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ANNUITY & LIFE INSURANCE SHOPPER

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ERISA Status of Insurance Agents.

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ANNUITY & LIFE INSURANCE SHOPPER helps you sort through the mysteries behind the different types of annuities. We report the current rates, account performance and features of many of the top contracts plus the financial rankings of more than 250 companies.

If you are well-versed in annuities, you will probably want to start with our "News and Views" or "Update" sections at the front of the magazine. There you'll find our latest survey results on interest rates and policy performance. If you are a novice, may we suggest you begin by reading "All About Annuities" in the back of the magazine and then proceed to the "Update" sections up front.

Research on the strength of annuity issuers can be found in the section titled "Insurance Company Ratings." We list data from the main rating agencies: AM. Best, Standard & Poor's, Moody's, Duff & Phelps, and Weiss Research. Also, shown is each company's surplus level, junk bonds, and problem real estate levels.

If you'd like to reach us, please call 800-872-6684. We welcome your comments and suggestions. Our brokerage representatives are also available to help you find the right annuity.

FEATURES

ERISA Status of Insurance Agents

The 1990's are becoming a particularly important time for insurance agents and brokers who market to employee benefit plans to understand their status under ERISA. The U.S. Department of Labor, the federal agency that administers ERISA, is increasing its scrutiny of the purchase by employee plans of insurance products, particularly individual whole life insurance and terminal funding annuities. One of the pitfalls hidden in the ERISA regulatory scheme is that the salesperson sometimes can be held accountable under ERISA for the plan's insurance decisions. It is crucial, therefore, for salespersons to appreciate these ERISA issues and to appropriately structure their sales relationships with employee plans.

The Structure of ERISA

One of the fundamental provisions of ERISA is its requirement that "fiduciaries" for retirement, medical, life insurance and other employee benefit plans perform their duties exclusively in the interest of plan participants [ERISA section 404(a)(1)(a)]. Fiduciaries are also prohibited from dealing with the plan for their own interest, or receiving compensation from a third party transacting business with the plan [ERISA section 406(b)(1),(3)]. An insurance salesperson who (a) is a "fiduciary" and (b) influences the plan to buy a commissioned insurance product may therefore be in violation of these ERISA rules.

Who is a Fiduciary?

The key to this issue is understanding the circumstances in which a salesperson may be a "fiduciary." Trustees who make investment decisions for plans are clearly fiduciaries, and salespersons who agree to act in a trustee capacity need to be concerned about this issue. For a recent case where such a salesperson/trustee was held to violate ERISA for receiving commissions on insurance he sold to a plan, see *Reich v. Goldstein* (S.D.N.Y. 1993).

ERISA regulations also provide that a person who has discretionary management or control over a plan's investments, or who regularly renders investment advice for a fee, is a fiduciary [DOL Reg. section 2510.3-21(c)]. Under this regulation, a salesperson acting as a paid insurance or investment consultant to a plan may violate ERISA if he or she recommends commissioned insurance products.

The unexpected problem is that insurance agents acting in a traditional sales capacity, without any "official" plan standing, may also be "inadvertent fiduciaries." Since 1976, DOL has taken the position that advice on insurance purchases can be "investment advice" and that sales commissions can be an indirect "fee" for that advice. As a result, under the DOL regulation cited above, a salesperson may inadvertently be a "fiduciary" if his or her recommendations functionally control the plan's insurance decisions, or if there is an understanding that the agent's individualized recommendations to the plan will form a primary basis for insurance decisions.

In other words, as an agent becomes a more effective salesperson, and as his or her employee plan clients place more confidence in the agent's recommendations, the agent's exposure to becoming an "inadvertent fiduciary" increases.

Insurance agents have been held liable as inadvertent ERISA fiduciaries. A recent example is *Reich v. Lancaster* (N.D. Texas 1993). In that case, which was brought by DOL, an insurance agent for two years recommended to a union welfare fund that it purchase individual whole life insurance, then recommended that it replace those policies with individual universal life policies when the original insurer cancelled the agent's contract. These purchases consumed most of the fund's assets, and the agent did not disclose his compensation or his agency with the carriers. Because the fund trustees were not experts in insurance and accepted every recommendation made by the agent, the court found the agent was an inadvertent fiduciary who had violated ERISA.

This is not a new problem. As early as 1981, an insurance consultant was held to have exercised sufficient functional control over a plan's insurance decisions to be classified as a fiduciary. See *Brink v. Dalesio* (4th Cir. 1981). For like cases, see *Marshall v. Carroll* (N.D. Cal. 1980); *Associated General Contractors Retirement Fund v. Hebets* (S.D. Cal. 1984); *Miller v. Lay Trucking Co.* (N.D. Ind. 1985); *Vogel v. Independence Federal Savings Bank* (D. Md. 1988, 1990).

Avoiding Fiduciary Status

A recent trend in the cases has found, however, that normal sales activities may not cause the agent to become an "inadvertent fiduciary." In one such case, an agent recommended to several bank officers the purchase of life insurance in a profit-sharing plan. Only two officers accepted that recommendation, and their policies ultimately proved unsatisfactory. The court found that the agent had not exceeded her normal sales role and had not exercised sufficient discretion or control to become an "inadvertent fiduciary." See *Schloegel v. Boswell* (5th Cir. 1993). For other cases finding that a salesperson was not acting as a fiduciary, see *American Federation of Unions v. Equitable Life Assurance Society* (5th Cir. 1988); *City National Bank v. Chase Manhattan Bank* (N.D. Ill. 1989); *Consolidated Beef Industries,*

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Inc. v. New York Life Insurance Co. (8th Cir. 1991); *Flacche v. Sun Life Insurance Co.* (6th Cir. 1992); *Kerns v. Benefit Trust Life Co.* (8th Cir. 1993).

The line these cases draw between sales activities and fiduciary activities is important and helpful. Salespersons who market to employee plans and wish to minimize their "inadvertent fiduciary" exposure should consciously seek to limit themselves to "normal sales activities." Unfortunately, that line is not always clear in practice, and there is a predictable tendency for trial courts to look for culpable parties if an insurance or any other investment purchase causes a significant detriment to a plan.

In both delineating and defending the "normal sales activity" line, it may be useful to develop a standardized document that describes the agent's sales role and disavows the sorts of responsibilities that can lead to fiduciary status. As part of the sales process, the agent would present that document to an independent plan fiduciary, who would acknowledge in writing his or her receipt of it. The document will not determine the "inadvertent fiduciary" issue; the actual facts of the relationship will control. The document may help, however, to demonstrate the parties' intent and to limit their activities to their intended roles.

The most reliable solution to the "inadvertent fiduciary" problem is to utilize ERISA Prohibited Transaction Exemption ("PTE") 84-24 (originally PTE 77-9), which DOL published specifically to resolve fiduciary issues in insurance sales. To qualify for the exemption, the agent must, among other things, provide advance written disclosure of certain product features and fees, including sales commissions. An independent fiduciary must acknowledge the disclosure and approve of the insurance purchase in writing. The requirement of commission disclosure is, of course, contrary to conventional marketing practice. It is important to remember, however, that employee plans eventually will receive that information; the insurance company must disclose to the plan the actual commissions paid, as part of the information on Schedule A necessary to complete Form 5500 annually. Notwithstanding the commission disclosure, some salespeople routinely take advantage of PTE 84-24. Following this exemption may be particularly advisable where the salesperson has an ongoing relationship with a plan that normally relies on the agent's insurance recommendations and does not seek advice from other consultants.

