November 2002, Issue No. 19 | Newsletter of the Smaller Insurance Company | Published in Schaumburg, IL by the Society of Actuaries

Society of Actuaries

Small Talk

Chairperson's Corner

Songs We Know By Heart

by R. Dale Hall

The Jimmy Buffett fans among us know that the first line to his classic song "Changes in Latitudes, Changes in Attitudes" is as follows: "I took off for a weekend last month just to try and recall the whole year." Recalling the year that has gone by for the Smaller Insurance Company Section might very well take a whole weekend as the Section Council looked to build upon the strong foundations that have been laid in the past with new ideas for the future.

The 2001-2002 year started with our First Annual Smaller Insurance Company Symposium held during two sessions of the SOA Annual Meeting in New Orleans last October. Over 60 attendees had an opportunity to listen to topic experts and share their personal experiences on items such as the Actuarial Opinion and Memorandum Regulation (AOMR), investment operations for small companies, and reinsurance. Jim Grant from Collins & Associates helped spawn a lot of interesting discussion at those sessions in light of the events of September 11th, 2001. We have set up the Second Annual Smaller Insurance Company Symposium for this year's SOA Annual Meeting in Boston, and hope to increase the ability for our section members to give their insights and network during these sessions.

The Section also had continuing education opportunities at other SOA meetings throughout the year. Two sessions were held during the SOA Spring Meeting in Colorado Springs and one roundtable discussion was held during the Valuation Actuary Symposium in Orlando in September. Major topics discussed were the AOMR, how small companies can offer "big company products", and an outlook on the 2001 CSO Table. I am continually impressed by the number of our section members who take advantage of these sessions to discuss these critically important topics.

One of our top achievements this year was to sponsor our first Webcast. We felt that the AOMR was a timely topic for small companies to discuss and also wanted to leverage off the new technology that allows for discussion without the hassle or cost of travel. Over 80 people signed up for the AOMR Webcast and these attendees were able to pose questions before, during and after the Webcast to the presentation team. I feel that

(continued on page 3)

contents

Small Talk

Issue Number 19 • November 2002

Published by the Smaller Insurance Company Section Council of the Society of Actuaries
475 N. Martingale Road, Suite 800
Schaumburg, IL 60173-2226

phone: 847.706.3500
fax: 847.706.3599
World Wide Web: http://www.soa.org

This newsletter is free to Section members. A subscription is $15.00 for nonmembers. Current-year issues are available from the Communications Department. Back issues of Section newsletters have been placed in the SOA library and on the SOA Web site: (*www.soa.org*). Photocopies of back issues may be requested for a nominal fee.

James R. Thompson, Newsletter Editor
Hooker & Holcombe
65 LaSalle Road
West Hartford, CT 06107
phone: 860.521.8400
fax: 860.521.3742
darnold@hhconsultants.com

Joe Adduci, DTP Coordinator
phone: 847.706-3548
fax: 847.273.8548
jadduci@soa.org

Clay Baznik, Publications Director
cbaznik@soa.org

Lois Chinnock, Staff Liaison
lchinnock@soa.org

Bryeanne Summers, Graphic Designer
bsummers@soa.org

Articles Needed for the *Small Talk*

Your help and participation is needed and welcomed. All articles will include a byline to give you full credit for your effort. *Small Talk* is pleased to publish articles in a second language if a translation is provided by the author. For those of you interested in working on the *Small Talk*, several associate editors are needed to handle various specialty areas such as meetings, seminars, symposia, continuing education meetings, teleconferences and cassettes (audio and video) for Enrolled Actuaries, new pension study notes, new research and studies by Society committees and so on. If you would like to submit an article or be an associate editor, please call James R. Thompson, editor, at 815.459.2092.

Small Talk **is published quarterly as follow:**

Publication Date	**Submission Deadline**
February	January 10
June	May 10
September	August 10
December	November 10

Preferred Format

In order to efficiently handle articles, please use the following format when submitting articles:

Please e-mail your articles as attachments in either MS Word (.doc) or Simple Text (.txt) files. We are able to convert most PC-compatible software packages. Headlines are typed upper and lower case. Please use a 10 point Times New Roman font for the body text. Carriage returns are put in only at the end of paragraphs. The right-hand margin is not justified.

If you must submit articles in another manner, please call Joe Adduci, 847.706.3548, at the Society of Actuaries for help.

Please send a hard copy of the article to:

James R. Thompson
Newsletter Editor
Central Actuarial Associates
866 Northhampton Drive
P.O. Box 1361
Crystal Lake, IL 60039-1361
phone: 815.459.2083
fax: 815.459.2092
jimthompson@ameritech.net

Thank you for your help.

events like these greatly benefit our members, many of whom have tight budgets or can't afford time away from the office to discuss current issues. We've already received some feedback on webcast topics that would interest our section down the road.

