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ANNUITY & LIFE INSURANCE SHOPPER

July-Sept. 1992 (vol.7, no.3)

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ANNUITY & LIFE INSURANCE SHOPPER

July - September 1992 Volume 7, Number 2

Features

Editor's Notes

Interest rates again fell to multi-year lows during our reporting period as the U. S. and world economies continued sluggish. Additionally, downward pressure on rates was exerted in late June by the Federal Reserve, which reduced the Discount Rate by a half percent. Long-term interest rates are being pulled lower along with the shorter instruments. With the Fed unable to meet its money supply targets this year, you can expect rates to head even lower until demand for money begins to pick up. Any takers out there?

Notwithstanding the bust in rates, our Deferred Annuities held up fairly well (see Median Rate Chart, page 7). Immediate Annuity prices, however, moved up by nearly 5%. Readers who called me for SPIA quotations during the period were surprised to find that their annuities ratcheted up in cost 3 weeks in a row. With the down trend in rates adequately established, our outlook is for higher annuity prices ahead. Buyers - Buy your SPIAs now!

In the news this month is the large volume of CD-to-SPDA conversions anticipated from the expiring "October, 1987" 5-Year bank contracts. With CD rates at 3% and 4%, it seems that 6% annuities ought to be a shoe-in. We'll know soon enough. Tell us how your prospecting went this month.

On the pension front, the American Academy of Actuaries reports that since January 1990, more than 30,000 U.S. employers "retired" their defined benefit plans. The trend to terminate DB plans has intensified. Blame is placed squarely on the growing burden of 20 years of excessive government regulation going back to ERISA. AAA has developed a three-point program to shore up the ailing pension system.

First, AAA contends, existing pension rules must be simplified. Second, confidence in the financial health of the Pension Benefit Guaranty Corp. must be restored. Third, a presidential commission should be established to study the nation's retirement system, focusing on the impact of tax and economic policy on pensions. AAA concludes that it's not enough merely to leave the existing system alone because the existing system is causing the problem. We couldn't agree more with the AAA. Hersh Stern, Editor

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RATES AND QUOTATIONS: ANNUITY & LIFE INSURANCE SHOPPER obtained the rates, premium calculations, and contract specifications in this issue from the insurance companies who responded to our quarterly survey. We make no representations regarding the accuracy of these quotes nor do we evaluate the financial conditions of nor make any endorsement for the products of any company reported herein. Companies not listed did not respond to our survey request.

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IMMEDIATE ANNUITIES UPDATE

The quotations in Table 1 and 2 represent the monthly income which can be purchased with each $1,000 of premium on the various annuity forms listed using sex-distinct or unisex rates, as appropriate. These quotes assume first payment is one month after the date of issue and include all fees and commissions but not state premium taxes, if applicable.

Table 1. Qualified Single Premium Immediate Annuities (See p. 23 for explanation)

	ISSUE AGES, RATE BASES, AND FORMS OF ANNUITY									
Reporting Companies	Issue Ages	Male 65 Life	Fem. 65 Life	Unisex 65 Life	Male 70 Life	Fem. 70 Life	Unisex 70 Life	Unisex 65 10C&C	Pd. Cert. 10Yr.Only	M65 F60 J&50%S
Ministers Life	**40-80**	**$ 9.10**	**$ 7.76**	**$ 8.83**	**$ 10.54**	**$ 8.65**	**$ 10.15**	**$ 8.10**	-	**$ 8.18**
Security Mutual/NY	**20-80**	**$ 8.93**	**$ 7.68**	-	**$ 10.41**	**$ 8.78**	-	-	-	**$ 7.56**
Penn Mutual	**0-85**	**$ 8.87**	**$ 8.03**	**$ 8.72**	**$ 10.00**	**$ 8.84**	**$ 9.90**	**$ 8.30**	**$ 11.45**	**$ 7.84**
Metropolitan (GAC)	**0-90**	**$ 8.80**	**$ 8.02**	**$ 8.52**	**$ 9.64**	**$ 8.64**	**$ 9.64**	**$ 8.08**	**$ 11.23**	**$ 7.75**
Sun Life of America	0-85	$ 8.77	$ 8.02	$ 8.39	$ 9.69	$ 8.67	$ 9.18	$ 8.06	$ 11.13	$ 7.42
Great American	18-70	$ 8.73	$ 7.90	$ 7.90	$ 9.95	$ 8.94	$ 8.94	-	$ 10.47	$ 7.92
Canada Life	**0-90**	**$ 8.66**	**$ 7.89**	**$ 7.89**	**$ 9.73**	**$ 8.71**	**$ 8.71**	**$ 7.69**	**$ 11.31**	**$ 7.71**
Nat'l Heritage	0-85	$ 8.57	$ 7.78	-	$ 9.73	$ 8.67	-	-	$ 11.50	$ 7.81
United Pacific Life	0-85	$ 8.55	$ 7.73	-	$ 9.69	$ 8.55	-	-	$ 11.11	$ 7.59
WM/Empire Life	0-114	$ 8.54	$ 7.69	$ 8.12	$ 9.80	$ 8.64	$ 9.22	$ 7.74	$ 11.04	$ 7.47
Sunlife of Canada	0-85	-	-	$ 8.20	-	-	$ 9.12	$ 7.88	$ 10.99	-
Reliance Standard	0-80	$ 8.52	$ 7.78	-	$ 9.62	$ 8.61	-	-	$ 11.06	-
Western National	0-100	$ 8.52	$ 7.78	-	$ 9.60	$ 8.60	-	-	$ 11.20	$ 7.59
Commercial Union	1-80	$ 8.46	$ 7.75	$ 8.08	$ 9.50	$ 8.53	$ 8.96	$ 7.76	$ 10.81	$ 7.56
Financial Benefit	20-90	$ 8.41	$ 7.63	-	$ 9.49	$ 8.43	-	-	$ 10.78	$ 7.65
State Life	0-90	$ 8.37	$ 7.65	-	$ 9.44	$ 8.45	-	-	$ 10.95	$ 7.69
American Investors	0-80	$ 8.34	$ 7.60	$ 7.97	$ 9.43	$ 8.42	$ 8.93	$ 7.65	$ 10.93	$ 7.55
Security Connecticut	0-90	$ 8.34	$ 7.58	$ 7.77	$ 9.48	$ 8.43	$ 8.68	$ 7.51	$ 11.05	$ 7.38
Federal Kemper Life	0-90	$ 8.33	$ 7.49	$ 7.49	$ 9.46	$ 8.29	$ 8.29	-	$ 10.98	$ 7.38
Standard Insurance	0-80	$ 8.32	$ 7.57	$ 7.74	$ 9.37	$ 8.33	$ 8.56	$ 7.50	$ 11.12	$ 7.42
Presidential	0-85	$ 8.32	$ 7.57	$ 7.57	$ 9.42	$ 8.41	$ 8.41	$ 7.35	$ 11.03	$ 7.36
Manulife Financial	0-80	$ 8.30	$ 7.27	$ 7.78	$ 9.52	$ 8.10	$ 8.80	$ 7.43	$ 10.86	$ 7.19
Jackson National	0-99	$ 8.30	$ 7.54	$ 7.85	$ 9.41	$ 8.39	$ 8.80	$ 7.56	$ 11.09	$ 7.34
Prudential	0-85	$ 8.29	$ 7.51	$ 7.87	$ 9.43	$ 8.34	$ 8.83	$ 7.54	$ 10.83	$ 7.33
Southwestern Life	5-90	$ 8.24	$ 7.48	$ 7.85	$ 9.33	$ 8.27	$ 8.79	$ 7.55	$ 11.01	-
USG Annuity/Life	35-75	$ 8.20	$ 7.29	$ 7.29	$ 9.45	$ 8.19	$ 8.19	$ 7.05	$ 11.14	$ 7.31
United Companies Life	5-103	$ 8.19	$ 7.26	-	$ 9.33	$ 8.00	-	$ 7.07	$ 11.20	$ 7.40
Keyport Life	no max	$ 8.18	$ 7.47	$ 7.83	$ 9.22	$ 8.27	$ 8.74	$ 6.75	$ 10.91	-
Kansas City Life	0-85	$ 8.09	$ 8.09	$ 8.09	$ 8.88	$ 8.88	$ 8.88	$ 7.88	$ 11.50	$ 7.82
Life/Southwest	**0-80**	**$ 8.02**	**$ 8.02**	**$ 8.02**	**$ 8.96**	**$ 8.96**	**$ 8.96**	**$ 7.68**	**$ 10.92**	**$ 6.42**
MONY	no max	$ 7.53	$ 7.53	$ 7.53	$ 8.30	$ 8.30	$ 8.30	$ 7.34	-	$ 7.01
Security Benefit	0-100	$ 7.44	$ 7.44	$ 7.44	$ 8.30	$ 8.30	$ 8.30	$ 7.25	$ 11.09	$ 6.86
New England Mutual	0-85	$ 7.09	$ 6.38	$ 6.74	$ 8.07	$ 7.13	$ 7.60	$ 6.61	-	$ 6.20

Survey period: June 17, 1992 thru June 19, 1992.
Boldface companies marketed by U.S. Annuities Brokerage 1-800-872-6684. In the April-June 1992 issue, New York Life was incorrectly listed in boldface type. U.S. Annuities Brokerage has never marketed New York Life products.

Table 2. Non-qualified Single Premium Immediate Annuities (See p. 23 for explanation)

	ISSUE AGES, RATE BASES, AND FORMS OF ANNUITY									
Reporting Companies	Issue Ages	Male 65 Life	Fem. 65 Life	Unisex 65 Life	Male 70 Life	Fem. 70 Life	Unisex 70 Life	Unisex 65 10C&C	Pd. Cert. 10Yr.Only	M65 F60 J&50%S
Ministers Life	**40-80**	**$ 9.10**	**$ 7.76**	**$ 8.83**	**$ 10.54**	**$ 8.65**	**$ 10.15**	**$ 8.10**	-	**$ 8.18**
Penn Mutual	**0-85**	**$ 8.87**	**$ 8.03**	**$ 8.43**	**$ 10.00**	**$ 8.84**	**$ 9.38**	**$ 8.09**	**$ 11.45**	**$ 7.84**
Kansas City Life	0-85	$ 8.85	$ 8.09	$ 8.09	$ 9.94	$ 8.88	$ 8.88	$ 7.88	$ 11.50	$ 7.82
Metropolitan (PDC)	**0-90**	**$ 8.80**	**$ 8.02**	**$ 8.52**	**$ 9.64**	**$ 8.64**	**$ 9.64**	**$ 8.08**	**$ 11.23**	**$ 7.75**
Sun Life of America	0-85	$ 8.77	$ 8.02	-	$ 9.69	$ 8.67	-	$ 8.06	$ 11.13	-
Great American Life	18-85	$ 8.73	$ 7.90	$ 7.90	$ 9.95	$ 8.94	$ 8.94	$ -	$ 10.47	$ 7.92
Canada Life	**0-90**	**$ 8.66**	**$ 7.89**	**$ 7.89**	**$ 9.73**	**$ 8.71**	**$ 8.71**	**$ 7.69**	**$ 11.31**	**$ 7.71**
National Heritage	0-85	$ 8.57	$ 7.78	-	$ 9.73	$ 8.67	-	-	$ 11.50	$ 7.81
United Pacific Life	0-85	$ 8.55	$ 7.73	-	$ 9.69	$ 8.55	-	-	$ 11.11	$ 7.59
WM/Empire Life	0-114	$ 8.54	$ 7.69	$ 8.12	$ 9.80	$ 8.64	$ 9.22	$ 7.74	$ 11.04	$ 7.47
Reliance Standard	0-80	$ 8.52	$ 7.78	-	$ 9.62	$ 8.61	-	-	$ 11.06	-
Western National	0-100	$ 8.52	$ 7.78	-	$ 9.60	$ 8.60	-	-	$ 11.20	$ 7.59
Commercial Union	1-80	$ 8.46	$ 7.75	$ 8.08	$ 9.50	$ 8.53	$ 8.96	$ 7.76	$ 10.81	$ 7.56
Sunlife Canada	0-85	$ 8.46	$ 7.83	-	$ 9.49	$ 8.62	-	-	$ 10.99	$ 7.58
Financial Benefit Life	20-90	$ 8.41	$ 7.63	-	$ 9.49	$ 8.43	-	-	$ 10.78	$ 7.65
State Life	0-90	$ 8.37	$ 7.65	-	$ 9.44	$ 8.45	-	-	$ 10.95	$ 7.69
American Investors	0-80	$ 8.34	$ 7.60	$ 7.97	$ 9.43	$ 8.42	$ 8.93	$ 7.65	$ 10.93	$ 7.55

continues..

IMMEDIATE ANNUITIES UPDATE

Table 2. Non-qualified Immediate Annuities, cont'd

Reporting Companies	Issue Ages	Male 65 Life	Fem. 65 Life	Unisex 65 Life	Male 70 Life	Fem. 70 Life	Unisex 70 Life	Unisex 65 10C&C	Pd. Cert. 10Yr.Only	M65 F60 J&50%S
	ISSUE AGES, RATE BASES, AND FORMS OF ANNUITY									
Federal Kemper Life	0-90	$ 8.33	$ 7.49	$ 7.49	$ 9.46	$ 8.29	$ 8.29	-	$ 10.98	$ 7.38
Standard Insurance	0-80	$ 8.32	$ 7.57	$ 7.74	$ 9.37	$ 8.33	$ 8.56	$ 7.50	$ 11.12	$ 7.42
Presidential	0-85	$ 8.32	$ 7.57	$ 7.57	$ 9.42	$ 8.41	$ 8.41	$ 7.35	$ 11.03	$ 7.36
Security Connecticut	0-90	$ 8.31	$ 7.55	$ 7.74	$ 9.42	$ 8.40	$ 8.65	$ 7.48	$ 11.02	$ 7.35
Life/Southwest	**0-80**	**$ 8.30**	**$ 7.59**	**$ 8.02**	**$ 9.35**	**$ 8.37**	**$ 8.96**	**$ 7.68**	**$ 10.92**	**$ 7.09**
Jackson National	0-99	$ 8.30	$ 7.54	$ 7.85	$ 9.41	$ 8.39	$ 8.80	$ 7.56	$ 11.09	$ 7.34
Manulife Financial	0-80	$ 8.30	$ 7.27	$ 7.78	$ 9.52	$ 8.10	$ 8.80	$ 7.43	$ 10.86	$ 7.19
Prudential	0-85	$ 8.29	$ 7.51	$ 7.87	$ 9.43	$ 8.34	$ 8.83	$ 7.54	$ 10.83	$ 7.33
MONY	10-85	$ 8.27	$ 7.53	$ 7.53	$ 9.33	$ 8.30	$ 8.30	$ 7.93	-	-
Security Mutual/NY	**20-80**	**$ 8.26**	**$ 7.47**	-	**$ 9.40**	**$ 8.44**	-	-	-	**$ 7.22**
Southwestern Life	5-90	$ 8.24	$ 7.48	$ 7.85	$ 9.33	$ 8.27	$ 8.79	$ 7.55	$ 11.01	-
USG Annuity/Life	35-75	$ 8.20	$ 7.29	$ 7.29	$ 9.45	$ 8.19	$ 8.19	$ 7.05	$ 11.14	$ 7.31
Security Benefit	0-100	$ 8.20	$ 7.44	$ 7.44	$ 9.32	$ 8.30	$ 8.30	$ 7.25	$ 11.09	$ 7.23
United Cos. LIC	5-103	$ 8.19	$ 7.26	-	$ 9.33	$ 8.00	-	$ 7.07	$ 11.20	$ 7.40
Keyport Life	no max	$ 8.18	$ 7.47	$ 7.83	$ 9.22	$ 8.27	$ 8.74	$ 6.75	$ 10.91	-
New England Mutual	0-85	$ 7.14	$ 6.42	$ 6.79	$ 8.14	$ 7.18	$ 7.66	$ 6.65	-	$ 6.24

Monthly income per $1,000 premium, first payment one month after issue. Survey period: June 17, 1992 thru June 19, 1992.
Boldface companies marketed by U.S. Annuities Brokerage 1-800-872-6684.

FIXED DEFERRED ANNUITIES UPDATE

The cash accumulation figures in Tables 2 through 6 are based on a single deposit of $100,000 (for SPDAs and Certificates of Annuity) or 20 annual deposits of $10,000 each (for FPDAs) in qualified funds for by a 45 year-old male who annuitizes his contract on a Life Only monthly income after 20 years (age 65). Quotes include all fees and commissions but not premium taxes, if applicable.