(Reprinted with permission of the author, W. Mark Smith. Mr. Smith, a partner in the law firm of Sutherland, Asbill & Brennan, Washington, D.C., focuses his practice on employee benefits and insurance matters.)

Cover Your Assets

Your assets can be leveled more quickly than you care to think in the event of an accident or illness. Medical costs are enough to make anyone sick just thinking about them. Add the substantial losses you could incur from foregone earnings, and you see the makings of a financial disaster. But by using the following suggestions as a blueprint to plan your estate, you can minimize the impact.

Wills

The most basic estate planning tool is your will. In it you can name a guardian for dependents, choose a personal representative to handle your affairs, instruct how assets are to be distributed, activate a trust at your death, pay someone to manage your probated affairs and instruct on the payment of taxes, debts and special bequests. However, a will doesn't automatically minimize estate taxes or avoid probate.

You should update your will frequently to reflect changes in your life. What assets have you bought or sold? What changes in beneficiaries have occurred with births or adoptions, stepchildren, divorce or death? Is the person you named as your personal representative still willing and capable of handling your affairs?

Living Trusts

While a basic will protects your assets after death, it has no power when you're alive, even if you're incapacitated. If you don't appoint someone as a guardian for you and your estate and then need one, the courts will. By transferring assets to a living trust, you save probate fees—which can run as high as 10 percent of the total value of your gross estate—as well as ensure that someone you deem capable handles your assets. It also erects a privacy fence since your financial affairs would be made public if handled through a court.

Most living trusts are designed to be revocable. "Revocable" means that aspects of the trust may be changed at any time or canceled altogether. Since the living trust is in operation during your life, it's managed as you would manage other investments.

Powers of Attorney

A power of attorney is established when you voluntarily give another person written authority to act on your behalf in financial or property matters. No court action is required. There are several types of powers of attorney:

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A basic Power of Attorney can be designed to authorize someone to handle either something specific or a broad range of affairs for you. It ceases to be in effect if you become disabled.

A Durable Power of Attorney remains effective even when you are disabled.

A Springing Power of Attorney "springs" into effect only when you are disabled.

Since some large mutual funds may not accept orders from a power of attorney, you'll need to be sure there are adequate funds elsewhere to cover immediate financial needs in times of crisis. Your family shouldn't have to jackhammer a safe to pay the bills if you're unable to retrieve the funds yourself.

Living Wills

Hospitals and nursing homes are now required to ask you if you have a living will or other health care directives when you're being admitted. While a living will is a basic health care directive, be aware that in most cases it only addresses the issue of withdrawing artificial life support if you're in a "terminal" condition. Many people who fall into a persistent vegetative state are not considered terminal nor are people with diseases such as Alzheimer's or Parkinson's or those suffering the aftereffects of a debilitating stroke.

Durable Health Care Powers of Attorney

Studies have found $150,000 is the latest price tag for the routine hospital practice of reviving patients whose hearts stop beating, and most victims never recover enough to go home. Beyond CPR, however, are a host of expensive—and often unwanted—health care procedures that can bulldoze your resources.

An advance directive known as a Durable Health Care Power of Attorney (sometimes called a medical power of attorney or health care proxy) allows you to authorize someone as your agent to make health care decisions for you if you are unable to do so.

A well-designed directive should contain specific instructions and guidelines and as much information as you can offer to let your agent make decisions in tune with your own wishes and values. You can change or modify any guideline at any time.

Your instructions could cover medical treatment, nursing home admission, use of experimental drugs, surgery, organ donations and even arrangement for care of livestock or pets. You can even specify that only pain-relieving medications be administered and that surgery not be considered just because it's "possible." Or you might want to guarantee that all life-sustaining measures be taken.

The point is that in life-determining matters your wishes will be fulfilled when using a durable health care power of attorney.

It's best if an experienced attorney designs the plans for your estate using the tools discussed above. Mail-order wills or trusts, or those sold by financial services companies, are often overpriced or may not be legally recognized in your state.

(Adapated from an article which appeared in Personal Finance *magazine, 800-832-2330, P. O. Box 1467, Alexandria, VA 22313-9819)*

Avoiding Excise Taxes on Post-Death IRA Rollovers (PLR 9402022)

A recent private letter ruling illustrates an important post-death planning issue with respect to rollovers from a decedent's qualified plan or IRA interest. A surviving spouse could accidentally incur excise taxes in making such a tax-free rollover if that inherited spousal IRA is commingled with any other IRA funds of the surviving spouse. Section 4980A of the IRC imposes an excise tax of 15% on excess distributions from IRA's and qualified plans. Similarly, if an individual dies with an interest in qualified plans and IRA's that, on a life expectancy basis, would require distributions in excess of the threshold amount (which is now approximately $150,000 a year) then the 15% excise tax is imposed as an add-on estate tax at the time of death on the present value of the excess accumulations.

In this case the IRS ruled that the rollover IRA was exempt from the application of these excise taxes under section 4980A because at no time had the spouse mixed any other funds with the rollover IRA. If the spouse had made other contributions or rollovers into the IRA, then the exemption would have been lost.

It is important that the spousal IRA be kept totally separate from any other IRA funds of the surviving spouse. It should be kept in mind that the excise tax is normally based on the surviving individual's total interest in IRA's and qualified plans. Therefore, whether a particular IRA is above or below the threshold is not significant if the individual's total balance in IRA's and qualified plans would cause the threshold to be exceeded.

All About 403(b) Tax-Sheltered Annuities

Employees of public education institutions and 501(c)(3) organizations are estimated to have more than $260 billion on deposit in 403(b) tax-sheltered annuities (TSAs) and 403(b)(7) mutual funds. More than 16 billion in new premium flows into these accounts each year and more than 15 million employees from 1.4 million groups are eligible. Yet only 3.3 million of those eligible employees are actually participating. The market is booming, but there's plenty of room for growth.

The Markets

The largest and most penetrated market is public education. It's the largest source of elective deferral TSA programs, where employees voluntarily contribute up to 20 percent of their annual salary through payroll deduction. Teachers are fairly easy to see, have some job security and a strong desire to save. They're also an excellent direct referral source because they know one another.

The second largest market is the 501(c)(3) hospitals, excluding for profit and government hospitals. The greatest opportunity in this market is the employer 403(b) plan because it's inexpensive to administer. Like a 401(k), employees can contribute and employers can match to reduce their own funding costs.

Other organizations in the 501(c)(3) ranks include churches and church groups, the United Way and members agencies, museums, zoos, the Humane Society, Legal Aid, the YMCA, YWCA, Boy Scouts and Girl Scouts

New Transfer and Rollover Rules

There's a tremendous opportunity in the mature 403(b) market because of Revenue Ruling 90-24, which added the ability to do partial tax-free transfers. Participants can now diversity their 403(b) accounts simply by moving the appropriate portion of the value, leaving the balance intact and without disturbing ongoing contributions. This opens the market to the agent who doesn't have a payroll slot with a particular employer and can't get one.

Agents have two choices. They can move only the portion no longer subject to surrender charge, or they can move pieces of the value to more than one new carrier or vendor.

The partial tax-free transfers even make it possible to move only free withdrawals, such as the fairly standard 10 percent "free of withdrawal fees" option most carriers offer. Installment payments can be directly transferred to another 403(b) account. (Most companies offer a fixed-period annuitization feature, usually five years, which pays out the accumulation value of the contract rather than the lower cash value.)