I'm very pleased to report that the section is ending this fiscal year with a strong fund balance and strong leadership going forward. We've made a commitment to assist the SOA to enhance its Web site library and search capabilities—a service that we believe will greatly benefit our section. In addition, it's worth noting that we had many more people run for Section Council than in recent memory and "voter turnout" in the Smaller Insurance Company Section was higher than any other section within the SOA. It's clear that the members of the Smaller Insurance Company section are intent on being involved and using the section as an opportunity to keep up to speed on current events.

I'm very excited about the three new Section Council members we elected this summer to serve a three-year term. After some close balloting, we have Steve Frechtling from Cincinnati Life, Julie Hunsinger from Investors Heritage Life and Susan Keisler-Munro from Woodmen Accident & Life joining the council. Their addition will give the council a good balance across different lines of business, and a good mix of company actuaries, reinsurers and consultants.

At our September 10th, 2002 conference call, the officers for next year were elected. Sue Reitz from Illinois Mutual will be the incoming chair starting at the Annual Meeting in Boston. Sue has provided excellent input to the council over the past year and will be building off her current role as president of the Central Illinois Actuarial Club. Pete Hitchcock from Motorists Life will be the new vice-chair. Pete was the glue behind putting all the details together for the AOMR webcast we sponsored this year. Finally, Julie Hunsinger will take over the role of secretary/treasurer. Many thanks go out to Ed Cowman and Paul Retzlaff for their three years of service of the Council, and especially to Paul for being our secretary/treasurer over the past two years. Section members can always keep up to speed on section activities by reviewing the minutes and treasury reports at: http://www.soa.org/sections/small.html.

It has been an active and productive year for the Smaller Insurance Company Section. I encourage every member of the section to continue to look for ways to get involved and participate in the events ahead.

R. Dale Hall
2001-2002
Chairperson

Editorial Comments

by James R. Thompson

James R. Thompson

Introduction: Charles Dickens begins The Tale of Two Cities with: It was the best of times; it was the worst of times. And he lived before the bearish gyrating stock market and the marketing and regulatory problems which characterize our industry!

Smaller companies must find a niche and sell products in a cost-effective manner or perish. We have focused on efficiencies in the past, especially those produced by systems advances. We should be watching our expenses. Per policy expenses are a product both of the expense increased and the production. Although not all companies offer illustrated products, the GRET table for the illustrated ones is a bellwether of expense trends in the industry. Tim Harris has some insights on the GRET for 2003.

Another issue we have been closely following is the AOMR. Those of us who have attended some meetings of the Life and Health Actuarial Task Force at the NAIC have seen the intense interest and sometimes emotion surrounding this issue. Generally speaking, regulators did not see the sense to giving broad exemptions to companies based on size. Many industry groups, including he National Alliance of Life Companies. Eventually the AOMR did pass the NAIC. How is it progressing through the states? What if some states have the current version and others have this new version? What is the effective date? Mark Rowley has some insights on these issues.

Many companies, both small and large, sell life products with secondary guarantees (such as guaranteed non-lapse if a certain level premium is paid). How to regulate non-forfeiture values while taking the secondary guarantees into account has been an ongoing issue at NAIC meetings. Many companies have product designs already being used, and do not want to see a proposal passed which will grossly inconvenience them. At the September meeting, actuaries from Hartford Financial presented a proposal which might satisfy regulators and the industry. The proposal is still being discussed and Tom Kalmbach has written an article on it. We are bringing this to your attention so that you can follow this quick-moving issue and see if you have any suggestions or objections. Also at the September meeting, a LHATF draft document was exposed and a Met Life comment was made. This Hartford proposal was accepted for consideration.

This year the wreck of the stock market has produced a revival of the fixed annuity, that good old standby. This product is viewed as lackluster compared to the more interesting variable annuities, accumulation VULs and externally indexed annuities. But the need for stability has brought it back. One never knows when the stock market and interest environment will change.

My advice to small companies is to make hay while the sun shines. One must know how to invest for this product, administer the various qualified plans and design it. Some small companies have been making a nice income from this already, and some have avoided entering the market for a variety of reasons (perhaps fear of having to do asset adequacy analysis, is one). With the elimination of the AOMR exemptions a strong possibility and with the continuation of the lackluster stock market, it would appear these objections are disappearing.

Another product of interest is critical illness. This was popular in Great Britain, and has been making inroads in the United States. Some have experienced success stories. This may be a marketing tool which will give a company a edge. Is it for you? Jeff Morris was a co-author of a study note on this and has recapped his insights.

Finally, our Chairman, R. Dale Hall, has given us his summary of our section's contributions over the past year. This is important. We can study all the problems we want to, but we must make a contributions to solving them.

The Design and Pricing of Critical Illness Insurance

by Jeff Morris

Critical illness products have become more commonplace in recent years. The first critical illness benefits offered in the United States were riders to life policies. This article discusses critical illness benefits offered as stand-alone accident and health policies.