Table 3. Single Premium Deferred Annuities - With Bailout (See p. 25 for explanation)

Reporting Companies	Policy Name	Issue Ages	Initial Credit/ Floor%	Yield Guarantee Period	Bail-out Escape Rate	Surrender Fees/Year 1	Surrender Fees/Year 7	Proj.20 Yr Cash Accum Curr Rate	Mo.Income/$1,000 Male 65Life Only Curr.	Mo.Income/$1,000 Male 65Life Only Guar.
American Investors	SPDA-I	0-80	8.25%/d	1/14/94	5.75%	10%	4%	$488,155	$8.69	$6.69
Finan. Benefit Life	Accumulator	0-75	7.50%/d	1 Year	4.50%	15%	7%	$424,785	$7.22	$6.69
United Cos. LIC	Max I/7	0-80	7.25%/d	1 Year	6.50%	6%	4%	$386,968	$8.19	-
American Investors	SPDA-X	0-80	7.25%/d	1/14/94	6.50%	10%	4%	$405,458	$8.69	$6.69
Mass. General	General	0-80	7.00%/d	1 Year	6.00%	14%	8%	$386,968	$7.22	$5.99
Secur. Conn. (q)	SPDA-1	0-85	6.90%/g	1 Year	5.90%	7%	0%	$379,799	$8.25	$6.68
Commer. Union	Maximizer I	0-85	6.85%/e	1 Year	5.85%	6%	0%	$344,181	$8.52	$6.68
Fortis Benefits	**Fortune SPG**	**0-90**	**6.80%/d**	**3 yrs**	**5.80%**	**6%**	**0%**	**$372,756**	**$8.68**	**$6.77**
Secur. Conn. (nq)	SPDA-1	0-85	6.80%/g	1 Year	5.80%	7%	0%	$372,756	$8.25	$6.68
Kansas City Life	SDDA	0-80	6.75%/e	2 Cal Yrs	5.00%	7%	2%	$369,282	$8.85	$6.77
Presidential	SPDA II	0-85	6.60%/d	2 Yrs	5.50%	7%	1%	$359,041	$8.32	$7.81
Standard	SPDA	0-80	6.56%/d	1 Year	4.56%	7%	1%	$356,356	$8.68	$6.10
Secur. Mutual/NY	**SPDA**	**0-80**	**6.50%/e**	**1 Year**	**4.50%**	**4%**	**0%**	**$352,365**	**$8.93**	-
Life/Southwest	**SPA 1**	**0-80**	**6.50%/d**	**1/15/94**	**5.50%**	**7%**	**0%**	**$352,365**	**$8.68**	**$6.38**
Presidential	SPDA III	0-85	6.50%/d	3 Yrs	5.50%	7%	1%	$352,365	$8.32	$7.81
Federal Kemper	Pro 2	0-85	6.50%/e	1/15/94	6.50%	7%	0%	$352,365	$8.33	$6.61
Reliance Std	SPDA	0-78	6.50%/e	12/31/92	5.50%	7%	3%	$352,365	$8.97	$8.97
New England Mutual	AssetBldr	0-75	6.25%/d	1 Year	4.75%	7%	1%	$336,185	$7.09	$5.61
Southwestern	SPDA-IB	0-80	6.20%/d	1 Year	5.45%	8%	2%	$333,035	$8.12	$7.47
United Pacific Life	Benchmark	0-75	6.00%/d	1 Year	5.00%	7%	1%	$320,714	$8.55	$6.68
USG Annuity/Life	SPA-I	0-85	5.00%/e	1 Year	5.00%	5%	0%	$265,330	$8.49	$5.56

Survey period: June 17, 1992 thru June 19, 1992.
Boldface companies marketed by U.S. Annuities Brokerage 1-800-872-6684. In the April-June 1992 issue, New York Life was incorrectly listed in boldface type. U.S. Annuities Brokerage has never been authorized to market New York Life products.
Floor Rate <Next to Credited Rate>: a=2.50%; b=3.00%; c=3.50%; d=4.00%; de=4.25%; e=4.50%; f=5.00%; g=5.50%; h=6.00%

DEFERRED ANNUITIES UPDATE

Table 4. Single Premium Deferred Annuities - Without Bailout (See p. 25 for explanation)

Reporting Companies	Policy Name	Issue Ages	Initial Credit%/ Floor%	Yield Guarantee Period	Surrender Fees/Year 1	Surrender Fees/Year 7	Proj. 20 Yr. Cash Accum Curr.Rate	Mo. Income/$1,000 Male 65 Life Only Curr.	Mo. Income/$1,000 Male 65 Life Only Guar.
United Pacific Life	Bonus Prosper.	0-75	8.00%/d	1 Year	7%	0%	$389,585	$8.55	$6.68
Great American	SP 10-2	18-80	7.85%/d	2 Yrs	10%	4%	$453,318	$9.20	$7.07
SAFECO (q)	QPA III Plus	0-75	7.80%/de	1 Year	9%	4%	$359,807	$7.65	$6.09
SAFECO (q)	QPA V Plus	0-75	7.80%/de	1 Year	10%	4%	$359,861	$7.65	$6.09
American Investors	SPDA XV	0-75	7.75%/d	1 Year	12%	6%	$393,155	$8.69	$6.69
Jackson National	Super Max	0-70	7.75%/f	1 Cal Yr.	9%	3%	$445,601	$8.38	$6.44
Financial Benefit	Sr. Advantge	55-100	7.50%/b	1 Year	8%	0%	$424,785	$7.22	$5.70
Jackson National	Max Plan	0-80	7.75%/f	1 Cal Yr.	6%	0%	$445,601	$8.38	$6.44
United Companies Life	Max Saver	0-80	7.50%/d	1 Year	8%	5%	$424,785	$8.19	-
Golden Rule	Wlth Bldr II	0-70	7.50%/d	1 Year	8%	2%	$424,785	$8.81	$7.36
Golden Rule	Wlth Bldr I	0-70	7.40%/d	1 Year	6.5%	0%	$416,952	$8.81	$7.36
American Investors	SPDA VII	0-80	7.25%/d	1 Year	10%	4%	$405,458	$8.69	$6.69
Security Connecticut	SPDA-1 (q)	0-85	7.10%/f	1 Year	7%	0%	$394,266	$8.25	$6.68
National Heritage	Capital Bldr	0-85	7.05%/d	1 Cal Yr.	16%	0%	$390,601	$8.57	$6.72
National Heritage	Capital Choice	0-85	7.05%/d	1 Cal Yr.	16%	0%	$390,601	$8.57	$6.72
Security Connecticut	SPDA-1 (nq)	0-85	7.00%/h	1 Year	7%	0%	$386,968	$8.25	$6.68
Fortis Benefits	**Fortune SP**	**0-90**	**7.00%/d**	**1 Year**	**7%**	**0%**	**$386,968**	**$8.68**	**$6.77**
Sun Life of America	Century 500+	0-80	7.00%/e	1 Year	7%	3%	$386,969	$8.77	$6.68
Presidential	SPDA	0-85	7.00%/g	1 Year	7%	1%	$386,968	$8.32	$7.81
Western National	SPDA +II	0-85	6.90%/d	1 Year	7%	0%	$379,799	$8.97	$7.07
Federal Kemper	Pro 2	0-85	6.85%/e	2 Cal Yrs.	7%	0%	$376,262	$8.33	$6.61
Life/Southwest	**SPA 1**	**0-80**	**6.75%/d**	**2 Cal Yrs.**	**7%**	**0%**	**$369,282**	**$8.68**	**$6.38**
Southwestern Life	SPDA-I	0-80	6.65%/d	1 Year	8%	2%	$362,424	$8.12	$7.47
MONY	SPDA	1-75	6.60%/e	1 Year	7%	1%	$359,041	$7.48	$5.64
Keyport	Keyannuity	0-85	6.55%/c	1 Year	7%	0%	$355,687	$8.51	-
Canada Life	**Security One**	**0-80**	**6.55%/d**	**1 Year**	**7%**	**2%**	**$369,289**	**$8.66**	-
Sun Life of America	Century 200+	0-80	6.50%/d	1 Year	3.1%	2.1%	$352,365	$8.77	$6.68
Security Benefit	Security Mark	0-75	6.50%/e	-	8%	2%	$377,178	$8.20	-
Penn Mutual	**Diversif. II**	**0-85**	**6.30%/d**	**1 Year**	**7%**	**1%**	**$339,364**	**$8.87**	-
ManuLife Financial	Ledger Acct	0-70	6.25%/d	5 Years	8%	1%	$336,186	$8.31	$4.45
Kemper Investors	Choice	-	6.25%/d	1 Year	7%	3%	$336,190	$8.34	$7.07
USG Annuity & Life	SPA I	0-85	5.50%/e	1 Year	5%	0%	$291,776	$8.49	$5.08

Survey period: June 17, 1992 thru June 19, 1992. **Boldface** companies marketed by U.S. Annuities Brokerage 1-800-872-6684.
Floor Rate <Next to Credited Rate>: a=2.50%; b=3.00%; c=3.50%; d=4.00%; de=4.25%; e=4.50%; f=5.00%; g=5.50%; h=6.00%

Table 5. Single Premium Certificates of Annuity With Free Surrender Every Anniversary Date*
(See p. 25 for explanation)

Reporting Companies	Policy Name	Issue Age	Initial Credited Rate	Yield Guarantee Period	Surrender penalties by Year 1	2	3	4	5	6	7	8	9	10
Jackson National	Ann.Renew.	0+	5.25%	1 Year	5%	4%	3%	2%	1%	-	-	-	-	-
Sun Life/America	Century 1	0-80	4.50%	1 Year	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Lincoln Benefit	Tactician		4.00%	1 Year	non-anniversary surrender forfeits that year's interest									
Hartford	**Saver**	**0-80**	**3.50%**	**1 Year**	**2%**	-	-	-	-	-	-	-	-	-
Metropolitan	**AAA**	**0-85**	**3.50%**	**1 Year**	**7%**	-	-	-	-	-	-	-	-	-

*Entire value of contract may be surrendered without penalty on each anniversary date
Survey period: June 17, 1992 thru June 19, 1992. **Boldface** companies marketed by U.S. Annuities Brokerage 1-800-872-6684.

Table 6. Single Premium Certificates of Annuity Without Surrender Charges on Maturity Date
(See p. 25 for explanation)

Reporting Companies	Policy Name	Issue Age	Initial Credited Rate	Yield Guarantee Period	Surrender penalties by Year 1	2	3	4	5	6	7	8	9	10
Crown Life#	**SPDA**	-	**7.47%**	**10 Years**	**9.0%**	**8.1%**	**7.2%**	**6.3%**	**5.4%**	**4.5%**	**3.6%**	**2.7%**	**1.8%**	**0.9%**
Crown Life#	**SPDA**	**0-75**	**7.23%**	**9 Years**	**9.0%**	**8.0%**	**7.0%**	**6.0%**	**5.0%**	**4.0%**	**3.0%**	**2.0%**	**1.0%**	-
Sun Life of America	Cert./Ann.	0-75	7.00%	10 Years	no surrender except at 10th ann.									
Crown Life#	**SPDA**	**0-75**	**6.98%**	**8 Years**	**8.4%**	**7.4%**	**6.3%**	**5.3%**	**4.2%**	**3.2%**	**2.1%**	**1.1%**	-	-
Crown Life#	**SPDA**	**0-75**	**6.80%**	**7 Years**	**8.4%**	**7.2%**	**6.0%**	**4.8%**	**3.6%**	**2.4%**	**1.2%**	-	-	-
Manulife Financial	SPDA-II	0-80	6.75%	7 Years	no surrender except at 7th ann.									
Sun Life of America	Cert./Ann.	0-78	6.75%	7 Years	no surrender except at 7th ann.									
Sun Life of America	Cert./Ann.	0-80	6.50%	5 Years	no surrender except at 5th ann.									
Crown Life#	**SPDA**	**0-75**	**6.36%**	**6 Years**	**8.4%**	**7.0%**	**5.6%**	**4.2%**	**2.8%**	**1.4%**	-	-	-	-
Crown Life#	**SPDA**	**0-75**	**6.03%**	**5 Years**	**8.0%**	**6.4%**	**4.8%**	**3.2%**	**1.6%**	-	-	-	-	-
Manulife Financial	SPDA-II	0-80	6.00%	5 Years	no surrender except at 5th ann.									
Sun Life of America	Century 5	0-80	6.00%	5 Years	6%	6%	6%	6%	6%	-	-	-	-	-
Hartford	**Saver**	**0-80**	**5.85%**	**5 Years**	**5%**	**5%**	**5%**	**5%**	**5%**	-	-	-	-	-
Metropolitan	**AAA**	**0-85**	**5.75%**	**3 Years**	**7%**	**7%**	**7%**	**7%**	**7%**	**7%**	-	-	-	-
Sun Life of America	Cert./Ann.	0-81	5.75%	4 Years	no surrender except at 4th ann.									
Sun Life of America	Cert./Ann.	0-82	5.25%	3 Years	no surrender except at 3rd ann.									
Crown Life#	**SPDA**	**0-80**	**5.16%**	**4 Years**	**8.0%**	**6.0%**	**4.0%**	**2.0%**	-	-	-	-	-	-
Metropolitan	**AAA**	**0-85**	**5.00%**	**3 Years**	**7%**	**7%**	**7%**	-	-	-	-	-	-	-
Hartford	**Saver**	**0-80**	**4.60%**	**3 Years**	**3%**	**3%**	**3%**	-	-	-	-	-	-	-
Crown Life#	**SPDA**	**0-80**	**4.06%**	**3 Years**	**7.5%**	**5.0%**	**2.5%**	-	-	-	-	-	-	-

#Additional surrender charges (e.g. "Market Value Adjustment") may be imposed on early surrender of contract.
Survey period: June 17, 1992 thru June 19, 1992. **Boldface** companies marketed by U.S. Annuities Brokerage 1-800-872-6684.

Median Annuity Rates

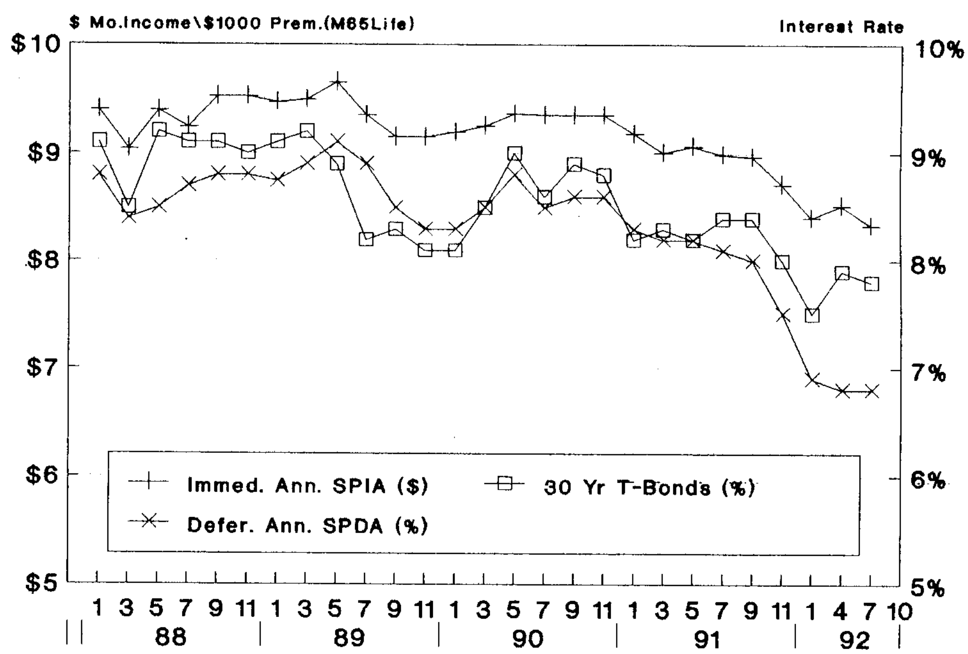

Table 7. Flexible Premium Deferred Annuities - With Bailout (See p. 25 for explanation)

Reporting Companies	Policy Name	Issue Ages	Initial Credit/ Floor%	Yield Guarantee Period	Bail-out Escape Rate	Surrender Fees/Year 1	Surrender Fees/Year 7	Proj.20 Yr Cash Accum Curr Rate	Mo.Income/$1,00 Male 65Life Only Curr.	Mo.Income/$1,00 Male 65Life Only Guar.
Standard	FPDA	0-80	6.29%/d	1 Year	4.29%	7%	5%	$403,405	$8.68	$6.10
Secur.Mutual/NY	**Flex Plus**	**0-80**	**6.00%/e**	**1 Year**	**4.50%**	**7%**	**4%**	**$389,927**	**$8.93**	-
Commercial Union	Maximizer II	0-85	5.85%/d	1 Cal.Yr.	4.60%	9%	0%	$383,155	$8.27	$6.68
Sun Life/Canada	Compass 3	0-80	5.00%/d	1 Year	3.36%	6%	3%	$347,193	$8.93	$6.52
Prudential	Discovery	0-80	5.00%/d	3 Years	4.00%	7%	0%	$348,277	$7.73	$5.73

Survey period: June 17, 1992 thru June 19, 1992. **Boldface** companies marketed by U.S. Annuities Brokerage 1-800-872-6684.
Floor Rate <Next to Credited Rate>: a=2.50%; b=3.00%; c=3.50%; d=4.00%; de=4.25%; e=4.50%; f=5.00%; g=5.50%; h=6.00%

Table 8. Flexible Premium Deferred Annuities - Without Bailout (See p. 25 for explanation)