In addition, new legislation has added new rollover rules to qualified plans, including 403(b)s. That legislation, attached to the Unemployment Compensation Amendments Act of 1992, created mandatory 20 percent federal income tax withholding on any eligible rollover distributions, unless the participant directly rolls the distribution over to another carrier.

At the same time, the regulations force recalcitrant carriers to provide a direct rollover option. As long as there is an eligible distribution from the 403(b) values, carriers must issue checks directly to a new investment option if the participant so directs.

Revenue ruling 90-24 also included the new ability to transfer 403(b)(7) mutual fund values to 403(b) annuities. This helps the older person who saved pretax dollars in mutual funds when he was younger, but now wants to secure the values in a fixed option.

Uncle Sam On The Audit Trail

The regulatory environment for 403(b) programs is rapidly changing. Before the Tax Reform Act of 1986, there were no restrictions and almost unlimited contributions limits. Since TRA 86, 403(b)s suddenly became subject to withdrawal restrictions, a 10 percent IRS premature distribution penalty and new and lower annual deposit limits. For the first time,403(b)s had to be listed on the W-2 form.

Now, Uncle Sam is on the audit trail; IRS regards 403(b) as "one of the hottest issues in deferred compensation." The intent now, according to an IRS spokesman, is to develop a new program to encourage voluntary correction of defects in 403(b) programs. Observers expect to see new examination guidelines released sometime this fall.

This means that agents will have to concentrate on doing annual maximum exclusion allowance calculations for their clients. Because 403(b)s are governed by a complicated formula that determines annual contribution limits—and because each participant's calculation differs—agents should use dependable work sheets and software programs.

In addition, employers must limit the allowed salary amendments to no more than once per year as specified by the Internal Revenue Code. Agents who have written employer contribution 403(b) plans subject to the Employee Retirement Income Security Act—nonchurch and nongovernment 501(c)(3) employers—should review plan documents. Make sure somebody is doing the reporting and verify the plan is not violating nondicrimination rules.

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Making Lemonade
While we may regard the new IRS scrutiny as a big lemon, the competent 403(b) representative will be in a position to make lots of lemonade.

A good 403(b) representative can offer to review existing plans in light of the new IRS activities. The ambitious and knowledgeable producer can simply pick up a directory of 501(c)(3) organizations, alert them to the impending danger, and not only help correct plan defects to make enough lemonade to open a new stand in the process.

Knowledge is the best protection for the 403(b) producer. Affiliate with an insurance carrier or mutual fund vendor that provides technical support. Join and attend regional and annual meeting of the National TSA Association. Avail yourself of all TSA training opportunities and subscribe to all available technical publications. This market is well worth the effort.

(Reprinted with permission of Life Association News, *Nov. 1994; Eleanor A Lowder, author)*

Ready to Retire

Your retirement may well make up a third or more of your life span thanks to ever-improving medical care and healthier lifestyles. Planning for those years can-and-should involve as much work as you put into your career planning.

Five major areas should be considered when making your retirement plans: (1) Financial needs, (2) estate planning, (3) health, (4) housing, (5) activities/social life. But before you put pencil to paper, consider these important facts.

How long do you hope to spend in retirement? Retirement used to mean a few years of perpetual vacation after a long work life. It averaged about five years for men, seven for women, after leaving work at 65. Today the usual retirement period has more than doubled—10 t0 20 years. Some people may even have 30 years of retirement to provide for if corporate incentives convinced them to retire early.

How many people will you support during your retirement? Planning for retirement could well involve more people than just you and your spouse. Demographics show the average married couple in the U.S. has more living parents than children. The average American woman will spend more time caring for her aging mother than she will for a child. Also, swings in the job market, divorce, and other life changes may bring adult children, and often grandchildren, back under your roof at various times.

What will be your sources of retirement income? Currently Social Security benefits and corporate pensions total only about half of most people's retirement income needs. Social Security was originally designed to supplement other retirement income for the few years most Americans were expected to spend in retirement. Now, many people consider it a welfare program. The average American draws out in 18-24 months everything he or she contributed during working years, even factoring in inflation. In addition, no matter who wins elections in the coming decades, federal deficit problems will almost certainly dictate cutbacks in current retirement entitlement programs such as Social Security and Medicare.

Pensions, once considered sacrosanct in American industry, are also undergoing a number of upheavals. Some corporate pension funds have disappeared altogether in mergers and buyouts. Other companies borrowed heavily against their pension surpluses to finance debt in recent years, while still others are dramatically underfunded. Unlike 401(k)s, no federal guidelines regulate corporate pensions; your company can change the rules in mid-stream.

Are you prepared for the unexpected? The same type of upheavals described above exist in retiree health plans. Retirement health benefits seem to be the first items cut back, or eliminated altogether, as companies shift more and more expenses onto retirees.

Invest in Your Retirement
To ensure that you have enough money put away for your golden years or that impending inflation won't take too big a chunk out of it, stocks remain your surest bet. More money can be safely made by investing in stocks over the long term than in all other investments.

If you're 15 years or more from retirement—i.e., you can tolerate more risk in exchange for long-term appreciation—growth funds offer the best investments for you. If you're nearing retirement, focus on generating current income and capital appreciation. A portfolio of low-risk stocks, bonds, annuities and money market funds are best for those already in retirement.

(Adapated from an article which appeared in Personal Finance *magazine, 800-832-2330, P. O. Box 1467, Alexandria, VA 22313-9819)*

The annuity income rates in Tables 1 and 2 illustrate the amount of monthly immediate annuity income purchased for every $1,000 of premium. These calculations assume the first check is paid one month after the date of deposit and include all fees and commissions except state premium taxes, if applicable.

Tables 1a, 1b, and 1c give the rates for **QUALIFIED** immediate annuities, ie., for annuity policies which are purchased with funds that until now **HAVE** enjoyed tax-qualified status as defined by the Internal Revenue Code. These typically include company pension annuities and annuities purchased with pension distributions, IRA rollover accounts, and the like. Because no taxes have yet been paid on these qualified funds, each monthly check derived from such deposits are **fully** taxable as income when received. **Tables 2a, 2b, and 2c** below, give the rates for **NON-QUALIFIED** annuities, ie., for annuities which are purchased with after-tax proceeds, such as money from a CD or savings account. These funds **HAVE NOT** enjoyed any tax-qualified status. Because these funds have already been taxed once before, that portion of each monthly check which is considered a return of the purchaser's investment (or principal) is not taxed again (ie., excluded from income). Since most insurance companies will pay a different income for the same dollar deposit depending on the tax status of the funds, it is important to consult the correct table (Qualified vs. Nonqualified) when estimating annuity income.

In addition to properly identifying the tax status of an annuity deposit to determine the income level, the annuitant's age and gender and the type of coverage selected, also known as the "form" of annuity, directly affects the payout. Age and sex predict life expectancy and ultimately the insurance company's cost to provide its guarantees. Younger female annuitants with longer life expectancies should expect to receive less annuity from their premium dollars than will older male annuitants, especially when insurance companies employ sex-distinct rates. Obviously, the number of possible age, sex, and form combinations are too many to present in this kind of format. So we've illustrated immediate annuity income at the most common age intervals: 60, 65, 70, and 75, for males and females, for certain "forms" of annuity described below. You may also call us toll-free, at 1-800-872-6684, to receive a calculation for an annuity not shown.