1.1 Product Design

Critical illness coverage usually consists of a lump sum benefit payable upon the occurrence of one of a carefully defined list of diseases, medical events or sometimes disability. Most products cover at least life-threatening cancer, heart attack and stroke. Other illnesses and events covered include renal failure, major organ transplant, coronary artery bypass surgery, multiple sclerosis, muscular dystrophy, coma, Alzheimer's disease, Parkinson's disease, loss of a limb, loss of hearing or sight and total and permanent disability. Partial benefits may be payable for some diseases or events, but the policy would limit the total amount payable to a specified amount.

Some policy designs require a survival period; that is, the covered person must survive for some number of days (say 30 or 90) after the occurrence of an event before benefits are payable. Other product designs include a recurrence benefit where subsequent benefits are available after a first occurrence. These recurrence benefits might not be available for a certain time period after the initial payment or they may be payable only for diseases not related to the initial disease. Critical illness products can also be designed based on a hospital confinement benefit with other indemnity benefits payable for certain treatments.

An important part of the policy design is a careful definition of the illnesses covered. For instance, life-threatening cancer is usually defined to exclude skin cancer and carcinoma-in-situ. If the policy pays partial benefits, then skin cancer and carcinoma-in-situ may be payable at a small percentage of the policy maximum. The definition of a stroke should be strict enough to exclude transient ischemic attacks and other cerebrovascular accidents of minor consequence. In general, the objective is to define illnesses and events strictly enough so that benefit payments are made when the condition is severe enough to result in significant medical costs or a severe change in the covered person's lifestyle. Still, the definitions should not be so strict that benefits are not payable in those situations where common sense might suggest they should be.

Some regulatory jurisdictions object to the lump sum payment benefit, and gaining approval for an individual product in these jurisdictions may not be possible. Most of these objections are based on insurance department guidelines and not on laws or regulations, so that there is some chance that this situation will change as acceptance and understanding of the purpose of this type of benefit grows.

An important part of the policy design is a careful definition of the illness covered.

1.2 Morbidity Assumptions

Since morbidity under a lump sum benefit design is based on incidence rates only, the severity is defined by the size of the single payment. When information on population prevalence rates is available for a particular disease, the actuary needs to take care to transform these into incidence rates using information on survival after onset of the illness. When using existing company data from other types of coverage, care must be taken to consider the effect that the lump sum design might have on incidence. For instance, an existing medical policy might pay relatively little benefits for a mild heart attack where there is no hospitalization and limited treatment. However, that same incident might result in a large lump sum benefit payment under critical illness coverage, and a covered person would be more motivated to file such a claim. Estimating the effect of any survival periods or recurrence benefits will require some information on survival rates and longevity after the onset of an illness.

The definition used for the covered illnesses in the critical illness policy will usually be more restrictive than the definition used in published information, and the effect of the policy's definitions must be considered. Just as in estimating the effect of underwriting on resulting experience, estimating the effect of a policy's definitions can be difficult. A conservative approach is called for until sufficient insured experience develops.

One will find that there is a great amount of information available from government health agencies and medical literature, and sorting through it to understand the differences and applicability of the information can be a daunting task. Assistance from reinsurers, actuarial consultants and medical professionals is extremely valuable.