Reporting Companies	Policy Name	Issue Ages	Initial Credit%/ Floor%	Yield Guarantee Period	Surrender Fees/Year 1	Surrender Fees/Year 7	Proj.20Yr Cash Accum Curr.Rate	Mo. Income/$1,000 Male 65 Life Only Curr.	Mo. Income/$1,000 Male 65 Life Only Guar.
Great American	TSA IV (A104)	18-65	8.10%/d	-	20%	0%	$500,200	$9.20	$6.68
Life/Southwest	**Flex 3000**	**0-80**	**7.75%/e**	**1 Year**	**7%**	**1%**	**$429,852**	**$8.68**	**$6.38**
Jackson National	Flex I	0-70	7.75%/b	1 Cal Yr.	12%	3%	$480,305	$8.38	$6.44
Financial Benefit	Champion	0-75	7.75%/d	1 Cal Yr.	15%	7%	$445,142	$7.22	$6.69
Golden Rule	Wltbdr Plan A	0-60	7.50%/d	1 Year	11%	5%	$464,443	$8.81	$7.36
Golden Rule	FPDA Plan B	61-65	7.50%/d	1 Year	8%	0%	$464,443	$8.81	$7.36
Federal Kemper	Pro-3	0-85	7.50%/e	1/15/94	10%	6%	$421,190	$8.33	$6.61
Southwestern	Flex-Rite	0-75	7.38%/d	-	7%	2%	$458,991	$8.12	$5.91
Western National (q)	FPDA Plus II	0-85	7.25%/d	none	8%	2%	$451,867	$8.97	$7.07
Reliance Standard	FPDA	-	7.25%/e	1 Cal.Yr.	7%	1%	$451,867	$8.97	$8.97
National Heritage	CapRetAccum	0-79	7.05%/d	1 Cal Yr.	16%	10%	$441,260	$8.57	$6.72
State Life	Flex.Ann I	0-80	7.00%/e	1 Year	7%	1%	$386,964	$9.04	$9.04
Presidential	TSA-loan	0-85	7.00%/g	1 Cal Yr.	7%	4%	$438,652	$8.32	$7.81
Penn Mutual	**Diversif. II**	**0-85**	**6.80%/d**	**7 Years**	**7%**	**2.5%**	**$428,388**	**$8.87**	-
Fortis Benefits	**Fortune Flex**	**0-90**	**6.80%/d**	**1 Year**	**7%**	**3%**	**$371,954**	**$8.68**	**$6.77**
United Cos. Life	Capital Bldr	0-80	6.75%/c	-	8%	2%	$425,864	$8.19	-
Kansas City Life	RCP-Q	nr	6.75%/d	1 Cal Yr.	15%	9%	$445,906	$8.85	$6.77
American Investors	FPDA-I	0-65	6.75%/f	none	13%	6%	$425,864	$8.69	$6.69
Presidential	FPDA	0-85	6.65%/g	1 Cal Yr.	7%	4%	$420,865	$8.32	$7.81
Sunlife Canada	Regatta Gold	0-80	6.55%/d	7 Years	6%	3%	$355,688	$8.93	$6.52
SAFECO (q)	QPA III	0-75	6.55%/de	6-12 mos	9%	4%	$415,932	$7.65	$6.09
Security Benefit	Variflex	0-80	6.50%/g	-	8%	2%	$430,693	$8.20	$6.38
Penn Mutual	**Diversif. II**	**0-85**	**6.30%/d**	**1 Year**	**7%**	**2.5%**	**$403,879**	**$8.87**	-
Manulife Financial	Ledger Acct.	0-70	6.25%/d	5 Years	8%	1%	$401,332	$8.32	$5.16
Kemper Investors	All Savers	0-85	6.25%/e	2 Years	6%	1%	$346,246	$8.19	$6.97
WM/Empire	Flex.Premium	0-85	6.25%/b	1 Year	8.1%	2.7%	$401,515	$8.82	$6.77
New England Mutual	FRA+	0-75	6.00%/e	1 Year	7%	4%	$389,927	$7.09	$5.61
USG Annuity/Life	Flex I	0-85	5.50%/e	1 Year	5%	0%	$291,776	$8.99	$5.08
Prudential	FIP	0-80	5.25%/b	1 Year	8%	2%	$357,333	$7.73	$5.73

Survey period: June 17, 1992 thru June 19, 1992. **Boldface** companies marketed by U.S. Annuities Brokerage 1-800-872-6684.
Floor Rate <Next to Credited Rate>: a=2.50%; b=3.00%; c=3.50%; d=4.00%; de=4.25%; e=4.50%; f=5.00%; g=5.50%; h=6.00%

Table 9. Combination/Split Annuities (See p. 27 for explanation)

Reporting Companies	Policy Name	Issue Ages	5 Year Maturity Rates: Annual Interest Rate	5 Year: Deferred Annuity Premium	5 Year: Monthly Income Amount	5 Year: Income Annuity Premium	7 Year Maturity Rates: Annual Interest Rate	7 Year: Deferred Annuity Premium	7 Year: Monthly Income Amount	7 Year: Income Annuity Premium
Finan. Benefit	SPDA/SPIA	20-90	7.50%	$69,656	$570.77	$30,344	7.50%	$60,276	$559.31	$39,724
Penn Mutual	**Div.II/SPIA**	**0-80**	**na**	**na**	**na**	**na**	**6.80%**	**$63,096**	**$542.96**	**$36,904**
Sun Life/Amer.	Income Altern.	0-80	6.50%	$72,988	$504.04	$27,012	6.75%	$63,303	$523.67	$36,696
Manulife	SPDA/SPIA	0-80	6.00%	$74,726	$440.79	$25,274	6.75%	$63,303	$515.79	$36,696
United Pacific	SPDA/SPIA	0-75	na	na	na	na	5.50%	$68,774	$451.00	$31,256
Kansas City	Split Ann.	0-80	na	na	na	na	4.50%	$73,482	$385.00	$26,518

Survey period: June 17, 1992 thru June 19, 1992. **Boldface** companies marketed by U.S. Annuities Brokerage 1-800-872-6684.

Table 10a. Variable Annuities - Contract Features (See p. 27 for explanation)

Reporting Companies	Policy Name	Total Assets $ Mil	# of Accts	Types of Accounts	Fixed Acct Rate	Yield Guar. Period	Surrender Fees/Year 1	7
Ameritas Var. Life	Overture Ann. II	$ 120	12	B, EI, FI, G, I, MM, SI	6.10%	1 Year	6%	2%
Canada Life (U.S.)	Varifund	$ 22	4	B, EI, FI, MM	6.45%	1 Year	6%	0%
Charter Nat'l Life	Scudder Horizon	$ 83	5	B, CA, FI, G, I	5.25%	3 Year	0%	0%
Fortis Benefits	Masters Var.	$ 272	15	B, FI, G, GS, MM	6.50%	10 Yrs	7%	1%
Kemper Investors	Advantage III	$2,500	5	B, FI, G, GS, I	6.00%	1 Year	6%	0%
Keyport Life	Keyflex	$ 318	8	AG, B, CA, FI, G, GS, I, SI	5.15%	3 Year	7%	1%
Manulife Financial	Var. Annuity	$ 14	6	AG, B, FI, G, MM, RP	4.00%	na	8%	2%
MONY	MONY Master 2	$ 198	6	B, CA, EI, FI(2), G	6.35%	1 Year	7%	2%
New England Mutual	Zenith Accumul.	$ 366	4	B, FI, G, MM	6.00%	1 Year	6.5%	3.5%
Prudential	Discovery Plus	$1,576	12	AG,EI(2),FI(3),G(2),I,MM,RP,SI	5.00%	3 Yrs	7%	0%
Security Benefit	Variflex	$ 801	6	B, FI, G, MM, I	6.50%	na	8%	2%
SunLife/Canada	Regatta Gold	$ 145	8	B, CA, EI, FI, GS, MM, I	6.30%	5 Yrs	6%	3%

Legend for "Types of Accounts":

AG	Aggressive Growth	EI	Equity/Income	GS	Govt Securities	RP	Real Property
B	Balanced	FI	Fixed Income	I	International	SI	Stock Index
CA	Capital Appreciation	G	Growth	MM	Money Market		

Table 10b. Variable Annuities - Fixed Income Account Performance

Reporting Companies	Fund Name	Accum. Unit Value	Net Assets $ Mil	Total Return Performance thru 4/30/92 YTD	1 Yr	3 Yr	5 Yr
Ameritas Var. Life	Inv. Grade Bond	$11.43	$ 3	0.1%	11.5%	32.6%	na
Canada Life	Bond Series	$11.69	$ 2	-2.1%	8.3%	na	na
Charter National	Managed Bond	$16.80	$ 8	-1.8%	10.5%	na	44.6%
Fortis Benefits	Diver. Income	$ 1.36	$ 14	-1.3%	8.1%	30.9%	na
Kemper Investors	High Yield	na	$125	10.6%	26.8%	32.8%	56.7%
Keyport Life	Cash Income	na	$ 80	2.2%	na	na	na
Manulife Financial	Cap. Gwth. Bond	$14.51	$ 1	-1.7%	9.4%	na	52.5%
MONY	Long Term Bond	$14.05	$ 11	-1.9%	8.9%	na	na
New England Mutual	Bond Income	$ 2.21	$ 49	-1.6%	10.4%	31.7%	46.8%
Prudential	Bond Portfolio	$ 2.18	$ 66	na	10.6%	na	na
Security Benefit	Hi Grade Income	$17.17	$ 74	-1.2%	9.4%	30.2%	45.0%
Sun Life Canada	Gov't Securities	$10.15	$ 19	-2.1%	na	na	na

na - data not available

Table 10c. Variable Annuities - Equity/Growth Account Performance

Reporting Companies	Fund Name	Accum. Unit Value	Net Assets $ Mil	Total Return Performance thru 4/30/92 YTD	1 Yr	3 Yr	5 Yr
Ameritas Var. Life	Growth	$18.74	$ 16	-2.3%	21.5%	45.0%	67.5%
Canada Life	Equity Series	$12.56	$ 4	-1.3%	15.1%	na	na
Charter National	Cap. Growth	$19.06	$ 24	-2.3%	15.3%	na	48.8%
Fortis Benefits	Growth	$ 1.78	$112	-9.7%	15.2%	51.7%	na
Kemper Investors	Equity	na	$155	-6.4%	25.7%	68.3%	51.1%
Keyport Life	Growth Stock	na	$ 45	-5.7%	18.8%	na	na
MONY	Equity	$16.17	$ 19	4.5%	16.0%	na	na
Manulife Financial	Emerg. Growth	$25.33	$ 3	0.2%	30.3%	na	70.9%
New England Mutual	Capital Growth	$ 7.87	$214	-8.5%	14.3%	48.4%	35.9%
Prudential	Common Stock	$ 2.91	$126	na	10.5%	na	na
Security Benefit	Growth	$23.67	$217	1.6%	14.0%	41.0%	47.3%
Sun Life Canada	Capital App.	$11.21	$ 22	-2.5%	na	na	na

na - data not available

VARIABLE ANNUITIES UPDATE

Table 10d. Variable Annuities - Balanced Account Performance

Reporting Companies	Fund Name	Accum. Unit Value	Net Assets $ Mil	Total Return Performance thru 4/30/92 YTD	1 Yr	3 Yr	5 Yr
Ameritas Var. Life	Equity Income	$15.12	$ 13	6.6%	21.3%	24.3%	48.1%
Canada Life	Managed Series	$12.15	$ 9	-1.2%	11.8%	na	na
Charter National	Diversified	$17.98	$ 17	-2.2%	13.1%	na	45.8%
Fortis Benefits	Asset Alloc.	$ 1.53	$ 45	-2.8%	10.9%	40.1%	na
Kemper Investors	Total Return	na	$420	-5.1%	13.1%	51.4%	55.5%
Keyport Life	Cap. Apprec.	na	$ 39	-2.2%	10.8%	na	na
Manulife Financial	Balan. Assets	$15.48	$ 4	-3.5%	9.7%	na	41.2%
MONY	Managed	$19.93	$118	5.8%	21.5%	na	na
New England Mutual	Managed	$ 1.48	$ 47	-2.2%	8.7%	31.4%	47.5%
Prudential	Cnsrv.Mgd Flex.	$ 2.32	$198	na	9.7%	na	na
Security Benefit	Income/Growth	$27.45	$366	-3.6%	13.9%	40.0%	63.8%
Sun Life/Canada	Cons. Growth	$10.82	$ 8	-1.3%	na	na	na

na - data not available

STRUCTURED SETTLEMENT ANNUITIES

The following quotations represent the total premium amount required to guarantee $1,000 of monthly life income, assuming a 0% or 3% per annum cost of living admustment (COLA). The COLA adjustment is made at the beginning of each year with monthly payments during the year remaining at a constant level (ie., in the first year at $1000; in year 2 at $1030; in year 3 at $1060.90; etc.) Quotes assume (1) normal life expectancy (i.e plaintiff's injury is not life impairing), (2) that the cost of any third-part assignment is extra, and (3) that the first payment date is one month after the date of issue. All fees and commissions but not state premium taxes, if applicable, are included. Note that all monthly payments within a single year are for the same amount. The COLA increase takes place only at the beginning of each year.

Table 11. Structured Settlement Annuities (See p. 28 for explanation)

Reporting Companies	ISSUE AGES AND FORMS OF ANNUITY Male 15 0% COLA	Male 50 0% COLA	Male 15 3% COLA	Male 50 3% COLA	Fem. 15 0% COLA	Fem. 50 0% COLA	Fem. 15 3% COLA	Fem. 50 3% COLA	Add'l Cost Assignment
Comm.Union	$165,360	$136,005	$264,903	$180,982	$167,861	$145,308	$275,718	$200,485	$500
Standard	$169,898	$144,605	$276,115	$197,951	$171,823	$152,154	$285,203	$213,845	$500
Sun Life/Canada	$170,068	$145,773	-	-	$171,233	$151,745	-	-	-
Presidential	$173,338	$136,866	$274,707	$182,339	$177,388	$149,585	$288,762	$207,082	$100
WM/Empire	$178,258	$149,665	$285,111	$206,232	$180,043	$158,665	$292,253	$224,563	-

Survey period: June 17, 1992 thru June 19, 1992. **Boldface** companies marketed by U.S. Annuities Brokerage 1-800-872-6684.
COLA = Cost of Living Adjustment

GICS & INSURED FINANCIAL GUARANTEES

GICs (Guaranteed Interest or Investment Contracts) and GFAs (Guaranteed Funding Agreements) are fixed-income assets offering high rates of return combined with low market volatility. GICs are backed by the general account assets of the insurance company that issues it.

Table 12. Bullet GICs (See p. 28 for explanation)

Reporting Companies	Date of Quote	$100,000 Deposit Compound 3 Yr	$100,000 Compound 7 Yr	$100,000 Simple 3 Yr	$100,000 Simple 7 Yr	$1,000,000 Deposit Compound 3 Yr	$1,000,000 Compound 7 Yr	$1,000,000 Simple 3 Yr	$1,000,000 Simple 7 Yr	$5,000,000 Deposit Compound 3 Yr	$5,000,000 Compound 7 Yr	$5,000,000 Simple 3 Yr	$5,000,000 Simple 7 Yr
SAFECO (qnq)	06/22	6.29%	-	6.29%	-	6.46%	-	6.46%	-	-	-	-	-
Reliance Std (qnq)	06/22	6.07%	7.37%	-	7.09%	6.44%	7.62%	6.20%	7.53%	6.47%	7.64%	6.24%	7.57%
State Mutual (qnq)	06/13	-	-	-	-	6.02%	7.91%	5.97%	7.65%	6.11%	7.32%	6.06%	7.17%
Penn Mutual(qnq)	06/30	5.60%	7.57%	5.44%	7.09%	5.97%	7.80%	5.81%	7.32%	5.99%	7.81%	5.83%	7.33%
Hartford (qnq)	06/25	5.59%	7.51%	5.40%	6.98%	5.84%	7.76%	5.65%	7.23%	5.84%	7.76%	5.65%	7.23%
Provident Nat'l (q)	06/13	-	-	-	-	6.03%	7.33%	5.83%	7.13%	6.08%	7.38%	5.88%	7.18%
Aetna (q)	06/18	-	-	-	-	5.69%	7.81%	5.52%	7.05%	5.85%	7.97%	5.68%	7.21%
Transamerica (q)	06/13	-	-	-	-	5.92%	7.65%	5.82%	7.43%	6.00%	7.70%	5.90%	7.48%
Mass. Mutual (qnq)	06/13	5.13%	7.12%	5.04%	6.79%	5.56%	7.51%	5.51%	7.25%	5.62%	7.56%	5.57%	7.31%
United of Omaha (q)	06/15	4.93%	6.80%	4.80%	6.54%	5.71%	7.22%	5.63%	7.07%	5.93%	7.35%	5.86%	7.22%

qnq= available for qualified and non-qualified funds; q = qualified funds only

LIFE INSURANCE UPDATE

The premiums illustrated below assume a male and a female, both nonsmokers, purchase a yearly renewable term policy with a face amount of $250,000 at various ages--35, 40, 45, 50, 55, and 60--and then continue to renew it every year for a total of 5 years. Premiums are paid annually and include all costs and commissions. The "Age 35," "Age 40," and "Age 45" columns, etc. show the initial premium for entry at that age. The columns which follow each of these three, e.g. "Ages 35-39 inclusive," etc., show the aggregate cost for that five-year period.

