								0
3. Underwriting - All Other								0
4. Policy / Contract Issue								0
5. Product Development								0
6. Other Acquisition - Please list								0
a.								0
b.								0
c.								0
d.								0
G. Other Expenses Paid								
1. Benefit Department(s) / Claim Settlement Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
2. Policyowner Services	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
3. Surrender and Lapse Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
4. Significant Non-recurring Expenses (specify)								0
a.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
b.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
c.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
d.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
5. Total Overhead	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
6. Amount of Total Overhead Allocable to Acquisition	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
7. Other non-overhead								0
a.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
b.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
c.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
d.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
H. Premium Tax & Guar Assoc Assessments								
	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
I. Total Expenses								
	0	0	0	0	0	0	0	0

Comments / Notes:

2003 SOA Expense Study Worksheet
Expense Units

	Individual Variable Life Insurance							Total
	Career	Brokerage	PPGA	Multi-Line	Direct Response	Other	Unallocated	
A. New Business - Direct								
1. Policies / Contracts Issued								0
2. Volume Issued (Round to 1000s)								0
3. First Year Premium Collected								0
a. UL and VUL Dump-in Included in A-3								0
4. Single Premium Collected								0
a. UL and VUL Dump-in Included in A-4								0
b. Paid-Up Additions Included in A-4								0
B. Inforce - Direct - Current Year								
1. Policies / Contracts								0
2. Volume (Round to 1000s)								0
3. Renewal Premium Collected								0
4. Reserves or Account Balances	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
C. Inforce - Direct - Previous Year								
1. Policies / Contracts								0
2. Volume (Round to 1000s)								0
3. Renewal Premium Collected								0
4. Reserves or Account Balances	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
D. Claims/Contracts								
1. Number of Claims	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
2. Number of Surrenders/Lapses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0

Comments / Notes:

**2003 SOA Expense Study Worksheet
Expenses**

Function	Individual Variable Life Insurance							Total
	Career	Brokerage	PPGA	Multi-Line	Direct Response	Other	Unallocated	
E. Commissions Paid								
1. First Year Commissions								0
a. UL and VUL Dump-in Included in F-1								0
2. Single Commissions								0
a. UL and VUL Dump-in Included in F-2								0
3. Renewal Commissions								0
F. Other Acquisition Expenses Paid								
1. Sales / Marketing								0
2. Underwriting - Inspection Reports and Medical Exams								0
3. Underwriting - All Other								0
4. Policy / Contract Issue								0
5. Product Development								0
6. Other Acquisition - Please list								0
a.								0
b.								0
c.								0
d.								0
G. Other Expenses Paid								
1. Benefit Department(s) / Claim Settlement Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
2. Policyowner Services	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
3. Surrender and Lapse Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
4. Significant Non-recurring Expenses (specify)								0
a.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
b.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
c.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
d.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
5. Total Overhead	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
6. Amount of Total Overhead Allocable to Acquisition	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
7. Other non-overhead								0
a.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
b.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
c.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
d.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
H. Premium Tax & Guar Assoc Assessments	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
I. Total Expenses	0	0	0	0	0	0	0	0

Comments / Notes:

**2003 SOA Expense Study Worksheet
Expense Units**

	Individual Deferred Annuity							Total
	Career	Brokerage	PPGA	Stockbroker	Financial Institutions	Other	Unallocated	
A. New Business - Direct								
1. Policies / Contracts Issued								0
2. First Year Premium Collected								0
3. Single Premium Collected								0
B. Inforce - Direct - Current Year								
1. Policies / Contracts								0
2. Volume (not applicable to annuities)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
3. Renewal Premium Collected								0
4. Account Balances	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
C. Inforce - Direct - Previous Year								
1. Policies / Contracts								0
2. Renewal Premium Collected								0
3. Account Balances	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
D. Claims/Contracts								
1. Number of Surrenders/Lapses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
2. Number of Annuity Contracts on which a Periodic Payment was made	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0

Comments / Notes:

**2003 SOA Expense Study Worksheet
Expenses**

Function	Individual Deferred Annuity							Total
	Career	Brokerage	PPGA	Stockbroker	Financial Institutions	Other	Unallocated	
E. Commissions Paid								
1. First Year Commissions								0
2. Single Commissions								0
3. Renewal Commissions								0
F. Acquisition / Developmental Expenses Paid								
1. Sales / Marketing								0
2. UW - IR and ME - Not applicable	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
3. UW - Other - Not applicable	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
4. Policy / Contract Issue								0
5. Product Development								0
6. Other Acquisition - Please list								
a.								0
b.								0
c.								0
d.								0
G. Other Expenses Paid								
1. Benefit Department(s) / Claim Settlement Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
2. Policyowner Services	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
3. Surrender and Lapse Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
4. Significant Non-recurring Expenses (specify)								
a.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
b.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
c.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
d.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
5. Total Overhead	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
6. Amount of Total Overhead Allocable to Acquisition	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
7. Other non-overhead								
a.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
b.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
c.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
d.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
H. Premium Tax & Guar Assoc Assessments								
	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
I. Total Expenses								
	0	0	0	0	0	0	0	0

Comments / Notes:

**2003 SOA Expense Study Worksheet
Expense Units**

	Individual Immediate Annuity							Total
	Career	Brokerage	PPGA	Stockbroker	Financial Institutions	Other	Unallocated	
A. New Business - Direct								
1. Policies / Contracts Issued								0
2. First Year Premium Collected								0
3. Single Premium Collected								0
B. Inforce - Direct - Current Year								
1. Policies / Contracts								0
2. Volume (not applicable to annuities)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
3. Renewal Premium Collected								0
4. Account Balances	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
C. Inforce - Direct - Previous Year								
1. Policies / Contracts								0
2. Renewal Premium Collected								0
3. Account Balances	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
D. Claims/Contracts								
1. Number of Surrenders/Lapses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
2. Number of Annuity Contracts on which a Periodic Payment was made	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0

Comments / Notes:

**2003 SOA Expense Study Worksheet
Expenses**

Function	Individual Immediate Annuity							Unallocated	Total
	Career	Brokerage	PPGA	Stockbroker	Financial Institutions	Other			
E. Commissions Paid									
1. First Year Commissions									0
2. Single Commissions									0
3. Renewal Commissions									0
F. Acquisition / Developmental Expenses Paid									
1. Sales / Marketing									0
2. UW - IR and ME - Not applicable	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
3. UW - Other - Not applicable	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
4. Policy / Contract Issue									0
5. Product Development									0
6. Other Acquisition - Please list									
a.									0
b.									0
c.									0
d.									0
G. Other Expenses Paid									
1. Benefit Department(s) / Claim Settlement Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
2. Policyowner Services	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
3. Surrender and Lapse Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
4. Significant Non-recurring Expenses (specify)									
a.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
b.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
c.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
d.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
5. Total Overhead	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
6. Amount of Total Overhead Allocable to Acquisition	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
7. Other non-overhead									
a.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
b.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
c.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
d.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
H. Premium Tax & Guar Assoc Assessments									
	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
I. Total Expenses									
	0	0	0	0	0	0	0	0	0

Comments / Notes:

**2003 SOA Expense Study Worksheet
Expense Units**

	Individual Variable Deferred Annuity							Total
	Career	Brokerage	PPGA	Stockbroker	Financial Institutions	Other	Unallocated	
A. New Business - Direct								
1. Policies / Contracts Issued								0
2. First Year Premium Collected								0
3. Single Premium Collected								0
B. Inforce - Direct - Current Year								
1. Policies / Contracts								0
2. Volume (not applicable to annuities)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
3. Renewal Premium Collected								0
4. Account Balances	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
C. Inforce - Direct - Previous Year								
1. Policies / Contracts								0
2. Renewal Premium Collected								0
3. Account Balances	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
D. Claims/Contracts								
1. Number of Surrenders/Lapses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
2. Number of Annuity Contracts on which a Periodic Payment was made	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0

Comments / Notes:

**2003 SOA Expense Study Worksheet
Expenses**

Function	Individual Variable Deferred Annuity							Total
	Career	Brokerage	PPGA	Stockbroker	Financial Institutions	Other	Unallocated	
E. Commissions Paid								
1. First Year Commissions								0
2. Single Commissions								0
3. Renewal Commissions								0
F. Acquisition / Developmental Expenses Paid								
1. Sales / Marketing								0
2. UW - IR and ME - Not applicable	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
3. UW - Other - Not applicable	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
4. Policy / Contract Issue								0
5. Product Development								0
6. Other Acquisition - Please list								
a.								0
b.								0
c.								0
d.								0
G. Other Expenses Paid								
1. Benefit Department(s) / Claim Settlement Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
2. Policyowner Services	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
3. Surrender and Lapse Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
4. Significant Non-recurring Expenses (specify)								
a.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
b.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
c.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
d.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
5. Total Overhead	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
6. Amount of Total Overhead Allocable to Acquisition	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
7. Other non-overhead								
a.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
b.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
c.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
d.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
H. Premium Tax & Guar Assoc Assessments								
	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
I. Total Expenses								
	0	0	0	0	0	0	0	0

Comments / Notes:

**2003 SOA Expense Study Worksheet
Expense Units**

	Individual Variable Immediate Annuity							Total
	Career	Brokerage	PPGA	Stockbroker	Financial Institutions	Other	Unallocated	
A. New Business - Direct								
1. Policies / Contracts Issued								0
2. First Year Premium Collected								0
3. Single Premium Collected								0
B. Inforce - Direct - Current Year								
1. Policies / Contracts								0
2. Volume (not applicable to annuities)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
3. Renewal Premium Collected								0
4. Account Balances	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
C. Inforce - Direct - Previous Year								
1. Policies / Contracts								0
2. Renewal Premium Collected								0
3. Account Balances	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
D. Claims/Contracts								
1. Number of Surrenders/Lapses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
2. Number of Annuity Contracts on which a Periodic Payment was made	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0

Comments / Notes:

**2003 SOA Expense Study Worksheet
Expenses**

Function	Individual Variable Immediate Annuity							Total
	Career	Brokerage	PPGA	Stockbroker	Financial Institutions	Other	Unallocated	
E. Commissions Paid								
1. First Year Commissions								0
2. Single Commissions								0
3. Renewal Commissions								0
F. Acquisition / Developmental Expenses Paid								
1. Sales / Marketing								0
2. UW - IR and ME - Not applicable	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
3. UW - Other - Not applicable	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
4. Policy / Contract Issue								0
5. Product Development								0
6. Other Acquisition - Please list								
a.								0
b.								0
c.								0
d.								0
G. Other Expenses Paid								
1. Benefit Department(s) / Claim Settlement Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
2. Policyowner Services	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
3. Surrender and Lapse Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
4. Significant Non-recurring Expenses (specify)								
a.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
b.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
c.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
d.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
5. Total Overhead	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
6. Amount of Total Overhead Allocable to Acquisition	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
7. Other non-overhead								
a.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
b.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
c.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
d.	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
H. Premium Tax & Guar Assoc Assessments								
	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX		0
I. Total Expenses								
	0	0	0	0	0	0	0	0

Comments / Notes:

Appendix 2
Committee on Life Insurance Company Expenses
2003 Individual Life and Annuity Expense Study

Purpose and Objectives

While expenses are critical to pricing, policy illustration, financial reporting and performance analysis, actuaries working in these areas have had little in the way of inter-company information in a format that is useful for measuring their company's performance against industry averages or benchmarks. The Committee on Life Insurance Company Expenses was formed in part to address the need to fill this void.

The Committee recently completed its first inter-company expenses for individual life and annuity products for 2001 (www.soa.org/research/individual_life.html). Results indicated that there is sufficient interest to continue this effort.

The objective of the 2003 study is to continue this effort while expanding the level of contributions, to potentially serve as a useful unit expense resource to pricing actuaries and their managements from which to assess their own unit cost performance. In addition, the Committee expects the results to be useful in improving the generation of the Generally Recognized Expense Table (GRET in the U.S.) used by some companies to demonstrate compliance with the NAIC model sales illustration regulation. This study is intended to be completed by U.S. companies and U.S. operations of Canadian companies. A similar study for Canadian operations may be developed at a later date.