1.3 Marketing and Underwriting

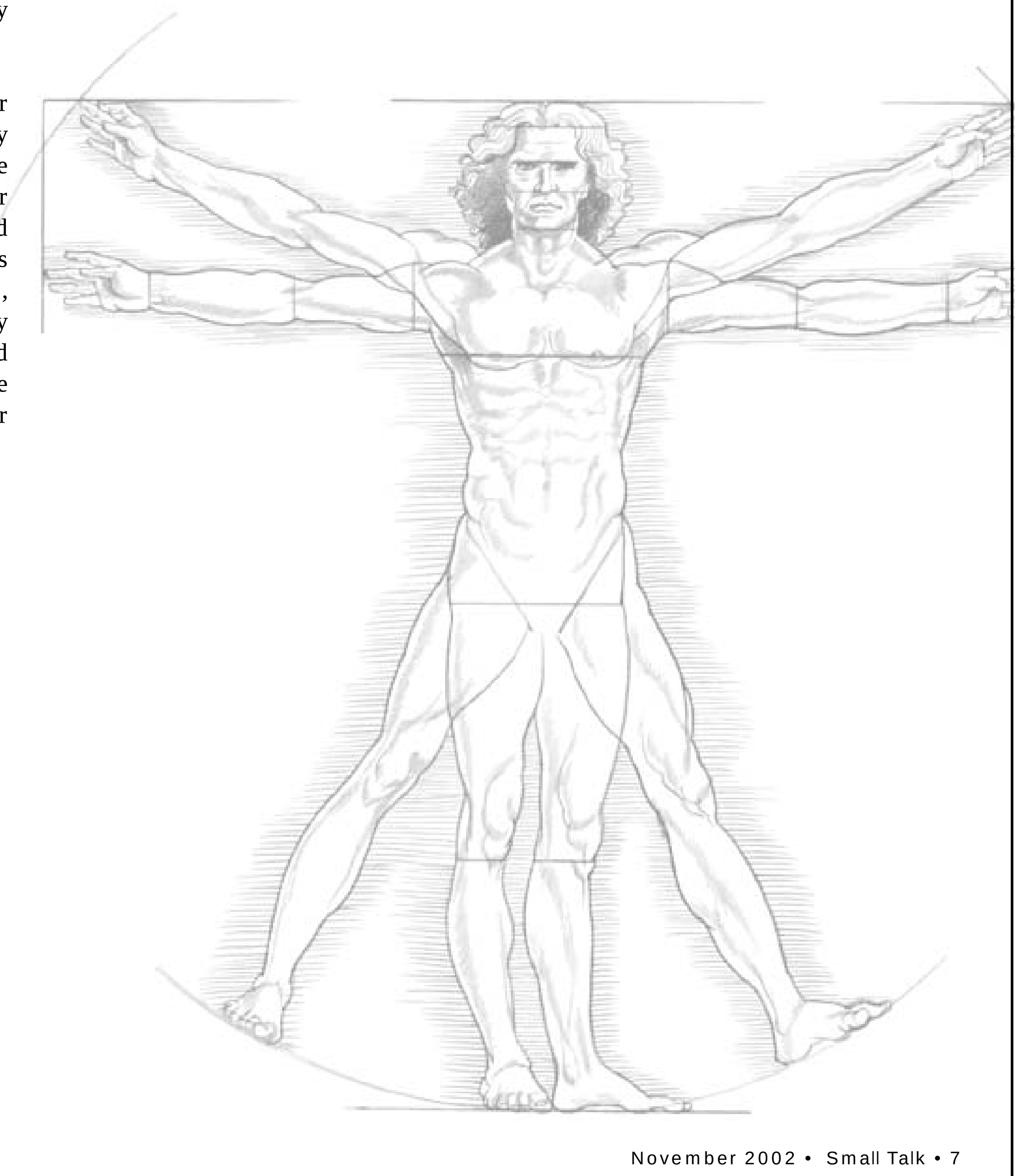
Critical illness products can be designed for use in markets where other supplemental health products are successful. Since the coverage provided by critical illness insurance is broader than that provided by most other supplemental health products, premium rates are higher and the underwriting is more complex. This makes critical illness products difficult to design for a market where lower premium rates and simple underwriting is necessary.

Products may also be designed for the higher income market where the lump sum payment can be as high as $500,000 or more. The degree of underwriting can vary greatly depending on the market and the benefit amounts available under the policy. Ratings and exclusions can be used and are more common for the higher benefit products. Premium rates generally vary by tobacco use, but not always by sex.

Underwriting will also vary depending on which illnesses and medical events are covered under the policy. For many markets and distribution approaches, and when the expected average benefit amount is in the $10,000 to $30,000 range, simplified issue and accept/reject underwriting may be used. Here, high blood pressure might be accepted until two or three medications are taken or when present in combination with other conditions. Similarly, diabetes will be accepted unless it is not controlled or if present with other conditions. Past history of cancer might be a reject, or an exclusion endorsement may be used. Persons with a past history of abnormal cancer screening test readings may be reviewed more carefully.

The underwriting approach for higher benefit products will be very similar to that used for higher face amount life insurance products. For such products, a system of debits and credits will be used, family history is usually developed, the MIB is used, attending physician statements may be requested, and medical exams and laboratory tests are common. Decline rates can be 20 percent or higher for the higher benefit products.

Critical illness insurance is still a relatively new insurance product and insurance companies are still experimenting with product designs and underwriting approaches that will fit their particular markets and distribution channels.



Reworking The ABC's Of XYZ

by Tom Kalmbach

The National Association of Insurance Commissioners recently introduced a proposal that defines minimum cash values for life insurance products with secondary guarantees. The draft regulation, known as the Minimum Non-forfeiture Values for Universal Life Insurance Products and Variable Universal Life Insurance Products with Secondary Guarantees Model Regulation (XYZ), generated considerable controversy.

At the Life and Health Actuarial task force meeting on September 10, at least one company opposed Regulation XYZ outright and others said the proposal failed to adequately address regulations for minimum cash values.

One of XYZ's strengths includes the introduction of a reasonable methodology to determine the implied mortality guarantees provided by any secondary guarantee. Because the proposed regulation would apply to both UL and VL products, it would create a level playing field across both product lines. And the methodology would also allow minimum cash values to be determined at issue.

The ability to determine minimum cash values at issue can make the policies easier to administer. However, the cost for doing so is the inability to reflect pre-funding of benefits in minimum cash values. This is an unnecessary trade-off, as you'll see later in a suggested alternative. A key reason for non-forfeiture values in the first place is to reflect pre-funding of benefits—a common occurrence with flexible premium plans. This is a major shortcoming.

(continued on page 10)

... it would create a level playing field across both product lines.