Table 13a. Yearly Renewable Term Life Insurance - Male Rates

Company	Policy Name	Age 35	Ages 35-39 inclusive	Age 40	Ages 40-44 inclusive	Age 45	Ages 45-49 inclusive
Comm. Union	ART	$ 305	$ 1,690	$ 403	$ 2,335	$ 578	$ 3,433
Golden Rule	Valu Term 1	$ 238	$ 1,435	$ 258	$ 1,828	$ 300	$ 2,750
Jackson National	YRT 100	$ 255	$ 1,548	$ 298	$ 2,038	$ 348	$ 2,693
Life/Southwest	**ART 100**	**$ 350**	**$ 1,905**	**$ 450**	**$ 2,693**	**$ 708**	**$ 4,365**
MONY	YRT 89	$ 288	$ 1,205	$ 330	$ 2,988	$ 403	$ 5,460
Secur.Mutual/NY	**Prime Life**	**$ 295**	**$ 1,655**	**$ 355**	**$ 2,185**	**$ 360**	**$ 2,878**
Southwestern LIC	ART 100	$ 350	$ 1,843	$ 403	$ 2,235	$ 545	$ 3,298
Standard Insur.	Term to 95	$ 288	$ 1,878	$ 388	$ 2,728	$ 565	$ 4,048
State LIC	Execu. Term II	$ 325	$ 1,790	$ 423	$ 2,423	$ 590	$ 3,430
Sunlife Canada	Ultraterm YRT	$ 290	$ 1,629	$ 345	$ 2,081	$ 455	$ 3,013

Survey period: June 17, 1992 thru June 19, 1992. **Boldface** companies marketed by U.S. Annuities Brokerage 1-800-872-6684.

Table 13b. Yearly Renewable Term - Male Rates, cont'd

Company	Policy Name	Age 50	Ages 50-54 inclusive	Age 55	Ages 55-59 inclusive	Age 60	Ages 60-64 inclusive
Comm. Union	ART	$ 865	$ 4,753	$1,130	$ 6,423	$1,540	$ 9,508
Golden Rule	Valu Term 1	$ 403	$ 3,835	$ 613	$ 5,325	$ 963	$ 8,085
Jackson National	YRT 100	$ 430	$ 3,678	$ 600	$ 5,300	$ 875	$ 7,638
Life/Southwest	**ART 100**	**$1,165**	**$ 7,043**	**$1,865**	**$11,788**	**$3,248**	**$20,348**
MONY	YRT 89	$ 695	$ 9,435	$ 890	$15,028	$1,650	$26,515
Secur.Mutual/NY	**Prime Life**	**$ 450**	**$ 3,818**	**$ 643**	**$ 5,455**	**$ 913**	**$ 8,295**
Southwestern LIC	ART 100	$ 863	$ 5,095	$1,273	$ 7,423	$1,875	$11,395
Standard Insur.	Term to 95	$ 808	$ 6,110	$1,115	$ 9,045	$1,598	$13,793
State LIC	Execu. Term II	$ 850	$ 5,075	$1,323	$ 8,035	$2,108	$12,965
Sunlife Canada	Ultraterm YRT	$ 720	$ 4,399	$ 918	$ 6,016	$1,625	$11,325

Survey period: June 17, 1992 thru June 19, 1992. **Boldface** companies marketed by U.S. Annuities Brokerage 1-800-872-6684.

Table 13c. Yearly Renewable Term - Female Rates

Company	Policy Name	Age 35	Ages 35-39 inclusive	Age 40	Ages 40-44 inclusive	Age 45	Ages 45-49 inclusive
Comm. Union	ART	$ 270	$1,480	$ 348	$ 2,008	$ 488	$ 2,832
Golden Rule	Valu Term 1	$ 190	$1,140	$ 225	$ 1,445	$ 275	$ 2,000
Jackson National	YRT 100	$ 248	$1,380	$ 253	$ 1,500	$ 288	$ 1,925
Life/Southwest	**ART 100**	**$ 308**	**$1,605**	**$ 350**	**$ 1,905**	**$ 450**	**$ 2,693**
MONY	YRT 89	$ 253	$1,040	$ 280	$ 2,555	$ 340	$ 4,508
Secur.Mutual/NY	**Prime Life**	**$ 228**	**$1,275**	**$ 273**	**$ 1,675**	**$ 278**	**$ 2,190**
Southwestern LIC	ART 100	$ 323	$1,713	$ 378	$ 2,110	$ 510	$ 2,978
Standard Insur.	Term to 95	$ 250	$1,650	$ 325	$ 2,358	$ 453	$ 3,450
State LIC	Execu. Term II	$ 290	$1,625	$ 388	$ 2,235	$ 538	$ 3,043
Sunlife Canada	Ultraterm YRT	$ 253	$1,506	$ 325	$ 1,921	$ 403	$ 2,354

Table 13d. Yearly Renewable Term - Female Rates, cont'd

Company	Policy Name	Age 50	Ages 50-54 inclusive	Age 55	Ages 55-59 inclusive	Age 60	Ages 60-64 inclusive
Comm. Union	ART	$ 700	$3,888	$ 883	$ 4,713	$1,035	$ 6,228
Golden Rule	Valu Term 1	$ 325	$2,685	$ 388	$ 3,563	$ 525	$ 4,625
Jackson National	YRT 100	$ 338	$2,545	$ 410	$ 3,443	$ 558	$ 4,908
Life/Southwest	**ART 100**	**$ 708**	**$4,365**	**$1,165**	**$ 7,043**	**$1,865**	**$11,788**
MONY	YRT 89	$ 493	$7,413	$ 723	$11,618	$1,070	$18,245
Secur.Mutual/NY	**Prime Life**	**$ 345**	**$2,900**	**$ 488**	**$ 4,130**	**$ 690**	**$ 6,153**
Southwestern LIC	ART 100	$ 735	$4,180	$ 985	$ 5,400	$1,238	$ 6,953
Standard Insur.	Term to 95	$ 638	$5,033	$ 818	$ 7,233	$1,128	$10,928
State LIC	Execu. Term II	$ 733	$4,235	$1,048	$ 5,983	$1,435	$ 8,533
Sunlife Canada	Ultraterm YRT	$ 500	$3,301	$ 793	$ 5,044	$1,148	$ 7,336

Survey period: June 17, 1992 thru June 19, 1992. **Boldface** companies marketed by U.S. Annuities Brokerage 1-800-872-6684.

Table 14. Ten-Year Level Term Insurance

The premiums illustrated below assume a male and a female, both nonsmokers, purchase a 10-year level term policy with a face amount of $250,000 beginning at various ages: 35, 40, 45, 50, 55, and 60.

Table 14a. Ten-Year Level Term - Male Rates

Company	Policy Name	Age 35	Age 40	Age 45	Age 50	Age 55	Age 60
Canada Life	Total Protection	$ 388	$ 490	$ 775	$1,208	$1,763	$2,563
Golden Rule	Valu Term 2	$ 325	$ 438	$ 613	$ 850	$1,238	$1,888
Jackson National	10-Year R&C	$ 300	$ 373	$ 525	$ 785	$1,188	$1,830
Kansas City	10 Yr. R&C	$ 365	$ 523	$ 735	$1,035	$1,465	$2,190
Ministers Life	10-Year Term	$ 330	$ 430	$ 615	$ 893	$1,343	$2,208
Presidential	10-Year Term	$ 340	$ 420	$ 575	$ 823	$1,183	$1,823
Reliance Std. LIC	**Renew./Conv.**	**$ 393**	**$ 508**	**$ 713**	**$1,050**	**$1,575**	**$2,358**
Southwestern LIC	10-Year Term	$ 410	$ 540	$ 718	$1,030	$1,485	$2,415

Survey period: June 17, 1992 thru June 19, 1992. **Boldface** companies marketed by U.S. Annuities Brokerage 1-800-872-6684.

Table 14b. Ten-Year Level Term - Female Rates

Company	Policy Name	Age 35	Age 40	Age 45	Age 50	Age 55	Age 60
Canada Life	Total Protection	$ 350	$ 470	$ 675	$ 950	$1,325	$1,838
Golden Rule	Valu Term 2	$ 263	$ 350	$ 450	$ 575	$ 763	$1,063
Jackson National	10-Year R&C	$ 268	$ 325	$ 428	$ 550	$ 705	$ 965
Kansas City	10 Yr. R&C	$ 318	$ 425	$ 565	$ 730	$ 978	$1,358
Ministers Life	10-Year Term	$ 310	$ 330	$ 430	$ 615	$ 893	$1,343
Presidential	10-Year Term	$ 290	$ 333	$ 405	$ 490	$ 683	$1,065
Reliance Std. LIC	**Renew./Conv.**	**$ 330**	**$ 370**	**$ 475**	**$ 720**	**$1,083**	**$1,558**
Southwestern LIC	10-Year Term	$ 398	$ 500	$ 638	$ 880	$1,220	$1,655

Survey period: June 17, 1992 thru June 19, 1992. **Boldface** companies marketed by U.S. Annuities Brokerage 1-800-872-6684.

Table 15. Single Premium Life Insurance

Reporting Companies	Policy Name (Product Type)	Issue Ages	Initial Credit%	Yield Guar. Period	Surrender Fees/Year 1	Surrender Fees/Year 7	Net Cash Value Age 65	Net Death Benefit at Age 65
Golden Rule	Retire. Fund (WL)	30-65	7.50%	1 Year	10%	5%	$336,068	$590,930
Jackson National	SPWL-I (WL)	0-76	7.25%	1 Year	9%	3%	$405,458	$494,659
Presidential	Taxbreaker II (UL)	0-75	7.25%	1 Year	7%	2%	$405,458	$518,465
Ministers Life	SPWL (WL)	0-80	7.05%	-	7%	0%	$324,077	$551,696
Golden Rule	Asset-Care I (WL)	40-72	7.00%	1 Year	11%	5%	$300,195	$528,343
Security Mutual/NY	**SPWL (WL)**	**0-80**	**6.75%**	**1 Year**	**7%**	**1%**	**$394,208**	**$473,050**
American Investors	SPWL-VI (WL)	0-77	6.75%	1 Year	10%	4%	$313,495	$526,671

Survey period: June 17, 1992 thru June 19, 1992. **Boldface** companies marketed by U.S. Annuities Brokerage 1-800-872-6684.

LIFE & HEALTH GUARANTY ASSOCIATIONS

Most states have guaranty funds to help pay claims of financially impaired or insolvent insurance carriers. Coverage is for individual policyholders and their beneficiaries; and often extends to persons insured under group policies. Most associations limit their protection to policyholders who are **residents** ("R" under Coverage) of their own state. It does not matter where the policyowner's beneficiaries live. Other states protect all the policyholders of an **insurance company** ("I" under Coverage) domiciled in their state; extending coverage without regard to the state in which policyholders reside . Association laws also differ as to amount of coverage. Typically, states protect life insurance death benefits to $300,000, cash values to $100,000, and $100,000 in present value of annuity benefits. Often there is an additional limit of $300,000 for all benefits combined, per policyholder. There are many other issues, too numerous to describe here, which determine the type and extent of coverage available. Consult your state insurance department for details. Another source is the National Organization of Life and Health Insurance Guaranty Associations (NOLHGA, 13873 Park Center Road, Suite 329, Herndon, VA 22071). NOLHGA provided the information summarized below:

State	Coverage	LIABILITY LIMITS Aggregate Benefits	Death Benefits	Cash Values	PV of Annuities	Insurance Commissioners' Phone Numbers
Alabama	**I**	**$300K**	-	**$100K**	-	**(205) 269-3554**
Alaska	R	$300K	$300K	$100K	$100K	(907) 465-2515
Arizona	**I**	**$300K**	-	**$100K**	**$100K**	**(602) 255-5400**
Arkansas	R	$300K	$100K	$100K	$100K	(501) 371-1325
California	**R**	**$250K**	**$250K**	**$100K**	**$100K**	**(213) 736-2551**
Colorado	R	$300K	$300K	$100K	$100K	(303) 866-6400
Connecticut	**R**	**$300K**	**$300K**	**$100K**	**$100K**	**(203) 566-5275**
Delaware	R	$300K	$300K	$100K	$100K	(302) 739-4251
Dist. of Col.	**N**	-	-	-	-	**(202) 727-8000**
Florida	R	$300K	-	$100K	-	(800) 342-2762
Georgia	**R**	**$300K**	-	**$100K**	-	**(404) 656-2056**
Hawaii	R	$300K	$300K	$100K	$100K	(808) 586-2790
Idaho	**R**	**$300K**	-	**$100K**	-	**(208) 334-2250**
Illinois	R	$300K	$300K	$100K	$100K	(217) 782-4515
Indiana	**R**	**$300K**	-	**$100K**	-	**(317) 232-2385**
Iowa	R	$300K	-	$100K	-	(515) 281-5705
Kansas	**R**	**$200K**	**$100K**	**$100K**	**$100K**	**(913) 296-3071**
Kentucky	R	-	$300K	$100K	$100K	(502) 564-3630
Louisiana	**R**	-	**$300K**	-	**$100K**	**(504) 342-5900**
Maine	R	$300K	-	$100K	-	(207) 582-8707
Maryland	**R**		**all contractual obligations**			**(301) 333-6300**
Massachusetts	R	$300K	$300K	$100K	$100K	(617) 727-3333
Michigan	**R**	**$300K**	**$300K**	**$100K**	**$100K**	**(517) 373-9273**
Minnesota	R	$300K	-	$100K	-	(612) 296-6907
Mississippi	**R**	**$300K**	**$300K**	**$100K**	**$100K**	**(601) 359-3569**
Missouri	R	$300K	$300K	$100K	$100K	(314) 751-4126
Montana	**R**	-	**$300K**	-	-	**(406) 444-2040**
Nebraska	R	$300K	$300K	$100K	$100K	(402) 471-2201
Nevada	**I**	**$300K**	-	**$100K**	-	**(702) 687-4270**
New Hampshire	I	$300K	-	$100K	-	(603) 271-2261
New Jersey	**R**	**$500K**	**$500K**	**$100K**	**$500K**	**(609) 292-5363**
New Mexico	I	$300K	-	$100K	-	(505) 827-4535
New York	**R**	**$500K**	-	-	-	**(212) 602-0492**
North Carolina	I	$300K	-	-	-	(919) 733-7343
North Dakota	**R**	**$300K**	**$300K**	**$100K**	**$100K**	**(701) 224-2440**
Ohio	R	$300K	$300K	$100K	$100K	(614) 644-2658
Oklahoma	**R**	**$300K**	**$300K**	**$100K**	**$300K**	**(405) 521-2828**
Oregon	I	$300K	-	$100K	-	(503) 378-4271
Pennsylvania	**I**	**$300K**	**$300K**	**$100K**	**$100K**	**(717) 787-5173**
Puerto Rico	I	-	$300K	-	-	(809) 722-8686
Rhode Island	**R**	**$300K**	**$300K**	**$100K**	**$100K**	**(401) 277-2246**
South Carolina	I	$300K	-	-	-	(803) 737-6117
South Dakota	**R**	**$300K**	**$300K**	**$100K**	**$100K**	**(605) 773-3563**
Tennessee	R	$300K	$300K	$100K	$100K	(615) 741-2241
Texas	**R**	**$300K**	**$300K**	**$100K**	**$100K**	**(512) 463-6464**
Utah	R	$300K	$300K	$100K	$100K	(801) 530-6400
Vermont	**I**	-	**$300K**	-	-	**(802) 828-3301**
Virginia	R	$300K	-	$100K	-	(804) 786-3741
Washington	**R**	**$500K**	**$500K**	-	**$500K**	**(206) 753-7301**
West Virginia	R	-	$300K	-	-	(304) 348-3386
Wisconsin	**I**	**$300K**	-	-	-	**(608) 266-0102**
Wyoming	R	$300K	$300K	$100K	$100K	(307) 777-7401

Coverage:

R (Residents Only) means that the state's guaranty fund covers only its own residents, regardless of where the failed insurer is domiciled. Some of these states (the ones that adopted relevant language in the 1987 version of the NAIC Model Act) also provide coverage to nonresidents under special conditions. Many states have not adopted this language.

I (Domiciled Insurers Only) means that the state's guaranty associations covers a failed company only if it is domiciled in that state. If the insurer is domiciled there, then the guaranty fund will meet the claims of policy holders in all 50 states.

Liability Limits:

Aggregate Benefits This coverage applies to the aggregate benefits for all lines of insurance.

Death Benefits Maximum liability with respect to any one life.

Cash Values Maximum liability for cash or withdrawal value of life insurance.

PV of Annuities Maximum liability for the present value of an annuity contract.