Confidentiality

All responses to this survey will be kept completely confidential. Society of Actuaries staff will process the responses – no individual company data will be published. Where comparative results are presented, no companies will be identified.

General Instructions

The study covers all Individual Life and Annuity business including Variable Life and Annuities. Accident and Health and all group business are to be excluded.

While the study asks for expenses to be broken down by distribution system and line of business, the Committee believes that broad participation is critical to the success of the study. Therefore, it is important that you participate in the study even though you may not be able to provide all of the requested detail. However, please indicate to the Committee when transmitting your contribution the information not provided.

This study asks for information by distribution channel and line of business relating to acquisition and policy / contract maintenance activities. Except where otherwise instructed, expenses should be those that are directly incurred by the function described in the line item. Overhead should be recorded in the line items provided for that purpose. **Use your best judgment in determining the appropriate method to allocate expenses among the various distribution channels and lines of business.**

When data for a particular distribution channel is provided, please be sure to include both applicable units and expenses so they can be properly matched. Where you are unable to provide the breakdowns by distribution channel, use the Unallocated column. **If the allocation by line of business is not available, use the Other Life or Other Annuity line of business, as appropriate.**

For Immediate Annuities, units and expenses for structured settlements should not be included. If for some reason, it is not possible to exclude the units and expenses for structured settlements, please note in the comments section how you treated them.

If you find it necessary to deviate from the instructions or use the Unallocated column, please provide an explanation in the area provided for that purpose or call Steve Siegel at the Society of Actuaries (847-706-3578) or ssiegel@soa.org for instructions.

Completed worksheets should be e-mailed to Steve Siegel at ssiegel@soa.org

Format

An Excel workbook is being used to collect the data. The tabs at the bottom of the workbook indicate units and expense worksheets for each line of business. You need only fill out the sheets for the lines of business that are applicable to your company. You will not be able to make entries in any cells other than those where data is expected. All other cells are protected. Totals are automatically calculated, where applicable. The width of the columns in the workbook has been left adjustable to make it easier to ensure that the correct figures are inputted (this option is only available in Excel Versions 2002 and later). If you have any problems entering data, please contact Steve Siegel at the above address.

Company Information

Enter the name of your company and the requested information for the primary contact for this study. Place an X in the appropriate box for your Corporate Organization Type. Enter an X in the Yes box for Primarily Burial Life Insurance Company, if your company primarily sells this type of business. Enter the amount of Gross Investment Income and Investment Expenses from Lines 10 and 11, respectively, of Exhibit of Net Investment Income of the NAIC General Account and Separate Account Annual Statement. Please note any characteristics unique to your company that might significantly impact comparisons with other companies and/or if your company underwent any major changes that would impact your 2003 results in the space provided.

Lines of Business

This study covers all Individual Life and Annuity business including Variable Life and Annuities. Accident and health and all group business are to be excluded. Lines of business descriptions are as follows:

- Term – Life insurance policies and riders that are classified as term insurance for purposes of completing the Exhibit of Life Insurance in the NAIC Annual Statement.
- Fixed and Flexible Premium Permanent – Whole life, limited pay life, single premium whole life, interest sensitive life, fixed premium universal life and flexible premium universal life, not included in the other lines of business.
- COLI – Corporate owned life insurance.
- BOLI – Bank owned life insurance.
- Variable Life Insurance – Variable whole life and variable universal life insurance.
- Individual Deferred Annuities – Fixed premium, flexible premium and single premium deferred annuities. Include equity-indexed annuities.
- Individual Immediate Annuities – Annuities for which the annuitant begins receiving periodic payments, usually fixed, within one year. Do not include variable annuities.
- Variable Individual Deferred Annuities – Fixed premium, flexible premium and single premium variable individual deferred annuities.
- Variable Individual Immediate Annuities - Annuities for which the annuitant begins receiving periodic payments within one year which are not fixed, but rather vary with investment results.