Section 7 Opinions

by Mark Rowley

Mark Rowley

Soon small companies will no longer be allowed to file Section 7 opinions. Early indications are that 15 to 20 states will pass the new Actuarial Opinion and Memorandum Regulation (AOMR) in 2003 and that almost all of the remaining states will pass it in 2004. It would appear that almost all states will pass AOMR by 2004, since by that time it is expected to be an accreditation standard. (You may have heard that at the last NAIC meeting the new AOMR was adopted as a part of codification, and that this meant that the new AOMR was effective immediately. Apparently this isn't true, since the first paragraph of codification says that laws already on the books supersede what is in codification. In this case the old AOMR is still on the books, which allows Section 7 opinions. While a few states might interpret this differently, I don't think that many will.)

As you know, there was significant opposition to the elimination of Section 7. But the battle has been lost now so companies need to come to grips with how to get the work done. If the work isn't done, the result would be a qualified opinion from your CPA.

If you are in a company impacted by this (since your company has less than $100 million of assets), it is critical that you identify soon how you are going to get this work done. According to the chair of the NAIC's Life and Health Actuarial Task Force (L&HATF), there are 831 companies with less than $100 million of assets. The companies who will use a consultant to help them get this done should shop early; there may not be enough consultants to go around. If you shop now for a consultant, you may get to choose; if you wait, you may not have this luxury.

As you talk to different consultants, ask them what other uses the asset adequacy model they build could have for managing your company. Many companies have found it useful to utilize their asset adequacy model to help improve:

- Profit projections
- Understanding sources of profit
- Understanding company risks.

There is another AOMR issue that could impact many companies. As you know, once AOMR is passed in your state of domicile and in the states most likely to have different laws, your effort to comply with state variations will be greatly diminished. You will only have to comply with your states laws, if your state is accredited by the NAIC.

There has been a recent proposal by some regulators to require a 300 percent RBC ratio to be able to enjoy these benefits. I am concerned that this proposal could reduce significantly the industry wide benefit of the domestic state opinion. Also, I don't understand the logic of requiring a 300 percent RBC ratio. The issue is whether the domestic state's laws are adequate. This is much better tested by the accreditation process, and not tested very well at all by an RBC ratio requirement.

Mark Rowley is a consulting actuary with Van Elsen Consulting, Inc. He can be reached at 515.276.8565 and at:
mark@veconsulting.com.

A second shortcoming is that applying XYZ to shadow design plans results in very low minimum cash values. Shadow design plans generally have increasing required premiums, much like annual renewable term policies. Since the expense allowance in XYZ is determined based on an arithmetic average of these premiums, the result is a very high expense allowance. Minimum cash values are then calculated by taking the actual required premium minus this expense allowance. Since first year required premium is generally low relative to later year premiums and the expense allowance is large, the result is very low minimum cash values relative to a similar premium based guarantee. Chart 1 demonstrates this result for a fictional shadow design and premium based design.

Ideally, the non-forfeiture method chosen should reflect pre-funding and be easy to administer. The current Universal Life Model Regulation achieves both goals. It is easier to administer because the resulting minimum cash values equal the actual policy value less an unamortized unused initial expense allowance as defined in the model regulation. It works because companies can calculate surrender charges, which when applied, result in cash values that meet non-forfeiture regulations. An alternative to XYZ is the application of the methodology of the UL Model Regulation to products with secondary guarantees. The basic premises for the alternative are as follows:

a) The UL model regulation works well today.

b) Any non-forfeiture regulation should reflect pre-funding.

c) The expense allowance in the UL model regulation is a whole life expense allowance. Products with secondary guarantees provide whole life coverage first and secondary guarantees second. Thus, a whole life expense allowance is appropriate, however, the mortality assumptions used to determine this expense allowance should reflect those implied or specified in the guarantee.

d) XYZ's "R" methodology with some adjustments does a reasonable job to determine implied guarantees.

e) Cash values will reflect actual interest/investment credits, actual policy charges and actual benefit charges.

The suggested alternative introduces a few other modifications to XYZ.