INSURANCE COMPANIES RATINGS

For fixed annuities (which are invested in the insurance company's General Account) your principal and interest is as safe as the strength of the portfolio backing your investment. Since your annuity is not federally insured (eg., FDIC), if your insurer fails you become a creditor waiting to be paid back. While it's true that each state has a fund (see section titled Guaranty Funds) to protect annuity policyholders which is somewhat similar to the FDIC, your protection may fall short of the total amount in your account if it is above the fund's limits of coverage. One way to tilt the safety odds in your favor is by investing only with companies that get high ratings from several of the agencies which monitor insurers' financial health.

Rating agency opinions are usually based on factors such as an insurance company's ability to pay its claims, quality of its investments, and its ability to withstand economic downturns. The four analytical rating services presented here are A.M. Best's (which rates 1,300 companies on a scale of A++ to NA-7); Standard & Poor's (450 companies, AAA to C); Moody's (72 companies, Aaa to C); and Weiss Research (1,750 companies, A+ to F). We advise reviewing information from multiple ratings services since agencies' assessments of the same company may differ. Analysts may disagree, for instance, about how much is too much when it comes to junk bonds, bad mortgages or foreclosed real estate. Keep in mind, too, that most insurance companies farm out some of the risk of their policies to other companies through reinsurance agreements. This is especially true for smaller companies (with assets less than $1 Billion), where reinsurance ceded can be as high as 60% to 80%. When this is the case, a company's rating may not be valid. However, for larger companies, reinsurance only averages about 4% of assets. You may also call or write to your state's department of insurance for information on the solvency of an insurer doing business in your state.

Company Legal Name	State Dom.	Year Incorp	Admitted Assets	C&S / Assets	NIG% Bonds	Delnq Mrtge	A.M. Best's	Std & Poors	Moodys Invest.	Duff & Phelps	Weiss Research
Aetna LIC	CT	1853	$ 52.34B	3.5%	2.8%	3.6%	A+	AA-	Aa3	AA+	C-
Aid Assoc. for Lutherans	WI	1902	$ 8.02B	7.4%	2.7%	0.4%	A+	AAA	-	-	-
Alex. Ham. LIC of Amer.	MI	1963	$ 3.84B	5.4%	12.6%	0.6%	A+	AA	A1	AA	C
Allstate LIC	IL	1957	$ 14.82B	6.6%	9.9%	0.6%	A+	AAA	Aa1	-	B
American Crown LIC	NY	1982	$ 0.03B	21.4%	0.0%	0.0%	NA-3	AA-	-	-	SE+
Amer. Fidel. Assur. Co.	OK	1956	$ 0.64B	14.0%	-	-	A+	-	-	-	A-
Amer. Family LIC	WI	1957	$ 0.98B	17.4%	0.9%	0.2%	A+	-	-	-	A+
American Founders LIC	TX	1954	$ 0.29B	10.6%	13.4%	2.4%	A(c)	-	-	-	SC+
American General LIC	TX	1925	$ 1.88B	35.9%	4.8%	1.3%	A++	AAA	-	-	C+
American Heritage LIC	FL	1956	$ 0.66B	49.9%	5.5%	-	A	-	-	-	B
Amer.Int'l Life Assur./NY	NY	1962	$ 1.99B	3.5%	11.3%	0.1%	A	AAA	-	-	D+
American Investors LIC	KS	1965	$ 1.70B	4.1%	9.6%	0.0%	A-	-	-	A	C-
Amer. Life & Cas.Ins.Co.	IA	1951	$ 2.29B	3.6%	9.2%	0.7%	A	A	-	-	C
American LIC	DE	1928	$ 6.11B	196.4%	-	-	NA-4	AAA	-	-	C+
Amer. Mayflower LIC/NY	NY	1957	$ 0.30B	10.8%	3.2%	-	A+	AA+	-	-	B-

(Continued)

• Financial data in these tables reflect conditions on December 31, 1990 unless indicated by an •**asterisk**, in which case, figures or ratios have been adjusted for recent changes. While **ANNUITY SHOPPER** attempts to report the most current data from A.M. Best, S&P, Moodys, Duff & Phelps, and Weiss Research, we make no representations regarding, nor are we to be held liable for, the accuracy, reliability or timeliness of this information. You should directly contact the insurance companies and rating agencies for details and updates.

-(**"dash"**) -- Not available. Insurance companies must pay up to $60,000 a year to be rated by S&P, Moody's, and some of the other rating agencies, many insurers therefore decline to be graded. While Weiss Research, Inc. does not charge insurers to be rated, it only grades U.S.-domiciled companies (not Canadian carriers).

Company Legal Name -- Insurance companies are listed according to legally registered names. Many companies are part of a larger group affiliation which may include subsidiaries with similar sounding names. These affiliates may not be legally bound to cover each others' claims and each separate entity may have a different credit quality rating.

State Dom. -- State of Domicile refers to the state which has primary regulatory responsibility for the insurance company listed. It may differ from the location of the company's corporate headquarters. Most companies are licensed to do business in all 50 states. Some state guaranty funds only protect policyholders of companies **domiciled** (not just licensed) in that state.

Admitted Assets is the dollar value of all assets reported in a company's statutory annual statement and admitted or accepted by state regulators. Admitted assets includes invested assets plus such items as amounts receivable and separate account assets.

C&S /Assets (Capital & Surplus to Liabilities) measures the relationship of a company's net worth to its obligations. A. M. Best's finds the usual industry range to be 4% to 12%. This ratio may vary due to differences in product mix, balance sheet quality, and spread of risk.

NIG% Bonds (Non-investment Grade Percent) measures exposure to "Junk Bonds" as a percent of assets and provides an indication of risk due to bond portfolio losses. The National Association of Insurance Commissioners ("NAIC") designates bonds as high-, medium-, or low-grade. These categories do not specify investment vs. non-investment grade. Generally, the medium- and low-grade bonds are viewed as non-investment grade, so for our purposes here those bonds rated BB or lower by either S&P or Moody's or those considered to be of equivalent quality by the NAIC are included in the NIG% figure. Best's finds the usual industry range for NIG% is 5% to 15%.

Delnq Mrtge (Delinquent & Foreclosed Mortgages to Assets) measures mortgages more than 90 days past due, mortgages in process of foreclosure, or properties acquired by foreclosure (real estate) as a percentage of assets. According to Bests the usual range is 0% to 3%.

INSURANCE COMPANY RATINGS

Company Legal Name	State Dom.	Year Incorp	Admitted Assets	C&S / Assets	NIG% Bonds	Delnq Mrtge	A.M. Best's	Std & Poors	Moodys Invest.	Duff & Phelps	Weiss Research
American Mutual LIC	IA	1897	$ 0.87B	14.3%	8.7%	0.4%	A+	-	-	-	C
American National Ins.Co.	TX	1905	$ 3.90B	41.6%	2.5%	3.5%	A+	-	-	-	B
American Pioneer LIC	FL	1961	$ 0.06B	17.4%	0.0%	0.2%	B+	-	-	-	SC
American United LIC	IN	1877	$ 4.08B	5.5%	2.5%	0.2%	A+	AA-	-	AA+	B
Ameritas LI Corp.	NE	1887	$ 1.51B	8.7%	1.2%	-	A+	AA	-	-	A
Amex Life Assur. Co.	CA	1958	$ 0.94B	24.6%	6.8%	-	A+	-	-	-	B
Anchor Nat'l LIC	CA	1965	$ 4.42B	5.1%	21.7%	1.8%	A-	AA	-	-	D+
Bankers Life & Cas. Co.	IL	1880	$ 1.38B	15.0%	8.2%	0.1%	A	-	-	-	C-
Bankers Mutual LIC	IL	1948	$ 0.13B	13.6%	2.8%	1.7%	A	-	-	-	SB
Bankers Secur. LI Soc.	NY	1917	$ 0.51B	13.4%	3.6%	0.1%	A	A+	-	-	B-
Bankers United Life Assur.	IA	1936	$ 0.64B	9.4%	7.7%	0.4%	A	AA+	-	-	C+
Beneficial Std LIC	CA	1940	$ 1.86B	5.3%	5.2%	1.1%	A+	-	-	-	C+
Berkshire LIC	MA	1851	$ 0.79B	7.1%	1.8%	2.8%	A+	-	-	-	C+
Bradford Nat'l LIC	KY	1947	$ 0.21B	7.0%	10.6%	-	A-	-	-	-	SC
Calfarm LIC	CA	1950	$ 0.49B	8.5%	20.3%	0.6%	A+	-	-	-	C+
Cal-Westrn States LIC	CA	1910	$ 0.81B	39.6%	5.6%	0.6%	A+	AAA	-	-	B
Canada Life Assur. Co.	CD	1849	$ 14.50B	5.3%	0.1%	0.8%	A++	AAA	-	-	-
Canada Life of NY	NY	1971	$ 0.14B	10.5%	4.5%	0.0%	A	AAA	-	-	SC+
Capitol Bankers LIC	MN	1963	$ 0.35B	7.2%	0.0%	1.3%	B	AA	-	-	SD+
Central Life Assur. Co.	IA	1896	$ 2.20B	8.1%	13.1%	2.2%	A+	A	-	-	C-
Central Nat'l LIC/Omaha	NE	1953	$ 0.44B	54.1%	1.3%	0.0%	A+	AA	-	-	B
Century Life of Amer.	IA	1879	$ 1.64B	6.9%	5.4%	1.8%	A+	-	-	-	B-
Charter National LIC	MO	1955	$ 1.31B	13.3%	1.0%	-	A	-	-	-	-
CNA (Contin. Assur. Co.)	IL	1911	$ 9.89B	28.8%	4.0%	0.4%	A+	AA+	Aa1	AAA	A-
Coastal States LIC	GA	1939	$ 0.01B	999.9	0.0%	0.0%	NA-2	-	-	-	U
Colon.Penn Annuity/LIC	DE	1981	$ 0.12B	6.8%	16.1%	-	A+	-	-	-	SC-
Comm. Union LIC of Amer.	DE	1958	$ 0.75B	7.8%	3.4%	-	A+	-	-	AA-	B+
Commonwealth LIC	KY	1904	$ 4.59B	7.7%	2.7%	0.8%	A+	AAA	A1	AA+	B
Confederation LIC	CD	1944	$ 15.67B	19.1%	0.6%	0.9%	A+	AA+	-	AAA	-
Connecticut General LIC	CT	1865	$ 37.41B	5.6%	7.7%	1.6%	A+	AAA	Aa2	-	C+
Connecticut Mutual LIC	CT	1846	$ 11.13B	6.1%	6.1%	3.1%	A+	AA-	Aa2	AA	B-
Contin. Western LIC	IA	1966	$ 0.26B	9.9%	0.1%	0.1%	A	-	-	-	SB
Country LIC	IL	1928	$ 2.10B	999.9%	-	-	A+	-	-	-	A+
Covenant LIC	PA	1759	$ 0.37B	18.0%	2.9%	-	A+	-	-	-	B
Crown LIC	CD	1900	$ 7.22B	-	0.8%	-	A+	AA-	A3	-	-
Delta Life & Ann.Co.	TN	1955	$ 0.57B	6.8%	0.1%	0.2%	A	-	-	-	C+
Empire LIC	NE	1962	$ 0.17B	14.0%	0.0%	0.0%	B+e	-	-	-	SD+
Employers Modern Life Co.	IA	1962	$ 0.08B	8.5%	0.2%	2.2%	Ac	-	-	-	SC+
Equit.Life Assur.Soc./U.S.	NY	1859	$ 50.30B	4.6%	7.4%	2.4%	A-	A	A3	A	D
Equit. Var. LIC	NY	1972	$ 9.53B	8.5%	8.4%	0.6%	A-	A	A3	-	D+
Equity Nat'l LIC	GA	1968	$ 0.07B	79.1%	1.0%	0.7%	A+	AA+	-	-	B
FB Annuity Co.	MI	1980	$ 0.20B	4.7%	3.2%	1.3%	A	-	-	-	SC
FBL Insur. Co.	IA	1979	$ 0.48B	4.9%	8.4%	-	A	-	-	-	SB-
Federal Home LIC	IN	1910	$ 1.26B	10.1%	8.1%	2.5%	A+c	-	-	-	C+
Fed. Kemper Life Assur.	IL	1905	$ 2.91B	7.6%	7.0%	-	A	-	A2	AA-	C+
Federal Life Ins. Co.	IL	1899	$ 0.18B	32.7%	2.3%	-	A	-	-	-	B
Fidelity & Guar. LIC	MD	1959	$ 4.43B	6.8%	12.5%	0.4%	A	BBB+	Baa3	A	C-
Fidelity Security LIC	MO	1969	$ 0.20B	13.3%	5.6%	-	A	-	-	-	SB
Fidelity Standard LIC	DE	1981	$ 0.20B	8.3%	0.0%	-	A	-	-	-	SB
Fidelity Union LIC	TX	1927	$ 0.81B	26.0%	0.7%	0.6%	A+	-	-	-	B+
Financial Benefit LIC	FL	1983	$ .73B	3.5%	11.0%	-	-	-	-	-	-
Financial Security LIC	NY	1971	$ 0.01B	142.8	0.0%	0.0%	NA-4	-	-	-	SC-
First Colony LIC	VA	1955	$ 4.45B	8.6%	6.9%	-	A+	AA+	-	-	B+
First Int'l LIC	MA	1964	$ 0.07B	34.2%	3.9%	-	NA-5	-	-	-	SD+
First LIC	TX	1949	$ 0.02B	188.1	0.0%	0.8%	B+	-	-	-	SC
First Transamerica LIC	NY	1986	$ 0.09B	18.1%	0.0%	0.0%	NA-3	AA+	-	-	SC
First Variable LIC	AR	1968	$ 0.33B	16.9%	12.6%	-	NA-5	-	-	-	SE
Fortis LIC (frm.W'trn LIC)	MN	1910	$ 2.20B	9.5%	1.6%	0.6%	A+	AA	-	-	B
Franklin LIC	IL	1884	$ 4.59B	17.1%	3.4%	-	A+	-	Aa2	AAA	A-
General American LIC	MO	1933	$ 6.05B	5.7%	3.7%	2.2%	A+	AA	A1	AA	C+
General Services LIC	IA	1954	$ 0.62B	4.6%	9.3%	-	NA-3	AA+	-	-	C
Golden Rule Ins. Co.	IL	1940	$ 0.68B	17.3%	4.2%	-	A	AA-	-	-	C+
Great American LIC	OH	1916	$ 4.54B	4.8%	6.0%	0.1%	A+	-	-	-	C-
Great Amer. Res. Ins. Co.	TX	1937	$ 0.90B	6.5%	4.2%	0.1%	A+	-	-	-	B-
Gr Nrthrn Insur Ann Corp	WA	1980	$ 3.77B	5.0%	1.6%	0.3%	A	AA-	-	-	B-
Great Southern LIC	TX	1909	$ 0.69B	22.7%	1.3%	0.1%	A	A	-	-	C+
Great-West Life Assur. Co.	CD	1907	$ 15.81B	-	-	-	A+	AAA	Aa1	-	-
Guar. Mutual Life Co.	NE	1901	$ 0.69B	12.1%	5.7%	0.1%	A+	-	-	-	B+

(Continued)