Each of the columns in Tables 1 and 2 identifies a particular age and sex and annuity "form." For example, the leftmost column in Table 1a is titled **Male 60 Life** and provides monthly income figures for a $1,000 premium for an annuity purchased by a 60 year old man on the Life Only form of annuity. A "Life" annuity is one which makes periodic payments to an annuitant for the duration of his or her lifetime and then ceases. The columns headed **Female 60 Life** and **Unisex 60 Life** report similar data for a female age 60 and unisex rates for an individual age 60. The same information is also reported in the columns for persons ages 65, 70 and 75.
The column **10 Yr. ('CL') Certain and Life Unisex 60** reports unisex purchase rates for a 60 year old person in the form of a 10 Years Certain & Life annuity. A 10 Yr CL annuity is a life annuity with payments guaranteed for at least ten years regardless of whether the annuitant survives over that period. If he/she does not survive, the remainder of the 10-year payments is made to a beneficiary. If the annuitant does survive beyond the 10-year guarantee period, payments will continue for the duration of his/her lifetime and then cease. The column titled **10 Yr. CL Unisex 70** reports the same kind of unisex purchase rates, but for an individual 70 years old.

Columns **5 Yr. ('Pd. Cert.') Period Certain No Life** and **10 Yr. ('Pd. Cert.') Period Certain No Life** illustrate income levels for annuities which have no life contingency. These are simply installment payments which continue for a fixed period of 5 and 10 years, respectively, and then cease, without regard to the age or life of the annuitant.

The **M65 F60 J&S 50%** column reports on a Joint and 50% Survivor annuity priced against two lives—the primary annuitant, a male age 65, and a female co-annuitant, age 60. In a typical Joint and 50% survivor annuity, the initial (or higher) payment level is made during the life of the primary annuitant. Upon his death, payments of one half the original amount continue for the life of the co-annuitant (in this case a female age 60) if she is still living. The column headed **M65 F60 J&S 100%** is also a joint and survivor annuity with payments which do not reduce upon the first death; instead, they continue to the co-annuitant at 100% of the original amount.

Median Annuity Rates

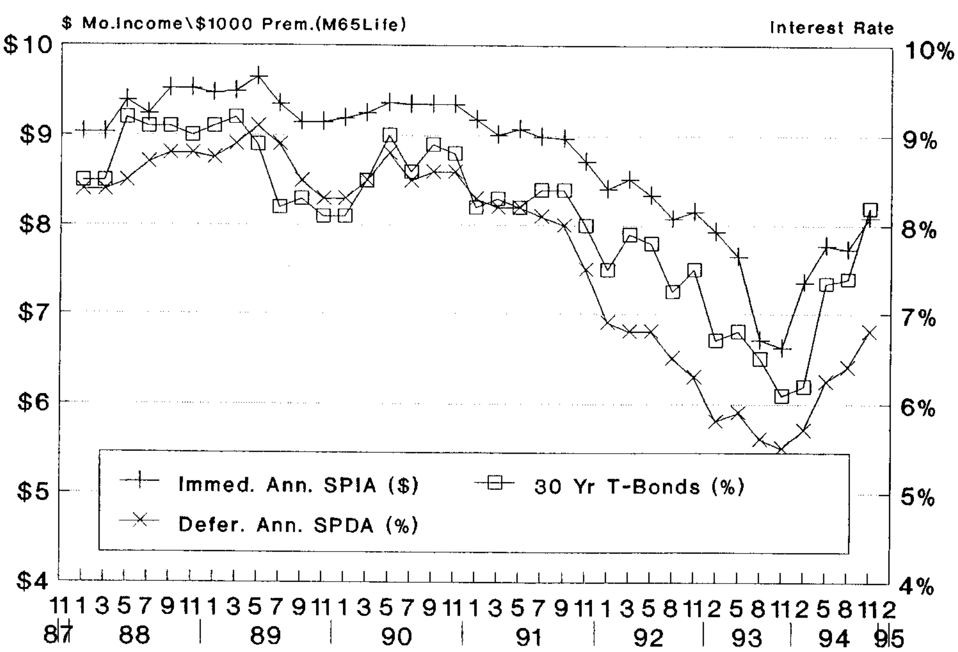

Table 1a. Qualified Single Premium Immediate Annuities - Ages 60 and 65

ISSUE AGES, RATE BASES, AND FORMS OF ANNUITY

(Figures represent monthly income per $1,000, assuming $100,000 deposit.)

Reporting Companies	Issue Ages	Male 60 Life	Female 60 Life	Unisex 60	Male 65 Life	Female 65 Life	Unisex 65 Life
AIG	0-84	$ 7.46	$ 6.88	-	$ 8.26	$ 7.49	-
American Investors	0-85	$ 6.94	$ 6.39	$ 6.67	$ 7.71	$ 6.97	$ 7.34
Amer. Life & Casualty	0-90	$ 7.38	$ 6.80	$ 7.38	$ 8.09	$ 7.34	$ 8.09
Canada Life Assur.	45-90	$ 7.59	$ 7.02	$ 7.02	$ 8.36	$ 7.60	$ 7.60
Central Life Assurance	5-85	$ 6.83	$ 6.83	-	$ 7.47	$ 7.47	-
Columbia Universal	0-85	$ 7.44	$ 6.86	-	$ 8.26	$ 7.47	-
Delta Life & Annuity	0-75	$ 7.41	$ 6.72	$ 6.97	$ 8.35	$ 7.41	$ 7.75
Empire Life	0-114	$ 7.37	$ 6.75	$ 7.06	$ 8.25	$ 7.40	$ 7.82
Fidelity & Guar. LIC	18-70	$ 7.51	$ 6.80	$ 7.16	$ 8.28	$ 7.36	$ 7.82
Financial Benefit LIC	0-90	$ 6.50	$ 5.92	-	$ 7.33	$ 6.55	-
Great American	18-65	$ 6.96	$ 6.30	$ 6.30	$ 7.81	$ 7.00	$ 7.00
Harcourt General	0-80	$ 7.86	$ 7.21	$ 7.21	$ 8.68	$ 7.86	$ 7.86
Jackson National	0-99	$ 6.89	$ 6.34	$ 6.56	$ 7.67	$ 6.93	$ 7.23
Jefferson Pilot	15-85	$ 7.00	$ 6.42	$ 6.47	$ 7.82	$ 7.04	$ 7.11
Kansas City Life	0-85	$ 7.09	$ 7.09	$ 7.09	$ 7.77	$ 7.77	$ 7.77
Lincoln Security	0-90	$ 7.45	$ 6.90	-	$ 8.22	$ 7.47	-
Nat'l Guardian	20-90	$ 7.05	$ 6.36	$ 6.71	$ 7.99	$ 7.05	$ 7.52
New England Mutual	15-92	$ 6.39	$ 5.86	$ 6.13	$ 7.09	$ 6.38	$ 6.74
Ohio National	0-85	$ 7.65	$ 7.02	$ 7.08	$ 8.48	$ 7.65	$ 7.73
Penn Mutual Life	0-85	$ 7.08	$ 7.08	$ 7.08	$ 7.89	$ 7.89	$ 7.89
Presidential	0-85	$ 7.63	$ 7.08	$ 7.08	$ 8.39	$ 7.65	$ 7.65
Principal Mutual LIC	0-85	$ 7.70	$ 7.11	$ 7.35	$ 8.32	$ 7.52	$ 7.84
Provident Mutual	0-85	$ 7.26	$ 6.70	-	$ 8.03	$ 7.26	-
Reliance Standard	0-80	$ 6.46	$ 5.89	-	$ 7.27	$ 6.51	-
SAFECO	55-80	-	-	$ 6.84	-	-	$ 7.37
Savings Bank LIC/Mass.	0-80	-	-	$ 6.93	-	-	$ 7.67
Security Benefit	0-100	$ 6.36	$ 6.36	$ 6.36	$ 6.93	$ 6.93	$ 6.93
Security Conn.	0-90	$ 7.53	$ 6.97	$ 7.11	$ 8.30	$ 7.55	$ 7.74
Security Mutual/NY	20-80	$ 8.18	$ 7.24	-	$ 9.23	$ 7.97	-
Southwestern Life	5-90	-	-	$ 7.05	-	-	$ 7.66
Standard Insurance	0-80	$ 7.63	$ 7.04	$ 7.18	$ 8.39	$ 7.61	$ 7.79
Sun Life of America	0-85	$ 7.20	$ 7.20	$ 7.20	$ 7.87	$ 7.87	$ 7.87
USAA Life Insur.	1-100	$ 7.33	$ 6.83	$ 7.29	$ 8.11	$ 7.41	$ 8.02
USG Annuity & Life	35-85	$ 7.60	$ 7.01	-	$ 8.49	$ 7.64	-
Union Central LIC	0-85	$ 7.47	$ 6.87	$ 6.87	$ 8.28	$ 751	$ 7.51
United Companies LIC	0-99	$ 7.08	$ 6.50	-	$ 7.88	$ 7.11	-
United Services	0-85	$ 7.32	$ 6.72	$ 7.08	$ 8.15	$ 7.37	$ 7.84
WM Life Insur. Co.	0-114	$ 7.37	$ 6.75	$ 7.06	$ 8.25	$ 7.40	$ 7.82
Western United	0-105	$ 6.83	$ 6.21	$ 6.51	$ 7.70	$ 6.89	$ 7.26
Xerox Financial Life	0-85	-	-	$ 6.68	-	-	$ 7.40