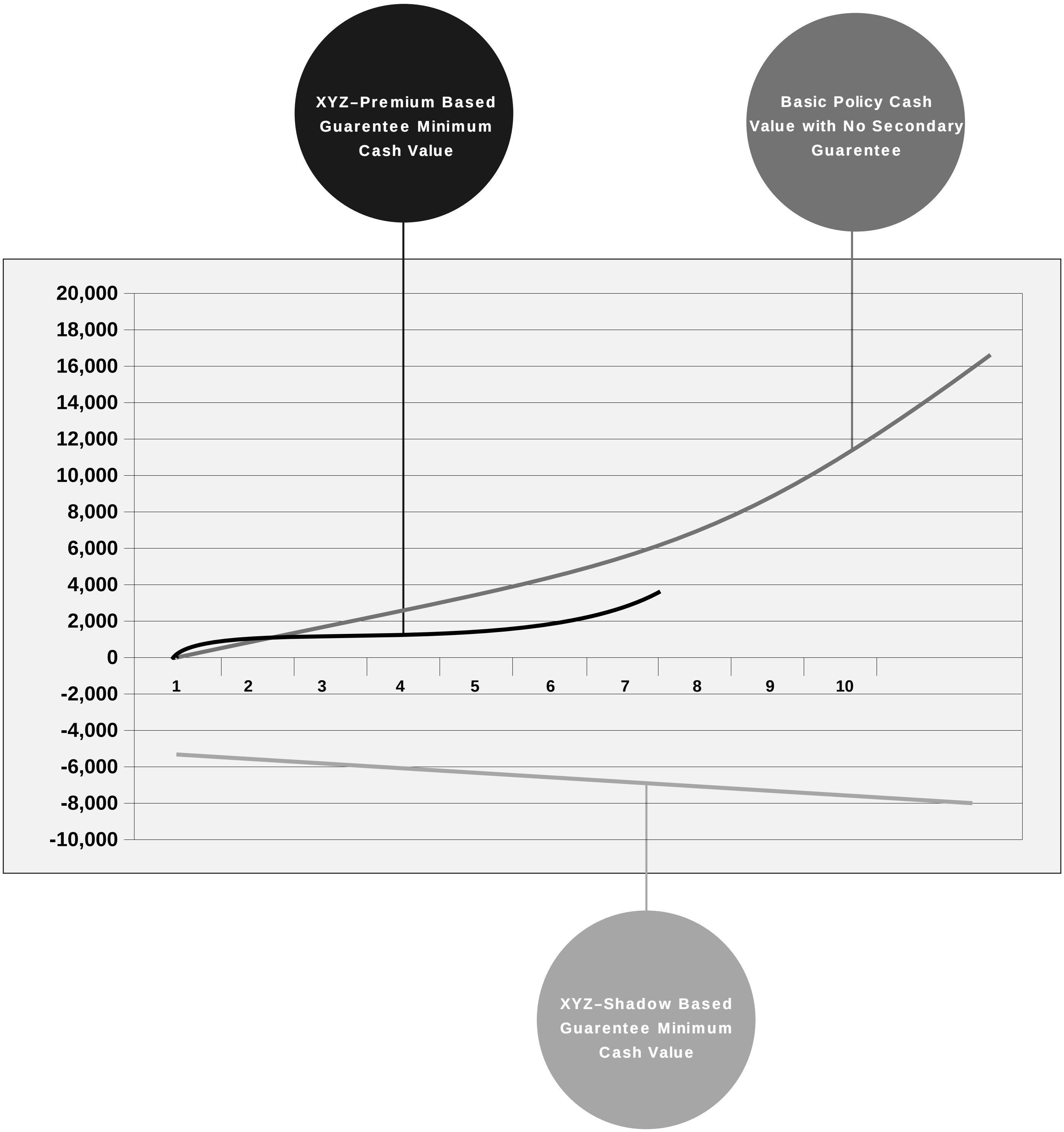
1. The "R" methodology should reflect expense charges applicable to the secondary guarantee, if any.

2. Because a constant percentage ("R") of 1980 CSO may not be adequate to cover mortality and other costs, a company should have the option of specifying the mortality charges in the secondary guarantee. This provides companies with a good deal of flexibility in product design.

3. Minimum cash values equal accumulated premiums, less expense charges and benefit charges less an unamortized, unused expense allowance, where expense charges and benefit charges are no greater than those implied or specified in the secondary guarantee. Thus, minimum cash values for a product that has actual expense charges and actual benefit charges less than those specified or implied in the secondary guarantee will equal the policy value less a surrender charge where maximum surrender charges are determinable at issue.

Cash values will reflect actual interest/ investment credits, actual policy charges and actual benefit charges.

Chart I: August 9, 2002 Draft of XYZ
Hypothetical Example for Shadow Design and Premium Design
Level No Lapse Premium=$950, Face Amount=$100,000
Actual Premium Payment=$1,100 annually



4. Non-forfeiture expense allowances are calculated using mortality implied or specified in the secondary guarantee but no greater than non-forfeiture mortality.

5. Finally, if a policy is kept in-force by the presence of a secondary guarantee, the policy value is floored at zero.

The result is a non-forfeiture regulation similar to today's non-forfeiture regulations that can be administratively straightforward and appropriately reflects pre-funding of benefits. The next steps are to stress test the alternative and then seek reactions from life insurers and regulators. Copies of the draft should be available on the NAIC Web Site for your comment.

XYZ's "R" methodology with some adjustments does a reasonable job to determine implied guarantees.

Description of the Development Process for the 2003 GRET Factors

by Timothy Harris

Timothy Harris

Once a year the Committee on Life Insurance Company Expenses of the Society of Actuaries at the request of the NAIC reviews the prior year's life insurance company expense data in order to determine if a new GRET table should be established.