INSURANCE COMPANY RATINGS

Company Legal Name	State Dom.	Year Incorp	Admitted Assets	C&S / Assets	NIG% Bonds	Delnq Mrtge	A.M. Best's	Std & Poors	Moodys Invest.	Duff & Phelps	Weiss Research
Guaranty Income LIC	LA	1926	$ 0.11B	8.7%	3.4%	4.8%	B+	-	-	-	SC
Guardian LIC of Amer	NY	1860	$ 6.16B	15.2%	3.1%	0.2%	A++	AAA	Aaa	-	A
Hartford LIC	CT	1902	$ 11.62B	5.0%	0.0%	0.0%	A++	AAA	Aa2	AAA	A
Home LIC	NY	1860	$ 4.41B	4.8%	5.8%	1.2%	A++	A-	-	-	C
Horace Mann LIC	IL	1949	$ 1.75B	7.3%	9.2%	0.9%	A+	-	-	-	B-
IDS LIC	MN	1972	$ 15.58B	4.7%	7.9%	0.5%	A+	-	Aa2	-	B-
Illinois Mut. Life/Cas. Co.	IL	1912	$ 0.33B	16.2%	1.5%	1.1%	A	-	-	-	B
Integrity LIC	AZ	1966	$ 1.33B	14.8%	14.8%	14.8%	NA-3	AA-	-	-	D-
Investors Guaranty LIC	CA	1962	$ 0.09B	43.6%	1.2%	-	A	-	-	-	SB-
Investors LIC of NE	SD	1961	$ 0.18B	14.3%	1.9%	-	A+	-	-	-	SB-
Jackson Nat'l LIC	MI	1961	$ 14.19B	4.9%	7.9%	-	A+	-	A1	-	C+
Jefferson Nat'l LIC	IN	1937	$ 0.78B	8.8%	1.8%	0.3%	A+	-	-	-	B-
Jefferson Pilot LIC	NC	1890	$ 3.93B	32.0%	2.7%	0.2%	A+	AAA	-	-	A+
John Alden LIC	MN	1961	$ 2.48B	6.4%	0.6%	1.0%	A+	-	-	-	C-
John Deere LIC	IL	1937	$ 0.31B	15.6%	2.5%	-	A+	-	-	-	A-
John Hancock Mutual LIC	MA	1862	$ 33.75B	6.2%	6.1%	2.4%	A++	AAA	Aa2	AAA	B-
Kansas City LIC	MO	1895	$ 1.69B	8.1%	3.0%	1.8%	A+	-	-	-	B+
Kemper Investors LIC	IL	1947	$ 6.70B	5.5%	8.2%	0.3%	A	-	A2	A+	D+
Kentucky Central LIC	KY	1902	$ 1.32B	7.4%	4.0%	7.7%	A	BBB	-	-	D
Keyport LIC	RI	1957	$ 8.83B	4.6%	6.9%	-	A+	A+	A1	AA-	B-
Lamar LIC	MS	1906	$ 0.42B	14.2%	10.6%	0.0%	A+	-	-	-	A-
Liberty Nat'l LIC	AL	1929	$ 2.20B	16.9%	2.0%	-	A+	AAA	-	-	B
Life Ins.Co./Georgia	GA	1891	$ 1.77B	13.3%	2.4%	2.5%	A+	AAA	-	AAA	B-
Life Ins.Co./S'west	TX	1955	$ 1.19B	5.0%	2.8%	1.7%	A+	-	-	AA-	B-
Life Ins.Co./Virginia	VA	1871	$ 4.82B	8.6%	3.7%	0.3%	A+	AA	Aa3	AA+	B
Life Investors Ins. Co./Amer.	IA	1930	$ 2.21B	7.7%	8.2%	1.4%	A+	AA+	-	-	C+
LifeUSA Ins. Co.	CO	1961	$ 0.13B	548.7%	0.0%	0.0%	NA-4	-	-	-	SD-
Lincoln Benefit Life Co.	NE	1938	$ 0.09B	28.1%	0.1%	-	A++r	AA	-	-	B+
Lincoln Income LIC	KY	1928	$ 0.30B	13.7%	7.1%	-	NA-4	-	-	-	D+
Lincoln Life/Cas. Co.	NE	1960	$ 0.05B	16.5%	5.1%	-	NA-4	-	-	-	SD+
Lincoln Nat'l LIC	IN	1905	$ 18.79B	6.8%	3.8%	1.7%	A+	AA-	A1	AAA	B-
London Pac. Life/Ann. Co.	NC	1927	$ 0.22B	10.7%	37.0%	-	NA-3	-	-	-	SD
Manhattan Nat'l LIC	ND	1956	$ 0.20B	10.6%	5.9%	-	A-	-	-	-	SC+
ManuLife (Manufacturers)	CD	1887	$ 32.90B	7.0%	2.6%	-	A+	AAA	-	-	-
Mass. General LIC	MA	1962	$ 0.94B	7.3%	7.0%	0.1%	A	-	-	A+	B-
Mass. Mutual LIC	MA	1851	$ 25.97B	7.4%	5.8%	1.1%	A++	AA+	Aa1	AAA	B
Merrill Lynch LIC	WA	1986	$ 3.88B	5.3%	6.9%	-	NA-3	-	A1	-	C
Metropolitan LIC	NY	1868	$103.23B	5.7%	2.8%	0.7%	A++	AAA	Aaa	AAA	A-
Midland Mutual LIC	OH	1905	$ 0.94B	12.6%	1.9%	1.6%	A+(c)	-	-	-	B-
Midland Nat'l LIC	SD	1906	$ 1.12B	24.6%	3.0%	0.1%	A+	AA+	-	-	A
Ministers Life	MN	1900	$ 0.25B	5.3%	4.4%	1.5%	A	-	-	-	B-
Minnesota Mutual LIC	MN	1880	$ 5.45B	5.5%	7.1%	0.6%	A++	AA+	Aa1	-	C+
Mutual of Amer. LIC	NY	1945	$ 4.96B	7.4%	1.3%	0.1%	A+	AA+	Aa2	AA+	B+
Mutual Life Assur./Can.	CD	1868	$ 11.17B	334.4%	-	-	NA-4	AAA	-	-	-
MONY (Mutual LIC/NY)	NY	1842	$ 17.00B	6.3%	12.8%	2.9%	A-	A	Baa1	AA-	D
Mutual Trust LIC	IL	1904	$ 0.51B	5.3%	4.5%	4.5%	A+	-	-	-	B+
Nat'l Farmers Union LIC	FL	1937	$ 0.17B	6.7%	0.0%	2.2%	B+	-	-	-	SC
Nat'l Guardian LIC	WI	1909	$ 0.42B	10.7%	1.3%	0.0%	A+	-	-	-	A+
Nat'l Health Ins. Co.	TX	1965	$ 0.12B	23.3%	0.5%	-	A	-	-	-	SC+
Nat'l Heritage LIC	DE	1981	$ 0.17B	8.1%	3.4%	1.6%	NA-3	-	-	-	SC-
Nat'l Home Life Assur.	MO	1920	$ 5.33B	7.8%	2.0%	1.2%	A+	AA	-	AA-	B+
Nat'l Integrity LIC	NY	1968	$ 0.43B	6.3%	26.1%	-	NA-3	AA-	-	-	SD+
National LIC	VT	1969	$ 4.04B	6.0%	4.0%	0.5%	A+c	AA-	-	AA-	B-
Nat'l Travelers Life Co.	IA	1907	$ 0.32B	11.6%	3.1%	2.9%	A+	-	-	-	B-
National Western LIC	CO	1956	$ 1.89B	3.8%	6.9%	1.0%	A-	-	-	-	C
Nationwide LIC	OH	1929	$ 12.34B	5.8%	2.6%	1.6%	A+	AAA	Aa1	-	B-
New England Mutual LIC	MA	1835	$ 17.12B	4.0%	3.5%	1.9%	A+	AA	A1	AA	C
New York LIC	NY	1841	$ 40.18B	6.5%	3.5%	0.6%	A++	AAA	Aaa	-	A
N Amer. Co./Life & Hlth	IL	1886	$ 2.07B	6.4%	20.1%	-	A	-	-	-	C
N Amer. Life & Cas. Co.	MN	1979	$ 1.02B	19.2%	0.2%	0.5%	A+	-	-	-	B-
N Amer. Secur. LIC	DE	1979	$ 1.09B	9.2%	0.9%	-	A+e	AA	-	-	D
N. Atlantic LIC/Am.	NY	1961	$ 0.64B	4.3%	14.6%	1.1%	A	-	-	-	SC-
N W Life Assur./Can.	CD	1967	$ 0.40B	-	-	-	A	-	-	-	-
Northbrook LIC	IL	1960	$ 0.45B	159.7%	0.0%	-	A+r	AA-	-	-	B-
Northern LIC	WA	1906	$ 2.06B	5.3%	12.3%	2.5%	A+	AA-	-	-	C
N'western Mutual LIC	WI	1857	$ 31.38B	7.6%	3.7%	0.6%	A++	AAA	Aaa	-	A
N'western Nat'l LIC	MN	1885	$ 4.91B	7.8%	16.1%	3.0%	A+	A	A3	AA	C-

(Continued)

INSURANCE COMPANY RATINGS

Company Legal Name	State Dom.	Year Incorp	Admitted Assets	C&S / Assets	NIG% Bonds	Delnq Mrtge	A.M. Best's	Std & Poors	Moodys Invest.	Duff & Phelps	Weiss Research
Ohio Nat'l LIC	OH	1909	$ 2.64B	6.2%	4.3%	1.0%	A+	AA	A1	AA	B-
Ohio State LIC	OH	1906	$ 0.54B	20.7%	1.9%	2.7%	A+c	-	-	-	C
Old Colony LIC	GA	1955	$ 0.02B	-	-	-		-	-	-	-
PFL Life Ins Co.	IA	1961	$ 0.56B	14.7%	3.0%	6.8%	A	AA+	-	-	B-
Pacific Fidelity LIC	CA	1956	$ 1.08B	8.2%	9.0%	0.1%	A	AA+	-	-	C+
Pacific Mutual LIC	CA	1868	$ 9.78B	5.0%	4.7%	1.3%	A+	AA+	A1	AA+	B
Pan-American LIC	LA	1911	$ 2.11B	6.7%	10.9%	1.3%	A+	-	A1	-	C
Penn Mutual LIC	PA	1847	$ 6.19B	5.5%	4.1%	1.0%	A+	A+	A1	AA-	C
Peoples Security LIC	NC	1916	$ 3.05B	8.1%	1.9%	0.7%	A+	AAA	A1	AA+	B-
Philadelphia LIC	PA	1906	$ 1.33B	9.7%	19.8%	0.1%	A	-	-	-	C
Phoenix Mutual LIC	CT	1851	$ 6.39B	7.4%	4.1%	5.3%	A+	AA	A1	-	C
Pioneer LIC/IL	IL	1946	$ 0.42B	67.3%	-	-	B-	-	-	-	C
Presidential LIC	NY	1965	$ 2.00B	7.2%	34.0%	-	B+	none	Ba1	-	E
Principal Mutual LIC	IA	1879	$ 27.54B	6.9%	8.9%	1.1%	A++	AA+	Aa1	-	B
Protected Home Mut. LIC	PA	1964	$ 0.13B	6.3%	2.5%	-	A-	-	-	-	SC+
Protective LIC	AL	1907	$ 1.89B	9.7%	4.0%	1.0%	A+	AA	-	AA	B+
Provident Life & Accident	TN	1887	$ 14.79B	5.0%	3.0%	0.3%	A+	AA+	Aa2	AA+	B+
Provident LIC	ND	1915	$ 0.18B	12.4%	3.7%	0.0%	NA-5	A+	-	-	SC+
Provident Nat'l Assur. Co.	TN	1967	$ 7.91B	3.4%	2.4%	2.1%	A	AA+	Aa2	AA+	C
Prudential Ins.Co./Amer.	NJ	1873	$189.00B	5.1%	7.7%	0.2%	A++	AAA	Aa1	AAA	B
Reliance Standard LIC	IL	1907	$ 1.72B	7.0%	6.9%	0.0%	A	A-	-	AA-	C+
Royal LIC/Amer.	CT	1957	$ 0.18B	32.4%	3.2%	-	A	-	-	-	B-
Royal Maccabees LIC	MI	1885	$ 1.17B	9.4%	2.8%	0.0%	Ac	-	-	-	C+
SAFECO LIC	WA	1957	$ 6.64B	5.0%	3.7%	0.1%	A+	AA	Aa2	-	C
Secur. Assur. Co.	AZ	1968	$ 0.02B	153.3	0.0%	-	A	-	-	-	SC+
Secur. Bene. LIC	KS	1892	$ 2.94B	5.4%	1.8%	1.3%	A+	A+	-	-	C
Secur. Conn. LIC	CT	1955	$ 1.03B	12.0%	4.4%	1.4%	A+	AA-	-	-	B
Secur. Equity LIC	NY	1983	$ 0.08B	14.4%	0.6%	-	A	AA-	-	-	SC
Secur. First LIC	DE	1960	$ 1.05B	7.7%	8.2%	-	A	-	-	-	B-
Secur. Mutual LIC/NY	NY	1886	$ 0.96B	5.5%	1.5%	0.1%	A	AA-	-	AA-	B-
Shelby LIC	OH	1965	$ 0.08B	12.3%	3.0%	-	B+	-	-	-	SC
Shenandoah LIC	VA	1914	$ 0.45B	8.2%	4.5%	0.1%	A+	-	-	-	B
Southland LIC	TX	1969	$ 0.97B	24.3%	1.6%	0.2%	A+	AAA	-	-	B+
S'western LIC	TX	1903	$ 1.37B	17.5%	3.0%	3.7%	A	A-	Ba1	A+	C
Sovereign LIC/CA	CA	1894	$ 0.29B	-	-	-	A-	AA+	-	-	B-
Standard Insur. Co.	OR	1906	$ 2.42B	7.6%	0.8%	0.7%	A+	AA-	A2	-	B
State Bond/Mortgage LIC	MN	1966	$ 0.49B	5.4%	0.0%	-	A-	-	-	-	SC+
State Farm LIC	IL	1929	$ 12.13B	14.9%	1.1%	0.5%	A++	AAA	Aaa	-	A+
State LIC	IN	1894	$ 0.23B	8.7%	2.3%	0.2%	A	-	-	-	SB-
State Mutual L Assur/Amer.	MA	1844	$ 6.58B	5.1%	3.2%	2.0%	A+	AA	Aa3	AA	C+
Summit Nat'l LIC	PA	1989	$ 0.17B	26.3%	7.7%	-	NA-5	-	-	-	C-
SunLife/America	MD	1897	$ 5.40B	8.5%	9.1%	-	A+	AA	A3	AA-	C+
Sun Life Assur./Canada	CD	1865	$ 20.60B	12.4%	0.4%	-	A+	AAA	-	-	-
Sun Life of Canada (US)	MA	1970	$ 6.40B	5.3%	2.2%	-	A+	AAA	-	-	-
Sunset LIC/America	WA	1937	$ 0.30B	17.4%	1.0%	0.7%	A+	-	-	-	A
Surety LIC	UT	1982	$ 0.07B	103.3	-	-	A+	AAA	-	-	B+
TIAA of Amer.	NY	1918	$ 49.89B	5.9%	8.0%	1.8%	A++	AAA	Aaa	-	B-
Time Insur. Co.	WI	1910	$ 0.82B	39.8%	1.1%	0.2%	A+	-	-	-	A-
TMG LIC (frm.W'tn States)	ND	1930	$ 0.55B	21.3%	3.2%	3.4%	A+	AAA	-	-	B-
Transam. Life & Ann. Co.	CA	1966	$ 8.43B	3.9%	6.0%	0.1%	A	AA+	Aa3	AA	B-
Transam. Occidental LIC	CA	1906	$ 8.62B	6.8%	5.3%	0.1%	A+	AA+	Aa3	AA	B-
Travelers Insur. Co.	CT	1863	$ 33.03B	8.1%	2.4%	8.5%	A	A+	Baa1	AA-	C-
Travelers LIC	CT	1960	$ 1.05B	7.3%	5.5%	1.8%	A	A+	Baa1	-	D+
Union Central LIC	OH	1867	$ 3.08B	5.9%	2.8%	0.3%	A	A	-	A	C
Union Labor LIC	MD	1925	$ 1.92B	6.7%	1.9%	2.4%	B+	BBB	-	A	D+
United Cos. LIC	LA	1955	$ 1.23B	5.0%	3.7%	1.6%	A	-	-	A	C+
United Fidelity LIC	TX	1920	$ 0.37B	6.2%	2.7%	1.9%	NA-4	-	-	-	SE+
United Investors LIC	MO	1961	$ 0.60B	41.0%	4.7%	-	A+	-	-	-	A
United Liberty LIC	OH	1953	$ 0.06B	4.0%	10.9%	-	NA-9	-	-	-	SD
United Olympic LIC	WA	1940	$ 0.83B	4.0%	2.2%	0.1%	A	A+	-	-	C
United of Omaha	NE	1926	$ 4.50B	8.5%	5.0%	3.4%	A+	-	Aa2	AA	B
United Pacific LIC	WA	1956	$ 5.60B	6.9%	15.4%	-	A-	BBB	Ba1	A+	C-
United Presidential LIC	IN	1965	$ 0.60B	10.5%	8.7%	0.1%	A	-	-	-	B
US LIC/in NYC	NY	1850	$ 1.18B	17.2%	11.8%	0.4%	A+	AA+	-	-	C+
Unity Mutual LIC	NY	1903	$ 0.58B	3.5%	5.0%	0.0%	B+	-	-	-	C-
UNUM LIC	ME	1848	$ 4.48B	4.7%	3.5%	2.1%	A+	AA+	Aa1	-	B
USAA Annuity & LIC	TX	1979	$ 1.67B	5.7%	5.1%	-	A	AAA	Aa1	-	B-

(Continued)

INSURANCE COMPANY RATINGS

Company Legal Name	State Dom.	Year Incorp	Admitted Assets	C&S / Assets	NIG% Bonds	Delnq Mrtge	A.M. Best's	Std & Poors	Moodys Invest.	Duff & Phelps	Weiss Research
USAA LIC	TX	1963	$ 1.36B	15.9%	6.8%	-	A+	AAA	Aa1	-	A-
USG Ann./Life Co.	OK	1957	$ 2.21B	7.4%	6.0%	-	A+	AA	A1	-	C-
Variable Ann. LIC	TX	1968	$ 12.46B	3.6%	1.9%	0.6%	A++	AAA	Aa2	-	B
Vermont LIC	VT	1981	$ 0.36B	6.6%	1.0%	-	A+e	A+	-	-	SC-
Volunteer State LIC	TN	1903	$ 0.54B	16.8%	1.9%	0.0%	A+	AA+	-	-	A-
WM (Wash. Mutual) LIC	AZ	1975	$ 0.50B	6.0%	0.0%	-	B+	-	-	-	SC-
Wash. Nat'l Ins. Co.	IL	1923	$ 1.71B	8.8%	8.8%	8.8%	A+	-	-	-	C+
Western Life Ins. Co.	See Fortis LIC										
Western Nat'l LIC	TX	1978	$ 4.80B	6.5%	5.4%	-	A+	A+	Baa2	AA-	C
W'tern Res. L Asr Co/OH	OH	1957	$ 0.62B	7.4%	25.8%	-	A+c	AA+	-	-	C+
W'tern United Life Asr Co	WA	1963	$ 0.47B	6.7%	2.3%	4.7%	B+	-	-	-	C-
Wm Penn LIC of NY	NY	1962	$ 0.82B	8.0%	3.1%	-	A	-	-	-	B
Wisconsin Nat'l LIC	WI	1908	$ 0.28B	14.3%	2.6%	0.8%	A+	-	-	-	A-
Xerox Finan. Svcs. LIC	MO	1981	$ 2.79B	5.2%	10.8%	0.4%	NA-3	A+	A2	-	C-

A. M. BEST's Ratings

A. M. Best Co. has been assigning an alphabetic rating scale to insurance companies since 1976. Best's evaluates a company's **Relative Financial Strength** and overall performance in comparison with others. Best's ratings should not be taken as a warranty of an insurer's current or future ability to meet its contractual obligations. Best's charges an insurer $500 for a letter rating. (Contact A. M. Best Company, Oldwick, New Jersey, 08858.)