Survey period: October 25, 1994 thru October 28, 1994

Table 1b. Qualified Single Premium Immediate Annuities - Ages 70 and 75

ISSUE AGES, RATE BASES, AND FORMS OF ANNUITY

(Figures represent monthly income per $1,000, assuming $100,000 deposit.)

Reporting Companies	Issue Ages	Male70 Life	Female 70 Life	Unisex 70 Life	Male 75 Life	Female 75 Life	Unisex 75 Life
AIG	0-84	$ 9.42	$ 8.37	-	$ 11.04	$ 9.71	-
American Investors	0-85	$ 8.81	$ 7.81	$ 8.31	$10.36	$ 9.08	$ 9.72
Amer. Life & Casualty	0-90	$ 8.90	$ 7.99	$ 8.90	$ 10.11	$ 9.02	$ 10.11
Canada Life Assur.	45-90	$ 9.44	$ 8.42	$ 8.42	$10.93	$ 9.66	$ 9.66
Central Life Assurance	5-85	$ 8.39	$ 8.39	-	$ 9.77	$ 9.77	-
Columbia Universal	0-85	$ 9.42	$ 8.36	-	$11.06	$ 9.70	-
Delta Life & Annuity	0-75	$ 9.67	$ 8.35	$ 8.82	$11.13	$ 10.00	$ 10.35
Empire Life	0-114	$ 9.50	$ 8.35	$ 8.92	$11.29	$ 9.81	$10.53
Fidelity & Guar. LIC	18-70	$ 9.39	$ 8.22	$ 8.80	$10.98	$ 9.53	$ 10.26
Financial Benefit LIC	0-90	$ 8.41	$ 7.37	-	-	-	-
Great American	18-65	$ 9.04	$ 8.05	$ 8.05	$10.83	$ 9.68	$ 9.68
Harcourt General	0-80	$ 9.87	$ 8.87	$ 8.87	$11.63	$10.46	$10.46
Jackson National	0-99	$ 8.78	$ 7.77	$ 8.18	$10.35	$ 9.06	$ 9.57
Jefferson Pilot	15-85	$ 8.92	$ 7.87	$ 7.95	$ 10.46	$ 9.12	$ 9.23
Kansas City Life	0-85	$ 8.75	$ 8.75	$ 8.75	$ 10.17	$ 10.17	$ 10.17
Lincoln Security	0-90	$ 9.32	$ 8.31	-	$10.88	$ 9.58	-
Nat'l Guardian	20-90	$ 9.31	$ 8.02	$ 8.67	$11.15	$ 9.51	$10.33
New England Mutual	15-92	$ 8.07	$ 7.13	$ 7.60	$ 9.43	$ 8.25	$ 8.84
Ohio National	0-85	$ 9.64	$ 8.54	$ 8.64	$11.27	$ 9.86	$10.00
Penn Mutual Life	0-85	$ 9.05	$ 9.05	$ 9.05	$10.70	$10.70	$10.70
Presidential	0-85	$ 9.47	$ 8.47	$ 8.47	$11.02	$ 9.72	$ 9.72
Principal Mutual LIC	0-85	$ 9.25	$ 8.19	$ 8.62	$10.63	$ 9.28	$ 9.82
Provident Mutual LIC	0-85	$ 8.98	$ 8.03	-	$10.17	$ 8.98	-
Reliance Standard	0-80	$ 8.41	$ 7.39	-	$10.02	$ 8.72	-
SAFECO	55-80	-	-	$ 8.16	-	-	$ 9.35
Savings Bank LIC/Mass	0-80	-	-	$ 8.74	-	-	$10.30
Security Benefit	0-100	$ 7.77	$ 7.77	$ 7.77	$ 9.04	$ 9.04	$ 9.04
Security Conn.	0-90	$ 9.41	$ 8.39	$ 8.65	$10.99	$ 9.68	$10.00
Security Mutual/NY	20-80	$10.70	$ 9.07	-	$12.68	$10.69	-
Southwestern Life	5-90	-	-	$ 8.56	-	-	$ 9.89
Standard Insurance	0-80	$ 9.48	$ 8.41	$ 8.65	$10.65	$ 9.28	$ 9.59
Sun Life of Amer.	0-85	$ 8.83	$ 8.83	$ 8.83	$10.25	$10.25	$10.25
USAA Life Insur.	1-80	$ 9.22	$ 8.23	$ 9.03	$10.79	$ 9.47	$10.45
USG Annuity & Life	35-80	$ 9.75	$ 8.57	-	$11.60	$10.03	-
Union Central LIC	0-85	$ 9.41	$ 8.39	$ 8.39	$ 10.99	$ 9.68	$ 9.68
United Services	0-85	$ 9.32	$ 8.27	$ 8.90	$10.95	$ 9.62	$10.41
United Companies	0-99	$ 9.02	$ 7.99	-	$10.63	$ 9.31	-
WM Life Insur. Co.	0-114	$ 9.50	$ 8.35	$ 8.92	$11.29	$ 9.81	$10.53
Western United Life	0-105	$ 8.91	$ 7.83	$ 8.32	$10.61	$ 9.24	$ 9.83
Xerox Financial Life	0-85	-	-	$ 8.43	-	-	$ 9.92

Survey period: October 25, 1994 thru October 28, 1994

Table 1c. Qualified Single Premium Immediate Annuities - Misc. Forms

ISSUE AGES, RATE BASES, AND FORMS OF ANNUITY

(Figures represent monthly income per $1,000, assuming $100,000 deposit.)