This year we started by acquiring 2001 annual statement data for the 200 largest life companies as measured by life insurance expenses. The companies were grouped into the four categories of distribution systems: branch office, direct marketing, home service and all other. Companies were placed in the appropriate category based on research performed by Conning and Co. supplemented by public information (e.g. Bests Reports) for our analysis.

This total expense information for each group was used to modify the LOMA expense factors that have been the seed factors in all prior GRET calculations. This modification was accomplished by multiplying the LOMA expense factors by the appropriate total units from each group of companies. An adjustment factor was calculated as the ratio of the total group of companies' expenses to the totals produced from the LOMA factors. This ratio when applied to the LOMA factors and multiplied by the appropriate units will then reproduce the total expenses for the group.

Actual to expected ratios are then calculated using each companies units and the adjusted LOMA factors and the companies are sorted by their actual to expected ratios.

To lessen the effect of reinsurance on the analysis, companies were removed if life reinsurance commissions and allowances were at least 25 percent of the sum of life general expenses and life commissions. Additional companies were added to replace those that were dropped. Companies were then excluded if they were considered to be "outliers". Outliers were generally determined to be those companies with expenses that were less than 20 percent or greater than 300 percent of the expenses produced by the median factors applied to that company's units. New companies were selected to bring the number back up to 200.

The final expense factors for each group are then derived by applying the A/E ratio of the resulting median company to the modified LOMA seed factors.

Finally, the factors were rounded in the following manner: "Per Policy" expenses and "Maint" expenses were rounded to the nearest dollar, "Per Unit" expenses were rounded to the nearest $0.05 and "% of Prem" expenses were rounded to the nearest percent.

The results of the calculations for the 2003 based on 2001 published Statutory information are shown in Exhibit 1 (2003 GRET Factor Comparison) on the following page.

When the results were presented to the NAIC members of the Life and Health Actuarial Task Force (LHATF), questions were raised about the decrease in branch office company expenses versus the increase in "Other" company expenses. The latter category is a group that includes many stock life insurance companies.

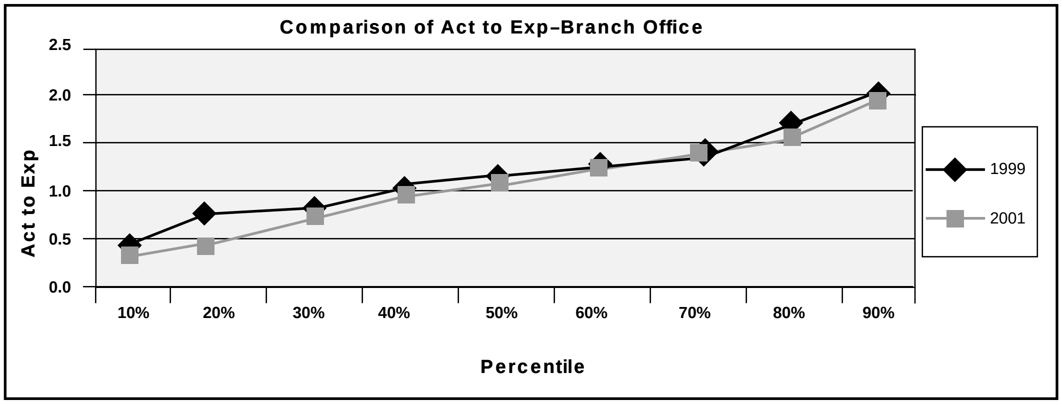
Further analysis of expenses for the two categories showed that when compared the base LOMA expense factors that are used to allocate expenses by function in the study, showed that the branch office expenses had held fairly steady of the past two years when compared to the base expense factors while the other Company category showed an increase. See Exhibit II. (GRET Comp Charts) on page 13. This may be due at least in part to the reduction in expenses following the numerous demutualizations that have taken place and should not be viewed as a negative commentary on other company expenses.

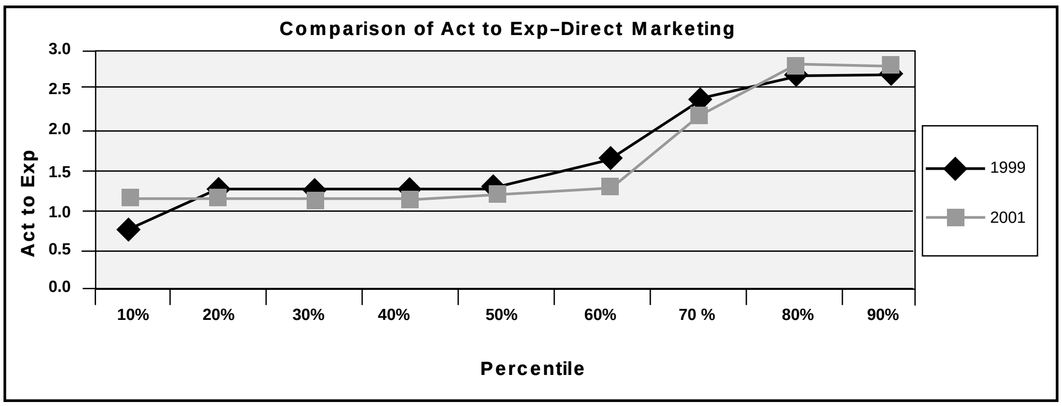
In New Orleans, the LHATF voted to recommend adoption of the revised GRET, and that recommendation was approved by the Life Insurance and Annuities (A) Committee. The final step is consideration of this recommendation by the full NAIC membership in San Diego in December.