A. M. Best's rating scale uses letter grades ranging from A++ (Superior), the highest, to C- (Fair), the lowest. The letter grade can also have a modifier that qualifies it. The A++ highest rating is based on a company's favorable comparison of profitability, leverage, and liquidity with industry norms; favorable experience from mortality, lapses, and expenses; quality and diversification of investment portfolio; strong policy reserves and a surplus to risk ratio that is above that for the average life insurance company. Also examined are the amount and soundness of its reinsurance and the competence and experience of management.

STANDARD AND POOR's Ratings

Standard and Poor's, which began rating insurance companies in the mid 1980s, assesses a company's **Claims-Paying Ability**--that is, its financial capacity to meet its insurance obligations. S&P forms its opinion by examining industry-specific risk, management factors, operating performance and capitalization. Industry-specific risk addresses the inherent risk in and diversity of the insurance business being underwritten. Management factors include how management defines its corporate strategy and the effectiveness of its operations and financial controls. Operating performance focuses on a company's trend for current and future earnings. For capitalization, S&P looks at the company's capital structure, its ability to raise capital, liquidity, and cash flow. S&P charges an insurer between $15,000 and $28,000 to receive a claims-paying ability rating. (Contact: Standard and Poor's, 25 Broadway, New York, NY 10004.)

S&P's Scale uses a letter grade scale that ranges from AAA (highest) to D (lowest), (ie., AAA, AA, A, BBB, BB, B, CCC, CC, C, D). The ratings from AA to CCC may be modified by the addition of a plus or minus sign to show relative standing within those grades. "AAA" Claims-paying ability represents a company's extremely strong capacity to honor its obligations and to remain so over a long period of time. "AAA" companys offer **superior** financial security on both an absolute and relative basis. They possess the highest safety and have an overwhelming capacity to meet policyholder obligations.

MOODY's Ratings

Moody's Insurance **Financial Strength Ratings** are opinions of the relative strength or weakness of insurance companies. Specifically, they summarize the likelihood that a company will be able to meet its senior policyholder obligations. Moody's considers both quantitative and qualitative factors in the following areas: product lines, industry competitive positions, markets, distribution systems, organizational structure, earnings trends and profitability, performance and quality of investments, asset/liability management and liquidity, surplus position relative to risk profile and affiliated companies. A very important part of the evaluation is understanding management's philosophy and the company's strategic direction. The rating, therefore, involves judgments about the future and includes assessments on how management and companies will respond to worst case scenarios. Moody's annual fee for a rating is $25,000. (Contact: Moody's Investors Service, 99 Church Street, New York, NY 10007.)

Moody's uses a letter grade scale that ranges from Aaa ("Exceptional") for the highest rating to C ("Lowest") for the least favorable rating (ie., Aaa, Aa, A, Baa, Ba, B, Caa, Ca, C). For classes Aa to B, Moody adds a numerical modifier, from 1 (at high end of category) to 3 (at the lower end) to indicate the approximate ranking of a company in the particular classification. Insurance companies rated Aaa offe exceptional financial security. While the financial strength of these companies is likely to change, such changes are most unlikely to impai their fundamentally strong position.

Duff & Phelps

Duff & Phelps began rating insurance carriers in 1986. Its rating emphasizes analysis of the company's future ability to promptly pay its obligations by evaluating the insurer's long term solvency and its ability to maintain adequate liquidity. The evaluation involves both quantitative and qualitative factors.

The quantitative factors focus on profitability, operating leverage, surplus adequacy, asset quality and concentrations and the adequacy of policy reserves. An important emphasis is the sensitivity of the insurance company to volatile business cycles, major shifts in interest rates and the ability of management to deal within those circumstances.

Duff and Phelps uses a letter grade scale that ranges from AAA, the highest rating, to CCC, the lowest rating (i.e. AAA, AA, A, BBB, BB, B, CCC). The ratings below AAA may be modified by the addition of a plus or minus sign to show relative standing within those grades.

WEISS' Ratings

Weiss Research, Inc. a recent entrant in the insurance rating business, began offering its **Safety Index Rating** in 1990. Weiss analyzes a company's future ability to pay its claims under difficult economic conditions when the potential for liquidity problems is increased. The most important indicators used are risk-adjusted capital ratios, which evaluate a company's exposure to investment, liquidity, and insurance risk in relation to the capital that the company has to cover those risks during periods of average and severe recession. (Contact: Weiss Research, Inc.; P.O. Box 2923; West Palm Beach, FL 33402.)

The Weiss Safety Index scale ranges from A to F (see details below). Weiss' rating standards are generally more conservative than those used by other agencies. For example, the distribution of 1991 Weiss' ranking found only 2.8% of all companies rated achieved an A grade, 13.6% were rated in the B class, 37.2% at C, 20.2% at D, 4.5% at E, and 3.1% at F. Whereas Weiss' ratings closely followed a bell-shaped distribution, the ratings by Best's, S&P, and Moody's fell predominantly in the A and B classifications alone.

To achieve a top Weiss rating, a company must be adequately prepared to withstand the worst-case scenario, without impairing its current operations. It must also achieve an acceptable level in all five components of the Safety Index rating: equity, investment safety, profitability, leverage, and size. A company that has a very weak investment component but does well in all other categories would still rate poorly. This means that companies rated less than B can remain viable provided the economic environment remains relatively stable. A detailed description of Weiss' rating scale follows:

A — **Excellent.** This company offers excellent financial security. It has maintained a conservative stance in its investment strategies business operations and underwriting commitments. While the financial position of any company is subject to change, we that has the resources necessary to deal with severe economic conditions.

B — **Good.** This company offers good financial security and has the resources to deal with a variety of adverse economic conditions. However, in the event of a severe recession or major financial crisis, we feel that this assessment should be reviewed to make sure that the firm is still maintaining adequate financial strength.

Important note: Carriers with a B+ rating are included in our Recommended List because they have met almost all of the requirements for an A rating.

C — **Fair.** This company offers fair financial security and is currently stable. But during an economic downturn or other financial pressures, we feel it may encounter difficulties in maintaining its financial stability.

D — **Weak.** This company currently demonstrates what we consider to be significant weaknesses which could negatively impact policyholders. In an unfavorable economic environment, these weaknesses could be magnified.

E — **Very Weak.** This company currently demonstrates what we consider to be significant weaknesses and has also failed some of the basic tests that we use to identify fiscal stability. Therefore, even in a favorable economic environment, it is our opinion that policyholders could incur significant risks.

F — **Failed.** Companies under the supervision of state insurance commissioners.

+/- — **Plus** is an indication that, with new data, there is a modest possibility that this company could be upgraded. **Minus** is an indication that, with new data, there is a modest possibility that this company could be downgraded. The A+ rating is an exception since no higher grade exists.

S — The S prefix indicates a smaller sized company with less that $25 million in capital and surplus, but does not reduce or diminish the letter grades A through E. The S is simply a reminder that consumers may want to limit the size of their policy with this company so that the policy's maximum benefits do not exceed 1% of the company's capital and surplus.

U — **Unrated.** This symbol indicates that a company is unrated for one or more of the following reasons: (1) total assets of less than $1 million, (2) premium income for the current year less than $100 thousand, or (3) the company functions almost exclusively as a holding company rather than as an underwriter.

ALL ABOUT IMMEDIATE ANNUITIES

Annuities are simple investments. You deposit a sum of money, usually $5,000 or more, with an insurance company and instruct it to apply your funds either: (1) as an "Immediate Annuity" - where you immediately start receiving a monthly income for your lifetime - or (2) as a "Deferred Annuity" - where the company credits your investment with tax-deferred interest until you decide to withdraw funds from your account.

Annuities may accept either a one-time deposit ("Single Premium" annuity) or unlimited periodic investments ("Flexible Premium" annuity). Some annuities offer a choice of investment options ("Variable" annuity) where the value of your account fluctuates with changes in stock or bond prices. Other annuities credit a guaranteed interest rate ("Fixed" annuity).

ANNUITY & LIFE INSURANCE SHOPPER will help you sort out what type of annuity may be right for you. You'll learn about the investment and insurance features of each of these types of annuities so you can use these valuable retirement vehicles effectively. We'll help you take the mystery out of annuities. Our annuity brokerage service is available to you at no cost and can help you find companies which offer high quality and attractive rates. Questions? Call 1-800-872-6684 to speak with an annuity specialist.

Immediate Annuities

Single Premium Immediate Annuities (SPIAs) are purchased by a single deposit, and usually commence regular income payments a month after you make your investment. An immediate annuity can be purchased with funds from a variety of possible sources, such as: a maturing Certificate of Deposit (CD); monies which have accumulated in a Deferred Annuity account (see below); or funds from a tax-qualified defined benefit or profit-sharing plan, or from an IRA account. The key ingredient for an immediate annuity is the exchange which takes place between the insurance company and the investor. The company promises to pay a monthly income for the life of the annuitant and the buyer gives up his rights to ever receiving his deposit back in a lump sum. Once an immediate annuity makes its first payment, it can not be cashed in.

Forms of Annuity

In its simplest form--the Straight Life or Non-refund immediate annuity--payments are guaranteed over the lifetime of one person. This form of annuity insures the recipient against outliving his financial resources and is an important instrument in planning for retirement. Given a fixed deposit amount, the monthly payments which derive from a "Life" annuity are always greater than those derived from other forms of immediate annuity, such as the "Life with Period Certain" annuity, or the "Joint and Survivor" annuity. The insurer of a single life annuity calculates its obligation only until the last regular payment preceding the annuitant's death. With other more extended forms of annuity, the insurer calculates its risk over a longer period than the one life expectancy, and reduces accordingly the monthly payment amount. However, because the payments on a single life annuity expire when you do, selecting this form of annuity is, in a sense, a bet that you expect to live longer than the average person.

When you extend the range of a life annuity by continuing payments to a second person ("Joint and Survivor" annuity) or for a guaranteed minimum period of time ("Period Certain" annuity), the extra coverage may reduce the monthly payment by about 5% to 15%. Several situations where these "extended" forms of immediate annuity would be most suitable are: (1) when the income needs to be guaranteed over the lifetimes of a husband and wife ("Joint and Survivor" annuity); (2) when payments must continue for a specified period (e.g. 5 or 10 years or more) to a designated beneficiary ("Certain and Continuous" annuity); or (3) when the annuitant wants to make sure that, if he should die before his full investment has been distributed in monthly payments, an amount equal to the balance of the deposit will continue to a named beneficiary ("Installment Refund" annuity).

Advantages of An Immediate Annuity

Advantages of an immediate annuity are its: (1) Simplicity -- the annuitant does not have to manage his investments, watch markets, report interest or dividends, or compete against professional investors; (2) Security -- the annuity provides stable lifetime income which can never be outlived or which may be guaranteed for a specified period; (3) High Returns -- the interest rates used by insurance companies to calculate SPIA income are generally higher than CD or Treasury rates, and since part of the principal is returned with each payment, greater amounts are received than would be provided by interest alone; (4) Preferred Tax Treatment -- it lets you postpone paying taxes on some of the earnings you've accrued in a "tax-deferred" annuity when rolled into an immediate annuity (only the portion attributable to interest is taxable income, the bulk of the payments are nontaxable return of principal); (5) Safety of Principal -- funds are guaranteed by assets of insurer and not subject to the fluctuations of financial markets; and (6) No sales or administrative charges.

SPIAs are particuarly suitable for providing income in the following situations: (1) Retirement from Employment; (2) Terminal Funding or Pension Terminations (including deferred commencements); (3) Retired Life Buyouts; (4) Structured Settlements for Personal Injury, Estate or Divorce cases; (5) Professional Sports Contracts; and (6) Credit Enhancement and Loan Guarantee Transactions.

The figures in Tables 1 and 2 represent monthly income per $1,000 premium with first annuity payment received one month after the date of deposit. Columns identified as "Life" (for male, female, or unisex at ages 65 and 70) illustrate how much in monthly income a $1,000 deposit will purchase if payment are received over the lifetime of one person.

"Unisex 10C&C" rates show monthly income for 10 Years Certain and Continuous, which means that payments are guaranteed for at least ten years even if the annuitant should die before that period has elapsed. Of course, with the 10C&C annuity, monthly payments continue to be received at the stated rate even after the 10 year period for as long as the annuitant lives.

"Pd. Cert. 10 Yr. Only" rates cover payments for only a fixed 10 Year Period Certain. Such period certain annuities are not priced to reflect the age or life expectancy of the purchaser since payments cease after 120 monthly payments without regard to whether the annuitant is living.

"M65 F60 J&50%S" column illustrates rates payable on the Joint and 50% Survivor form of annuity. In our example the **primary** annuitant is a male age 65 and his coannuitant is a female age 60. This annuity guarantees payments over the lifetimes of two individuals, with the payments reducing by one half if the primary annuitant (male) should predecease the coannuitant (female). Variations on this type of annuity are also available.

The term **Qualified** in the title of Table 1 (Qualified Single Premium Immediate Annuities) refers to the tax status of the source of funds used for purchasing the annuity. These are premium dollars which until now have "qualified" for IRS exemption from income taxes. Such funds may either come from corporate-sponsored retirement plans (such as Defined Benefit or Defined Contribution Plans) or from such individual retirement arrangements as IRAs, SEPs, and Section 403(b) tax-sheltered annuities. Generally speaking, insurance companies use sex-distinct rates when pricing qualified annuities where the purchaser and/or owner is a corporation. Where the annuity is purchased with an individual's qualified funds, annuity rates are generally unisex. Some states, however, require that unisex rates be used for all qualified annuities.

Non-qualified immediate annuities are purchased with monies which have not enjoyed any tax-sheltered status and for which taxes have already been paid. They are often used by employers for situations such as deferred compensation or supplemental income programs or by individuals seeking to ensure a lifetime income. While most insurance companies apply their male/female (sex-distinct) tables to non-qualified annuities, some states require the use of unisex rates for both males and females.

Fixed Deferred Annuities

A Deferred Annuity is a tax-favored accumulation contract. Its chief advantage over a Certificate of Deposit or Mutual Fund is that the yearly earnings in an annuity contract are not taxed when earned (except in the case of a corporation). The cash value builds in the account each year on a tax-deferred basis. These contracts can also be used for Qualified "rollover" funds (lump sum distributions from a Qualified Pension Plan prior to retirement).

In this section, we review "Fixed" deferred annuities. A fixed annuity is one where the insurance company credits your account with a fixed rate. Interest earned on fixed deferred annuities is usually credited at a declared rate, which can remain constant for periods ranging anywhere from a calendar quarter to as much as ten years. Fixed annuities only offer the interest-earning account, whereas "Variable" annuities may offer several accounts where returns fluctuate with stock and bond prices. "Variable" annuities are discussed below in a separate section.

ANNUITY & LIFE INSURANCE SHOPPER reports both on "Single Premium" deferred annuities ("SPDA"), which accept only one deposit, and "Flexible Premium" deferred annuities ("FPA"), which have all the features of SPDAs with the added flexibility that they accept multiple deposits over the life of the contract. Flexible premium annuities, however, often credit lower interest rates and charge greater surrender penalties.

Deferred Annuity Rate Tables

The deferred annuity tables begin with the name of the insurance company and the policy name of the contract described, since some companies issue more than one contract for each product category. The next category shows the minimum and maximum issue ages for non-qualified annuities. Age limits for qualified contracts are governed by IRS regulations and thus do not vary among different companies.