Reporting Companies	Issue Ages	10Yr CL Unisex 60	10Yr CL Unisex 70	5Yr PC No Life	10Yr PC No Life	M65 F60 J&S 50%	M65F60 J&S 100%
AIG	0-84	-		$ 18.62	$ 10.87	$ 7.30	$ 6.54
American Investors	0-85	$ 6.52	$ 7.74	$18.15	$10.46	$ 6.83	$ 6.01
Amer. Life & Casualty	0-90	$ 7.16	$ 8.24	$18.46	$10.88	$ 7.39	$ 6.38
Canada Life Assur.	45-90	$6.92	$ 8.04	$18.87	$11.03	$ 7.41	$ 6.65
Central Life Assurance	5-85	-	-	$18.76	$10.90	$ 6.80	$ 6.25
Columbia Universal	0-85	-	-	$19.48	$11.26	$ 7.25	$ 6.46
Delta Life & Annuity	0-75	$ 6.80	$ 8.20	$18.75	$10.99	$ 7.25	$ 6.28
Empire	0-114	$ 6.87	$ 8.18	$18.70	$10.81	$ 7.17	$ 6.33
Fidelity & Guar. LIC	18-70	$ 6.98	$ 8.23	$18.40	$10.98	$ 7.25	$ 6.45
Financial Benefit LIC	0-90	-	-	-	-	$ 6.55	$ 5.55
Great American	18-65	$ 6.17	$ 7.57	$18.32	$10.06	$ 6.98	$ 5.87
Harcourt General	0-80	$ 7.05	$ 8.31	$18.19	$10.60	$ 7.59	$ 6.75
Jackson National	0-99	$ 6.43	$ 7.64	$18.45	$10.59	$ 6.71	$ 5.96
Jefferson Pilot	15-85	$ 6.36	$ 7.55	$18.07	$10.52	$ 6.80	$ 6.02
Kansas City Life	0-85	$ 6.94	$ 8.18	$19.15	$11.14	$ 7.08	$ 6.50
Lincoln Security	0-90	-	-	$18.69	$10.91	$ 7.27	$ 6.52
Nat'l Guardian	20-90	$ 6.50	$ 7.82	-	-	-	$ 5.95
New England Mutual	15-92	$ 6.08	$ 7.27	-	-	$ 6.20	$ 5.61
Ohio National	0-85	$ 6.95	$ 8.15	$18.48	$11.02	$ 7.51	$ 6.67
Penn Mutual Life	0-85	$ 6.90	$ 6.90	$18.29	$10.72	$ 7.11	$ 6.45
Presidential	0-85	$ 6.96	$ 8.05	$18.76	$10.99	$ 7.44	$ 6.69
Principal Mutual LIC.	0-85	$ 7.18	$ 8.10	$18.93	$10.97	$ 7.52	$ 6.79
Provident Mutual	0-85	-	-	$18.10	$10.55	-	$ 5.96
Reliance Standard	0-80	-	-	$18.74	$10.51	-	$ 5.52
SAFECO	55-80	$ 6.73	$ 7.77	-	-	-	-
Savings Bank LIC/Mass	0-80	$ 6.76	$ 8.09	-	$11.02	-	$ 6.29
Security Benefit	0-100	$ 6.27	$ 7.41	$18.21	$10.42	$ 6.37	-
Security Conn.	0-90	$ 6.98	$ 8.14	$18.88	$11.02	$ 7.34	$ 6.58
Security Mutual/NY	20-80	-	-	-	-	$ 7.86	$ 6.84
Southwestern Life	5-90	$ 6.91	$ 8.02	$18.62	$10.92	-	-
Standard Insurance	0-80	$ 7.06	$ 8.20	$18.18	$10.92	$ 7.44	$ 6.85
Sun Life of America	0-85	$ 7.03	$ 8.22	$18.82	$11.00	$ 7.52	$ 6.60
USAA Life Insur.	1-80	$ 7.13	$ 8.42	$15.79	$ 9.28	$ 7.42	$ 6.47
USG Annuity & Life	35-80	-	-	$18.88	$11.08	$ 7.63	$ 6.52
Union Central LIC	0-85	$ 6.76	$ 7.98	$18.62	$10.92	$ 7.27	$ 6.48
United Companies LIC	0-95	-	-	$17.25	$10.97	-	$ 6.11
United Services	0-85	$ 6.90	$ 8.20	$18.27	$10.51	-	$ 6.33
WM Life Insur. Co.	0-114	$ 6.87	$ 8.18	$18.70	$10.81	$ 7.17	$ 6.33
Western United Life	0-100	-	-	$19.04	$11.02	-	-
Xerox Financial Life	0-85	$ 6.53	$ 7.85	$17.95	$10.60	-	-

Survey period: October 25, 1994 thru October 28, 1994

Table 2a. Non-Qualified Single Premium Immediate Annuities - Ages 60 and 65

ISSUE AGES, RATE BASES, AND FORMS OF ANNUITY

(Figures represent monthly income per $1,000, assuming $100,000 deposit.)

Reporting Companies	Issue Ages	Male 60 Life	Female 60 Life	Unisex 60	Male 65 Life	Female 65 Life	Unisex 65 Life
AIG	0-84	$ 7.46	$ 6.88	-	$ 8.26	$ 7.49	-
American Investors	0-85	$ 6.94	$ 6.39	$ 6.67	$ 7.71	$ 6.97	$ 7.34
Amer. Life & Casualty	0-90	$ 7.38	$ 6.80	$ 7.38	$ 8.09	$ 7.34	$ 8.09
Canada Life Assur.	45-90	$ 7.59	$ 7.02	$ 7.02	$ 8.36	$ 7.60	$ 7.60
Central Life Assurance	5-85	$ 7.10	$ 6.56	-	$ 7.84	$ 7.10	-
Columbia Universal	0-85	$ 7.44	$ 6.86	-	$ 8.26	$ 7.47	-
Delta Life & Annuity	0-99	$ 7.41	$ 6.72	$ 6.97	$ 8.35	$ 7.41	$ 7.75
Empire Life	0-114	$ 7.37	$ 6.75	$ 7.06	$ 8.25	$ 7.40	$ 7.82
Fidelity & Guar. LIC	18-70	$ 7.51	$ 6.80	$ 7.16	$ 8.28	$ 7.36	$ 7.82
Financial Benefit LIC	0-85	$ 6.50	$ 5.92	-	$ 7.33	$ 6.55	-
Great American	0-85	$ 6.96	$ 6.30	$ 6.30	$ 7.81	$ 7.00	$ 7.00
Harcourt General	0-75	$ 7.86	$ 7.21	$ 7.21	$ 8.68	$ 7.86	$ 7.86
Jackson National	0-99	$ 6.89	$ 6.34	$ 6.50	$ 7.67	$ 6.93	$ 7.23
Jefferson Pilot	15-85	$ 7.00	$ 6.42	$ 6.47	$ 7.82	$ 7.04	$ 7.11
Kansas City Life	0-85	$ 7.38	$ 6.80	$ 7.09	$ 8.17	$ 7.38	$ 7.77
Lincoln Security	0-90	$ 7.42	$ 6.87	-	$ 8.19	$ 7.44	-
Nat'l Guardian	20-90	$ 7.05	$ 6.36	$ 6.71	$ 7.99	$ 7.05	$ 7.52
Ohio National	0-85	$ 7.65	$ 7.02	-	$ 8.48	$ 7.65	-
Penn Mutual Life	0-85	$ 7.23	$ 6.62	$ 6.91	$ 8.03	$ 7.21	$ 7.60
Presidential	0-85	$ 7.63	$ 7.08	$ 7.08	$ 8.39	$ 7.65	$ 7.65
Principal Mutual	0-85	$ 7.67	$ 7.09	-	$ 8.29	$ 7.50	-
Provident Mutual	0-85	$ 7.26	$ 6.70	-	$ 8.03	$ 7.26	-
Reliance Standard	0-80	$ 6.46	$ 5.89	-	$ 7.27	$ 6.51	-
Security Benefit	0-100	$ 6.93	$ 6.36	$ 6.36	$ 7.70	$ 6.93	$ 6.93
Security Conn.	0-90	$ 7.50	$ 6.94	$ 7.08	$ 8.27	$ 7.52	$ 7.71
Security Mutual/NY	20-80	$ 7.77	$ 7.15	-	$ 8.55	$ 7.76	-
Southwestern Life	5-90	$ 7.32	$ 6.79	-	$ 8.04	$ 7.30	-
Standard Insurance	0-80	$ 7.63	$ 7.04	$ 7.18	$ 8.39	$ 7.61	$ 7.79
Sun Life of America	0-85	$ 7.47	$ 6.92	$ 7.20	$ 8.24	$ 7.49	$ 7.87
USAA Life Insur.	1-100	$ 7.33	$ 6.83	$ 7.29	$ 8.11	$ 7.41	$ 8.02
USG Annuity & Life	35-85	$ 7.60	$ 7.01	-	$ 8.49	$ 7.64	-
Union Central LIC	0-85	$ 7.47	$ 6.87	$ 6.87	$ 8.28	$ 751	$ 7.51
United Companies LIC	0-99	$ 7.08	$ 6.50	-	$ 7.88	$ 7.11	-
United Services	0-85	$ 7.32	$ 6.72	$ 7.08	$ 8.15	$ 7.37	$ 7.84
WM Life Insur. Co.	0-114	$ 7.37	$ 6.75	$ 7.06	$ 8.25	$ 7.40	$ 7.82
Western United	0-105	$ 6.83	$ 6.21	$ 6.51	$ 7.70	$ 6.89	$ 7.26
Xerox Financial Life	0-85	$ 6.97	$ 6.39	$ 6.68	$ 7.79	$ 7.01	$ 7.40