Distribution Channel Descriptions

Career	An agency-building system using full-time agents who report to managers who are company employees or general agents who are independent contractors.
Brokerage	A system that uses independent producers (brokers) who are contracted with multiple companies. The bulk of their income comes from overrides rather than

personal production. This includes managing general agents and independent marketing organizations.

PPGA	A system that uses independent personal producing general agents (PPGAs) who are often contracted with multiple companies. The bulk of their income comes from personal production rather than overrides.
Home service	A system that uses full-time agents who sell industrial, ordinary, and property-casualty products in an assigned territory known as a debit. These agents may be responsible for home collection of renewal premiums.
Multi-line agency	A system that uses full-time agents licensed in property-casualty, life, health, annuities, and equity products and primarily represent one company.
Direct response	Buyer-initiated purchases made in response to direct home office offerings through the mail, media advertising, the company's website as well as purchases resulting from home office or call center-based telemarketing efforts.
Stockbrokers	Individuals licensed by the Securities and Exchange Commission (SEC) working in a wirehouse, or an independent or regional broker dealer.
Financial institutions	Commercial banks, savings banks, savings and loans, credit unions and thrifts that distribute insurance products to their customers. Sales are made by the institution's dedicated sales force, agents of affiliated agencies, or contracted third-party marketers.
Other	Any distribution method that does not fall into one of the categories outlined above.
Unallocated	Use this column if you are unable to segregate your data into the categories shown above.

Expense Units

All expense units reported are for the calendar year 2003. References are to the NAIC Annual Statement blank. Fraternal companies should use the corresponding lines from the Fraternal blank.

A. New Business – Direct (before reinsurance is deducted)

1. Policies / Contracts Issued – Number of individual policies / contracts issued on direct business. Joint policies should be counted as one policy. Riders should not be included on this line.
2. Volume Issued (Round to 1000s)– For individual life insurance report the initial face amount / sum insured issued before reinsurance is deducted. Include riders that increase the death benefit on the base policy insured(s). **Please round the Volume Issued to 1000s. For instance, 987,654,321,123 should be entered as 987,654,321.** Not applicable for annuities.
3. First Year Premium Collected – First year premium collected included in Exhibit 1, Line 6.1. This should include premiums in excess of UL and VUL target premiums paid in the first policy year.
 - 3a. UL and VUL Dump-ins Included in A-3 – Enter the amount of premium included in A-3 that exceeded the target premium (in the first policy year) and for which a lower commission rate was paid.
4. Single Premium Collected – Single premium collected included in Exhibit 1, Line 10.1. This should include any Dump-ins for UL and VUL paid in renewal years and dividends used to purchase paid up insurance.
 - 4a. UL and VUL Dump-in Included in A-4 – Enter the amount of premium included in A-4 that exceeded the target premium and dump-ins and for which a lower commission rate was paid.

- 4b. Paid-Up Additions Included in A-4 – Enter the amount of single premium included on line A-4 from dividends used to purchase paid-up insurance. Exclude any amount applied to dividend deposits.

B. Inforce – Direct (before reinsurance is deducted) – Current Year

1. Policies / Contracts – Number of individual policies / contracts inforce at the end of the year being reported in the NAIC Policy Exhibit.
2. Volume (Round to 1000s) – For life individual insurance, the face amount / sum insured inforce on direct business as reported in the NAIC Policy Exhibit. **Please round the Volume Inforce to 1000s.** For individual annuities, leave blank.
3. Renewal Premium Collected - Renewal premium collected included in Exhibit 1, Line 16.1.
4. Reserves or Account Values – For business other than UL, VUL or Annuities, enter the amount of reserves underlying the policies / contracts for each category of business. For UL, VUL and Annuities, enter the account values underlying the policies / contracts for each category of business.

C. Inforce – Direct (before reinsurance is deducted) – Previous Year (include business in its first policy year that was inforce at the end of the immediately preceding year)

1. Policies / Contracts – Same as B-1 above for the yearend immediately preceding the study.
2. Volume (Round to 1000s) - Same as B-2 above for the yearend immediately preceding the study. **Please round the Volume Inforce to 1000s.**
3. Renewal Premium Collected - Same as B-3 above for the yearend immediately preceding the study.
4. Reserves or Account Values - Same as B-4 above for the yearend immediately preceding the study.