Interest Crediting

The Initial Credit% (Interest Rate) and the length of time for which this rate is guaranteed ("Yield Guarantee Period") are shown in the next two columns. Most insurance companies compound interest on a "day of deposit to day of withdrawal" basis. The cash accumulation figures in the tables below illustrate the growth of a single deposit of $100,000 (for SPDAs and CoAs) or 20 annual deposits of $10,000 (for FPAs), assuming the current interest rate remains in effect for 20 years.

Almost all annuities set a minimum or Floor Rate below which the annual interest rate is guaranteed never to drop. These floor rates are contractually guaranteed by the companies and are usually around 4%. To interpret a policy's floor rates check the letter code ("d" thru "g") against the legend for that table. Keep in mind that floor rates are not to be confused with "Bailout or Escape" rates, which only some companies offer (and which are discussed below).

Some insurers offer "bonus" interest rates which tack on as much as eight percentage points to the current interest rate, boosting the first-year yield to 15% or higher. As alluring as these bonus rates may seem, they can also be somewhat deceptive. Often, you'll only receive the bonus on your accrued earnings if you eventually annuitize with that company and take the money in monthly installments over a period of at least 10 years. If you want to withdraw your money in a lump sum, the insurer will retroactively subtract the 8% bonus, plus the interest that compounded on the bonus--and charge you a 15% penalty on your original investment. So be wary!

Tiered-rate annuities--so named because they have two levels of interest rates--are similar to bonus-rate annuities in that the "extra" accrued earnings in your account are available only if you annuitize with that company. Take a straight withdrawal of cash and your crediting rate will be knocked down to a "surrender value" rate as low as 6% for every year you've invested.

Some insurers offer lofty initial rates that are lowered at renewal time. Consequently, by gravitating toward annuities paying above-average rates, you may risk investing in an annuity which is a poor performer over the long haul.

Bailout Rates

Many insurers offer protection against low renewal rates with a contract feature that's known as a "Bailout" or "Escape" rate. A bailout rate lets you get out of an annuity without having to incur surrender charges if the renewal rate slips by, say, one percentage point or more below your initial rate (see column heading "Bailout Escape Rates" in tables below). Annuities with bailouts typically pay initial rates of a half to a full percentage point below those without escape clauses. What's more, a bailout really protects you only against a company which arbitrarly lowers its rates. If interest rates drop in the overall economy, you probably won't be able to reinvest in another company's annuity product at a higher rate anyway.

Withdrawals, Fees, and Charges

Expense charges for deferred annuities fall into three categories: Front End Loading, Maintenance Fees, and Surrender Fees. Very few "Fixed" annuity contracts have any front end charges; the salesman's commission is usually factored into the annuity's interest rate. (This is different than "Variable" annuities where front-end charges may exist.) Few fixed annuities charge maintenance fees either.

Most insurance companies let you withdraw up to 10% of your account value (principal plus accumulated interest) each year, without paying a surrender penalty. However, when it comes to withdrawals in excess of 10% of your account value, nearly all contracts-- EXCEPT certain Certificate of Annuity policies (see Tables 5 & 6)--impose some penalty on the excess amount withdrawn. (These penalties are in addition to whatever tax penalties may occur if you are making a withdrawal from an SPDA and you are not yet 59-1/2 years old.) Surrender penalties vary from company to company, but may be as high as 15% in the first contract year (see "Surrender Fees/Year" tables). As a rule, surrender charges are reduced by about 1% per year and usually disappear completely by the 5th through 10th policy year. Fees may also be waived when the contract is "annuitized" into an immediate life annuity or in the event of the policyholder's death. Recently, some companies have waived penalties when the policyholder was confined to a nursing home.

Contract Maturity and Annuitization

When a deferred annuity matures (ie., the year that the surrender penalties subside), it's essential to understand your withdrawal options. You may reinvest your money with the same company at the rate then offered or switch your account to another insurer (called a tax-free or "Section 1035 Exchange"). Or, you can simply pull your money out of the annuity in a lump sum, but then you'll immediately owe federal income tax on ALL the earnings (at one time)--plus, if you're younger than 59-1/2 at withdrawal, you'll owe an additional 10% tax penalty.

There are two ways, however, to postpone that tax bite while still turning your annuity account into a reliable income stream. One is by "annuitizing" your policy--where you irrevocably convert the accumulated value of your deferred annuity into an "immediate annuity" (see section above). You can either annuitize your account with your present company or transfer the account to a different insurer under a "Section 1035" exchange. It's a good idea to "shop the market" before annuitizing, since your present company may very well not be the one offering the most generous payments for the amount of money you can deposit. You can verify this discrepancy by comparing different companies' crediting rates to their settlement rates (see column titled "Mo. Income/$1000 for Male Age 65 for Life," which shows the current and guaranteed purchase rates per $1,000 of account value used by each company to convert cash values into monthly income). Also, consult tables entitled "Immediate Annuities."

Annuitizing may have a distinct tax advantage, such as letting you postpone paying taxes on some of the earnings you've accrued. However, this is true only for annuities which were originally purchased with so-called "non-qualified" or after-tax dollars (that is, monies which were not previously exempt from taxes). If your immediate or deferred annuity represents a "qualified" or pre-tax investment, such as an IRA or IRA "rollover" or Pension Plan funds, then the whole monthly income check will be taxable.

In addition to annuitizing, the other option is to set up a systematic withdrawal plan. With this method, you tell the insurance company how much cash to send you from your account each month. The main advantage of systematic withdrawal is flexibility; you can raise, lower, or stop the payments at any time, as well as annuitize. Unlike the annuitization option, though, your account could eventually run out of money if you withdraw more than the annual interest earnings each year. What's more, cash paid out in a systematic plan is usually fully taxable until you have drained all your earnings from the account. However, because the tax law governing annuities can be quite complex, you should consult a financial planner or tax adviser before going ahead with either withdrawal option.

Combination or Split Annuities

Combination or Split Annuities are essentially a hybrid product combining the features of a certificate of annuity with those of a temporary or period-certain-only immediate annuity. They are designed to provide immediate cash-flow with a guarantee that the initial purchase amount will be returned in full at the end of a specified period of time. The illustrations in Table 9 are based on maturity periods of five and seven years.

Variable Annuities

Most of the features described earlier in the Fixed Annuities section also apply to Variable Annuities (VAs), with just a few exceptions. If you own a favorite "taxable" mutual fund, you may wish to own a fund of similar structure overseen by the same fund manager in a tax-deferred manner. The advantages are straightforward.

Like fixed annuities, a VA is designed to increase the value of your deposit on a tax-deferred basis. However, variables offer many more investment options not available in single-account fixed annuities. With a variable annuity you can diversify your risk by investing in several mutual-fund type separate accounts or in the VA's general interest account (GIA), which affords the same advantages as an SPDA account. Moreover, you can switch among these stock, bond, and money-market funds without tax consequences. (Mutual fund holders by contrast pay taxes on income, capital gains distributions, and profits from selling fund shares.) Later, you can surrender the annuity and take a lump sum payout over time ("annuitization") similar to an SPDA.

Almost all VAs offer a death benefit. Some guarantee the premium less withdrawals or the value of the account at death. Some step-up the death benefit every five or seven years. Still others guarantee 5% per year compounded on the original deposit.

A side benefit is that money held in a VA's mutual funds is kept apart from the insurer's General accounts. This safety feature is not available in SPDAs. (But money invested in the GIA of a VA is commingled with the insurer's assets and could be at risk if the company fails.) And, of course, with a variable annuity there are no guarantees that your account will increase in value if your stock or bond funds perform poorly.

Fees and Performance

VAs usually have annual contract fees - typically $30. There are fees for managing the assets in each fund. These are akin to mutual fund expense fees and range from 0.3% to 2.5% of your investment annually. There's also an assessment of about 1.25% annually to cover mortality and expense risk (called "M&E") and administration. Remember, most VAs return to your beneficiary an amount at least equal to your initial investment if you die and your account value is less than what you started with. The M&E fee offsets the cost of this coverage.

The Total Return Performance calculations in our tables are based on the Accumulation Unit Values (AUV). The AUV does not usually include the deduction of the annual records maintenance fee. This particular fee is most often deducted at calendar year's end from a contract owner's account. You may see contracts where fund performance with higher fees is better than some whose fees are less. The fee structure alone should never be the primary feature for selecting a VA. Remember also that if a VA is called a no-load, this does not mean that it is free of charges. "No-load" usually means that the annuity has no before or after (deferred) sales charges. As most no-load variable annuities are marketed directly with no outside sales force, internal costs may be lower. In addition, always keep in mind when reviewing the account performance tables that past performance is never a guarantee of future results. VAs are sold by agents licensed with the National Association of Securities Dealers (NASD) and with an accompanying prospectus or offering memorandum.

Structured Settlement Annuities

Periodic payment annuities, commonly known as structured settlements, are a popular means of providing compensation to personal injury and tort victims that offer significant advantages to all parties concerned. The greatest benefits accrue to the plaintiff, since the IRS code excludes from gross income any damages he receives through such a settlement annuity on account of personal injuries or sickness. For such a settlement to be valid, however, the method of funding cannot be part of the agreement, and the annuity cannot be obtained at the election of the plaintiff, since either of these conditions might constitute constructive receipt. Additionally, the inherent flexibility of annuities provides life-long security for the plaintiff, lower costs to the insurance company or defendant who pays the damages, and the tax benefits to plaintiff attorneys by allowing receipt of fees over an extended period of time.

GICs & Insured Financial Guarantees

GICs (Guaranteed Interest or Investment Contracts) and GFAs (Guaranteed Funding Agreements) are an integral part of many qualified and non-qualified plans' investment portfolios. They provide the highest rates of return and lowest market volatility of any fixed-income asset. GICs are backed by the general account assets of the insurance companies, who in turn employ immunization strategies to match the duration of their assets with their GIC/GFA obligations.

While each GIC/GFA contract is negotiated individually to meet the specific needs of the buyer, the following brief description covers nearly all the different types of GICs currently in use: (1) Bullet Deposit contracts effectively compete with CDs of similar durations. Bullets provide a current interest rate guarantee on a one-time deposit for a specified maturity period (1 to 10 years). (2) Window or Flexible or Recurring Deposit contracts are similar to bullets except that they provide a current interest rate guarantee which covers all deposits received over a 12-month period. These instruments are attractive for employee contributions in 401(k) plans. (3) Benefit Responsive contracts provide interest accumulation (as with "bullets") and scheduled or non-scheduled withdrawals to meet a plan's or contractholder's cash flow needs. The rates in Table 8 are for Bullet GICs in qualified plan situations; they are also quoted net of expenses and with no commission fees.

Annual Renewable Term Life Insurance

Table 13 reports rates for males and females who purchase a policy with a face value of $250,000 beginning at age 35 and then renew the policy for the next four years. The first column thus provides the rate for age 35, and the second column provides the aggregrate premium for the five-year period from ages 35 to 39. The remaining columns provide the same information for ages 40, 45, 50, 55, and 60, followed by the aggregate premiums for each suceeding five-year interval.

Ten-Year Level Term Life Insurance

Table 14 reports annual premium amounts, including all fees and commisions, for a male and female, each of whom purchases a 10-Year level term policy with a face amount of $250,000 beginning at the ages indicated. Thus each policy is guaranteed renewable for the next nine years at the same initial premium amount.

Single Premium Life Insurance

The Illustrations in Table 15 are based on a single premium deposit of $100,000 and reflect the rates for a male age 45, who is a non-smoker.

Plan Termination & Terminal Funding Annuities

Single Premium Group Annuities (SPGAs), also known as Terminal Funding, Single-Shot or Buyout contracts, guarantee the benefits of a pension plan's retired, active or deferred vested participants. SPGAs are usually employed in situations which require that accrued benefits be "settled" with commercial annuities. These include pensions plans which are terminating, ongoing plans locking in high rates as an investment, FASB 87-88 settlements, and plant closings due to mergers or acquisitions. An SPGA may reduce a pension plan's annual administration costs, reduce its unfunded liability, or increase the reversion available from an overfunded plan.

SPGAs frequently credit a higher rate than the actuarial interest rate a plan may be using for valuing benefits. To maximize this rate differential a plan sponsor must either himself monitor each insurance company's SPGA rates or delegate that function to an experienced SPGA consultant. Constant surveillance is necessary to catch the changes in pricing among competing carriers, which often occurs overnight as general market conditions change and as each company moves closer to achieving its short term profit and/or premium-sales objectives. It is not uncommon that at different times during the year SPGA quotes from the same company may vary by as much as 30%!

United States Annuities can help a plan sponsor or consultant obtain the best SPGAs for his terminating or ongoing plan. We represent more than 25 carriers in this market--companies with the highest "AAA" and "A+" ratings. Our knowledge of the special underwriting considerations that are of particular importance to the insurance companies allows us to make sure that your plan is not rejected simply because no one was available to answer questions of a routine or, sometimes, technical nature. Our ability to effectively manage the flow of critical information helps you obtain the best contract available to fit the needs of your plan.

We work directly with those major insurance companies our research has determined to be competitive in these markets. While our efforts are directed at providing annuities at the lowest cost, consideration is also given to the quality of services and financial strength the insurance company offers. We also provide you with the means of maintaining continual contact with your insurance company representatives from the time quotes are presented to you through the follow-up period after the final contract and all certificates have been delivered. If you have special needs on how the contract is to be serviced after the takeover, we will negotiate with the insurers to cover these requirements and, depending on their nature, to make certain than no additional costs are imposed.

When soliciting SPGAs on your behalf, you can have us attend to some or all of the following steps. You dictate our level of involvement.

SETTING OBJECTIVES AND PROTECTING PLAN ASSETS

In consultation with the Plan sponsor and/or enrolled actuary, objectives are set for the cost of the annuities, contract provisions, liquidity of the funds, and proposed purchase and takeover dates. Market values of assets available for transfer to the insurance company are determined to insure that they are sufficient to cover the estimated cost of annuities. A bond portfolio hedging strategy may be employed to protect the assets until the final distribution is made. (During periods of declining interest rates, the present value or cost of annuities generally increases. In the absence of a defensive investment strategy, significant erosion of assets may occur.)

PREPARING THE BID SPECIFICATIONS AND DATA LISTINGS

We market your plan by submitting specifications and data to those carriers best suited to underwrite your liability. The presentation of complete specifications and clean data (especially on diskette or mag tape) reassures the carriers that everything is "in order" and serves as an extra inducement, not only for them to accept the case for pricing, but also to calculate the annuity premiums using their most competitive cost factors. With respect to preparing these documents, you may contract with us to (a) assist with the creation of the census data files, (b) review the Plan Document to suggest which provisions should be included, and (c) negotiate the level of assistance provided by the insurance company to bring about a timely distribution of benefit payments, annuity certificates, and so forth.

MANAGING THE COMPETITIVE BIDDING PROCESS

Through close and ongoing communication with the insurers who agreed to bid on your plan, we are assured that it is being priced correctly and that premium calculations are returned to us on a timely basis. Once the interested carriers begin their underwriting process, we reduce your burden of having to answer redundant questions from numerous carriers by acting as your go-between. We provide the insurers with the additional information they request to keep premium costs at the lowest possible level. By properly communicating plan needs, we can encourage the insurers to reduce risk premiums and not price plan provisions on an overly conservative basis. We also keep you informed of the insurers' responses throughout the initial bidding period.

In the weeks before the winning bid is selected, we provide written proposals from the insurers describing the plan provisions and benefits they have agreed to cover. These proposals are carefully reviewed by the plan actuary and any revisions to the specs or other considerations that could influence the decision-making process are addressed.

ANNUITY PURCHASE / WIRE TRANSFER / DECISION DAY

On the day the final quotes are due, we may move to the offices of the decision maker to coordinate the final bidding process. The insurance companies are instructed to submit their bids before noon of that day. The quotations are matched to the previously agreed control numbers. When all the initial bids have been received, the runner-up insurers are invited to revise their quotes downward to the lowest possible figure. Soon after, the plan sponsor is in a position to accept the most favorable bid. We assist in preparing the letter of commitment which indicates the agreement to purchase the annuities at the quoted price. The premium or deposit amount is wired to the winning company to "lock in" the quote. We can assist with the wire transfer transaction to assure the proper delivery of funds to the carrier, with timely confirmation back to respective parties.

TAKEOVER PROCEDURE / CONTRACT ISSUANCE

In virtually all groups that involve a substantial number of participants, minor corrections to the census and/or benefit amounts may occur after an agreement to purchase the annuities has been reached. These changes are audited to assure that all attendant premium adjustments are priced on the same rate basis as the original quote. We review the Master Group Contract, checking it against the bidding and proposal letter specifications, citing any application changes and forwarding them to the plan sponsor or actuary for review. We may also assist the plan sponsor in verifying the correctness of the individual annuity certificates once issued.

HOW TO OBTAIN GROUP ANNUITY QUOTES

USA's combination of specialized marketing expertise and annuity-tracking database makes us your best source for group annuity contracts. Simply mail or fax (908-521-5113) the plan specifications and census data and we'll prepare documents for quoting by the carriers. We can provide this service on either a commission or fee basis. Simply call our toll-free number 1-800-872-6684 and we'll discuss details with you. We invite your inquiries. Call today.

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