Survey period: October 25, 1994 thru October 28, 1994

Table 2b. Non-Qualified Single Premium Immediate Annuities - Ages 70 and 75

ISSUE AGES, RATE BASES, AND FORMS OF ANNUITY

(Figures represent monthly income per $1,000, assuming $100,000 deposit.)

Reporting Companies	Issue Ages	Male 70 Life	Female 70 Life	Unisex 70 Life	Male 75 Life	Female 75 Life	Unisex 75 Life
AIG	0-84	$ 9.42	$ 8.37	-	$ 11.04	$ 9.71	-
American Investors	0-85	$ 8.81	$ 7.81	$ 8.31	$10.36	$ 9.08	$ 9.72
Amer. Life & Casualty	0-90	$ 8.90	$ 7.99	$ 8.90	$10.11	$ 9.02	$10.11
Canada Life Assur.	45-90	$ 9.44	$ 8.42	$ 8.42	$10.93	$ 9.66	$ 9.66
Central Life Assurance	5-85	$ 8.91	$ 7.89	-	$10.43	$ 9.13	-
Columbia Universal	0-85	$ 9.42	$ 8.36	-	$11.06	$ 9.70	-
Delta Life & Annuity	0-99	$ 9.67	$ 8.35	$ 8.82	$11.13	$10.00	$10.35
Empire Life	0-114	$ 9.50	$ 8.35	$ 8.92	$11.29	$ 9.81	$10.53
Fidelity & Guar. LIC	18-70	$ 9.39	$ 8.22	$ 8.80	$10.98	$ 9.53	$10.26
Financial Benefit LIC	0-85	$ 8.41	$ 7.37	-	-	-	-
Great American	18-65	$ 9.04	$ 8.05	$ 8.05	$10.83	$ 9.68	$ 9.68
Harcourt General	0-75	$ 9.87	$ 8.87	$ 8.87	$11.63	$10.46	$10.46
Jackson National	0-99	$ 8.78	$ 7.77	$ 8.18	$10.35	$ 9.06	$ 9.57
Jefferson Pilot	15-85	$ 8.92	$ 7.87	$ 7.95	$10.46	$ 9.12	$ 9.23
Kansas City Life	0-85	$ 9.30	$ 8.22	$ 8.75	$10.87	$ 9.50	$10.17
Lincoln Security	0-85	$ 9.29	$ 8.28	-	$10.85	$ 9.55	-
Nat'l Guardian	20-90	$ 9.31	$ 8.02	$ 8.67	$11.15	$ 9.51	$10.33
Ohio National	0-85	$ 9.64	$ 8.54	-	$11.27	$ 9.86	-
Penn Mutual Life	0-85	$ 9.15	$ 8.01	$ 8.54	$10.70	$ 9.13	$ 9.85
Presidential	0-85	$ 9.47	$ 8.47	$ 8.47	$11.02	$ 9.72	$ 9.72
Principal Mutual LIC	0-85	$ 9.22	$ 8.16	-	$10.59	$ 9.25	-
Provident Mutual	0-85	$ 8.98	$ 8.03	-	$10.17	$ 8.98	-
Reliance Standard	0-80	$ 8.41	$ 7.39	-	$10.02	$ 8.72	-
Security Benefit	0-100	$ 8.80	$ 7.77	$ 7.77	$10.38	$ 9.04	$ 9.04
Security Conn.	0-90	$ 9.38	$ 8.36	$ 8.62	$10.96	$ 9.65	$ 9.97
Security Mutual/NY	20-80	$ 9.69	$ 8.73	-	$11.37	$10.25	-
Southwestern Life	5-90	$ 9.08	$ 8.06	-	$10.56	$ 9.24	-
Standard Insurance	0-80	$ 9.48	$ 8.41	$ 8.65	$10.65	$ 9.28	$ 9.59
Sun Life of America	0-85	$ 9.34	$ 8.33	$ 8.83	$10.90	$ 9.60	$ 10.25
USAA Life	1-100	$ 9.22	$ 8.23	$ 9.03	$10.79	$ 9.47	$10.45
USG Annuity & Life	35-85	$ 9.75	$ 8.57	-	$11.60	$10.03	-
Union Central LIC	0-85	$ 9.41	$ 8.39	$ 8.39	$ 10.99	$ 9.68	$ 9.68
United Companies	0-99	$ 9.02	$ 7.99	-	$10.63	$ 9.31	-
United Services	0-85	$ 9.32	$ 8.27	$ 8.90	$10.95	$ 9.62	$10.41
WM Life Insur. Co.	0-114	$ 9.50	$ 8.35	$ 8.92	$11.29	$ 9.81	$10.53
Western United Life	0-105	$ 8.91	$ 7.83	$ 8.32	$10.61	$ 9.24	$ 9.83
Xerox Financial Life	0-85	$ 8.96	$ 7.91	$ 8.43	$10.60	$ 9.25	$ 9.92

Survey period: October 25, 1994 thru October 28, 1994

Table 2c. Non-Qualified Single Premium Immediate Annuities - Misc. Forms

ISSUE AGES, RATE BASES, AND FORMS OF ANNUITY

(Figures represent monthly income per $1,000, assuming $100,000 deposit.)