D. Number of Claims / Number of Contracts Terminated – For Life Insurance, enter the number of claims on which a death benefit was paid. For Annuities, enter the number of contracts terminated during the year (include full surrenders in the count, but exclude partial surrenders).

E. Benefits

For life insurance, death benefits paid included in Exhibit 8, Part 2, Line 1.1 of the NAIC Annual Statement, excluding expenses associated with the contested claims. For annuities, annuity Benefits excluding Surrenders (both full and partial surrenders are to be excluded) – Annuity benefits and supplementary contracts paid included in Exhibit 8, Part 2, Line 1.1 of the NAIC Annual Statement.

Expense Type Descriptions

All expenses reported are for the calendar year 2003.

F. Commissions Paid

1. First Year Commissions and Related Expenses – Commissions and related expenses paid included in Exhibit 1, Line 27 of the NAIC Annual Statement. This includes any commissions associated with Dump-in premiums included in 1a.
 - 1a. UL and VUL Dump-in Included in F-1 – Enter the amount of commission included in F-1 that was paid on premium that exceeded the target premium.
2. Single Commissions – Commissions paid included in Exhibit 1, Line 28 of the NAIC Annual Statement. This includes any commissions associated with Dump-in premiums included in 2a.

2a. UL and VUL Dump-in Included in F-2 – Enter the amount of commission included in F-2 that was paid on premium that exceeded the target premium.

3. Renewal Commissions - Commissions paid included in Exhibit 1, Line 29 of the NAIC Annual Statement. Include service fees paid. Asset trailing expenses for annuities should also be included.

G. Acquisition Expenses other than commissions

1. Sales / Marketing – All expenses, other than commissions, directly paid in the acquisition of new business, including home office, field office, licensing, sales promotion, etc.

2. Underwriting – Inspection Reports and Medical Exams – All expenses paid for inspection reports, MIB's, blood tests, para-medicals, full medicals and attending physician's statements. **This does not apply to annuities.**

3. Underwriting – All Other – All other expenses paid in relation to underwriting the risk. **This does not apply to annuities.**

4. Policy / Contract Issue – All expenses paid for the preparation and issue of policies or contracts.

5. Product Development – If your company allocates product development expenses as acquisition expenses, enter the amount here. If not, enter 0.

6. Other Acquisition – All other expenses paid directly relating to the acquisition of new business. Do not include any overhead expenses that are included in "Total Overhead" (H.4). Please list separately and describe each significant type of expense included here. Please include direct response acquisition related expenses in a separate line.

H. Other Expenses (no distribution channel expense splits have been requested)

1. Benefits Department(s) and Claim Settlement Expenses – All expenses paid directly relating to the evaluation and payment of benefits on the underlying life or annuity policies / contracts including internal and external staff, investigation, etc.

2. Policyowner Services – All expenses paid directly relating to the servicing of the underlying life or annuity policies / contracts.

3. Significant Unusual Non-recurring Expenses – significant unusual expenses paid that are not expected to recur. These expenses may be related, but not limited, to development or purchase of new systems, mergers and acquisitions, demutualizations or large legal judgements. Indicate the type of expense included. Only include such an expense if it is greater than 2% of total expenses for the line of business.

4. Total Overhead – Expenses that are not directly related to the acquisition or maintenance of policies / contracts.

5. Amount of Total Overhead Allocable to Acquisition – In the pricing process, some companies allocate a certain portion of the total overhead expenses as part of their acquisition costs. If applicable, please note how much of this is included in H. 4. Total Overhead.

6. Other Non-overhead – All other expenses paid. Please list and describe each such expense separately.

I. Premium Tax and Guarantee Association Assessments – Premium taxes paid and guarantee association assessments paid (no distribution channel expense splits have been requested).

J. Total Expenses – Should equal the sum of F through I. Note that this should not be entered.