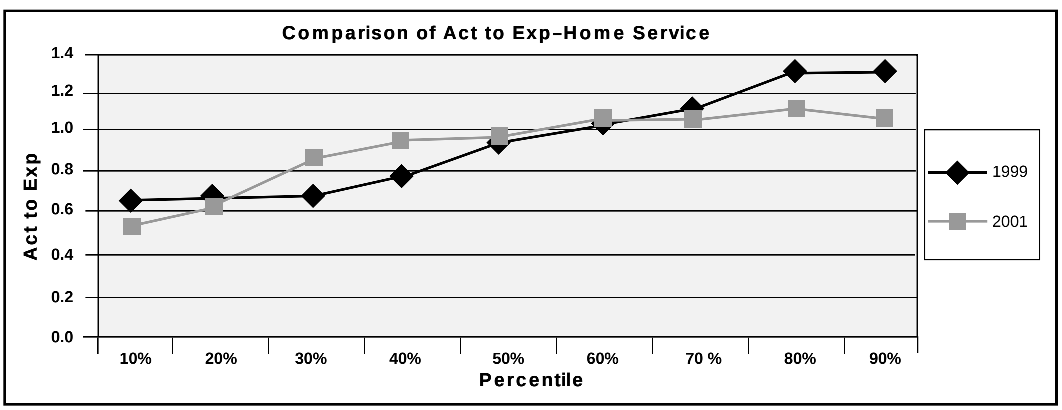
GRET Factor Comparison

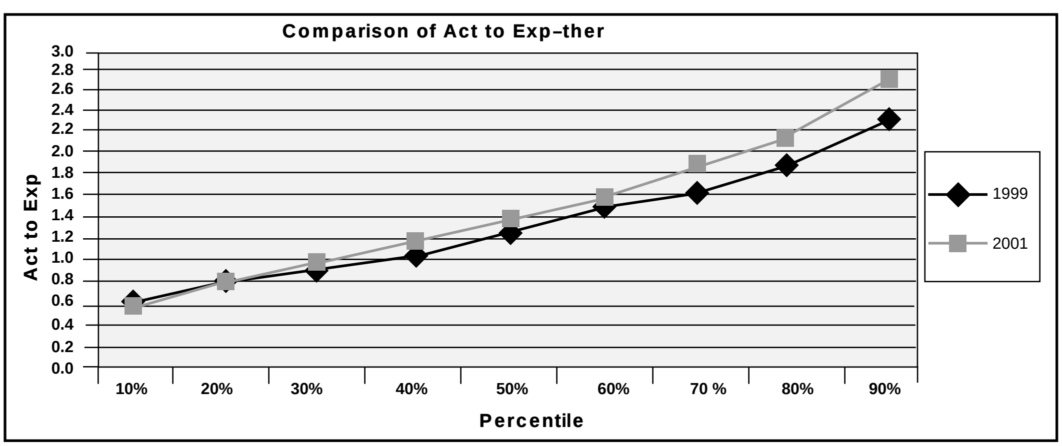
		2001 Factors	2003 Factors	Percent of 2001 Factors
Branch Office	**Acq**			
	Per Policy	$70.00	$66.00	94%
	Per Unit	$1.25	$1.15	92%
	% of Prem	78%	73%	94%
	Maint			
	Per Policy	$35.00	$33.00	94%
Direct Marketing	**Acq**			
	Per Policy	$87.00	$80.00	92%
	Per Unit	$1.55	$1.40	90%
	% of Prem	48%	44%	92%
	Maint			
	Per Policy	$43.00	$40.00	93%
Home Service	**Acq**			
	Per Policy	$60.00	$61.00	102%
	Per Unit	$1.05	$1.40	105%
	% of Prem	33%	44%	103%
	Maint			
	Per Policy	$43.00	$40.00	103%
Other	**Acq**			
	Per Policy	$78.00	$85.00	109%
	Per Unit	$1.40	$1.50	107%
	% of Prem	43%	47%	109%
	Maint			
	Per Policy	$39.00	$39.00	110%
Total– Weighted by Actual Expenses	**Acq**			
	Per Policy	$73.09	$73.74	101%
	Per Unit	$1.31	$1.29	99%
	% of Prem	$0.63	$0.60	95%
	Maint			
	Per Policy	$36.53	$37.10	102%

Comparison of Actual to Expected Using Unadjusted LOMA Seed Factors









SOCIETY OF ACTUARIES

475 North Martingale Road • Suite 800
Schaumburg, Illinois 60173
www.soa.org