Reporting Companies	Issue Ages	10Yr CL Unisex 60	10Yr CL Unisex 70	5Yr PC No Life	10YrPC No Life	M65 F60 J&S 50%S	M65 F60 J& 100%S
AIG	0-84	-		$ 18.62	$ 10.87	$ 7.30	$ 6.54
American Investors	0-85	$ 6.52	$ 7.74	$18.15	$10.46	$ 6.83	$ 6.01
Amer. Life & Casualty	0-90	$ 7.16	$ 8.24	$18.46	$10.88	$ 7.39	$ 6.38
Canada Life Assurance	45-90	$ 6.92	$ 8.04	$18.87	$11.03	$ 7.41	$ 6.65
Central Life Assurance	5-85	-	-	$18.76	$10.90	$ 7.14	$ 6.20
Columbia Universal	0-85	-	-	$19.48	$11.26	$ 7.25	$ 6.46
Delta Life & Annuity	0-99	$ 6.80	$ 8.20	$18.75	$10.99	$ 7.25	$ 6.29
Empire Life	0-114	$ 6.87	$ 8.18	$18.70	$10.81	$ 7.17	$ 6.33
Fidelity & Guar. LIC	18-70	$ 6.98	$ 8.23	$18.40	$10.98	$ 7.25	$ 6.45
Financial Benefit LIC	0-85	-	-	-	-	$ 6.55	$ 5.55
Great American	18-65	$ 6.17	$ 7.57	$18.32	$10.06	$ 6.98	$ 5.87
Harcourt General	0-75	$ 7.05	$ 8.31	$18.19	$10.60	$ 7.59	$ 6.75
Jackson National	0-99	$ 6.43	$ 7.64	$18.45	$10.59	$ 6.71	$ 5.96
Jefferson Pilot	15-85	$ 6.36	$ 7.55	$18.07	$10.52	$ 6.80	$ 6.02
Kansas City Life	0-85	$ 6.94	$ 8.18	$19.15	$11.14	$ 7.08	$ 6.50
Lincoln Security	0-90	-	-	$18.67	$10.89	$ 7.24	$ 6.49
Nat'l Guardian	20-90	$ 6.50	$ 7.82	-	-	-	$ 5.95
Ohio National	0-85	-	-	-	-	$ 7.51	$ 6.67
Penn Mutual LIC	0-85	$ 6.75	$ 7.99	$18.29	$10.72	$ 7.06	$ 6.27
Presidential	0-85	$ 6.96	$ 8.05	$18.76	$10.99	$ 7.44	$ 6.69
Principal Mutual LIC	0-85	-	-	$18.87	$10.93	$ 7.49	$ 6.77
Provident Mutual	0-85	-	-	$18.10	$10.55	-	$ 5.96
Reliance Standard	0-80	-	-	$18.74	$10.51	-	$ 5.52
Security Benefit	0-100	$ 6.27	$ 7.41	$18.21	$10.42	$ 6.74	$ 6.97
Security Conn.	0-90	$ 6.95	$ 8.11	$18.86	$11.00	$ 7.31	$ 6.55
Security Mutual/NY	20-80	-	-	-	-	$ 7.51	$ 6.70
Southwestern Life	5-90	-	-	$ 18.62	$10.92	-	$ 6.44
Standard Insurance	0-80	$ 7.06	$ 8.20	$18.18	$10.92	$ 7.44	$ 6.85
Sun Life of America	0-85	$ 7.03	$ 8.22	$18.82	$11.00	$ 7.52	$ 6.53
USAA Life	1-100	$ 7.13	$ 8.42	$15.79	$ 9.28	$ 7.42	$ 6.47
USG Annuity & Life	35-85	-	-	$18.88	$11.08	$ 7.63	$ 6.52
Union Central LIC	0-85	$ 6.76	$ 7.98	$18.62	$10.92	$ 7.27	$ 6.48
United Companies LIC	0-95	-	-	$17.25	$10.97	-	$ 6.11
United Services	0-85	$ 6.90	$ 8.20	$18.27	$10.51	-	$ 6.33
WM Life Insur. Co.	0-114	$ 6.87	$ 8.18	$18.70	$10.81	$ 7.17	$ 6.33
Western United Life	0-100	-	-	$19.04	$11.02	-	-
Xerox Financial Life	0-85	$ 6.53	$ 7.85	$17.95	$10.60	-	-

Survey period: October 25, 1994 thru October 28, 1994

In a deferred annuity your premium is credited with a fixed interest rate (see **Current Rate** column). The length of time for which this rate is guaranteed is shown in the **Yield Guar. Period** column. Almost all annuities set a minimum or floor rate below which the annual interest rate is guaranteed never to drop (see **Guar. Rate**). There are two basic methods by which insurance companies set renewal rates once the current rate period ends (see **Rnwl Mthd** column). **P** stands for "Portfolio Method," which means that renewal rates for old monies (i.e. existing annuities) are the same as the rates being credited on new monies. **I** stands for "Investment Year" method (aka "Banded" or "Bucket" method). This means that renewal rates are set at different rates for monies received at different times. Old monies (i.e. existing annuities) may earn higher or lower rates than new annuities. Some insurers offer protection against low renewal rates with a feature known as a "Bailout" or "Escape" rate (see Table 3 column with **Bailout Escape Rates** heading). The column headed **Surrender Fees / Year** reports the penalties in effect for the sample years indicated. **20 Yr Proj. Cash Accum. Based on Curr. Rate** indicates what the value of the contract would be after twenty years, assuming that the initial credit rate remained constant over the entire period and no withdrawals were made. The 20-Year Projected Cash Accumulation figures are based 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 on behalf of a 45 year-old male who annuitizes his account value on a Single Life income after 20 years (age 65). Quotes include all fees and commissions but not premium taxes, if applicable. The column **Mo. Income per $1,000 Male 65 Life Only** shows each company's current conversion rates per $1,000 of account value for a male age 65. Divide accumulated account value by 1000 and multiply by the monthly factor to arrive at projected monthly income after 20 years deferral.

Table 3. Single Premium Deferred Annuities - With Bailout

Reporting Companies	Policy Name	Issue Ages	Current Rate	(Guar.) (Rate)	Rnwl Mthd	Yield Guar. Period	Bail-out Escape Rate	Surrender Fees/Year 1	Surrender Fees/Year 7	20 Yr Proj. Accum. Based On Curr. Rate	Mo. Income per $1,000 Male 65 Life Only
AIG	SPDA	0-75	6.15%	(3.0%)	I	1 Year	5.15%	6%	1%	$329,913	$8.26
Amer. Investors	SPDA-I	0-85	8.50%	(4.0%)	I	1/14/96	6.00%	10%	4%	$301,969	$7.71
Chubb Sovereign	SPDA	0-80	6.50%	(4.5%)	I	1 Year	5.50%	7%	1%	$352,365	$8.19
Kansas City Life	SDDA	0-80	6.75%	(4.5%)	I	12/31/95	5.00%	7%	2%	$369,282	$8.17
Lincoln Security	SPDA-1	0-85	5.85%	(3.0%)	I	1 Year	3.85%	7%	0%	$260,310	$8.23
New England Mutual	Asset Builder	0-75	5.75%	(3.0%)	I	1 Year	4.25%	7%	1%	$305,920	$7.09
Ohio National	Choice I	na	7.00%	(4.0%)	P	Cal. Yr.	3.00%	8%	1%	$386,968	$8.70
Presidential Life	SPDA II	0-85	6.75%	(4.0%)	I	2 Yrs	4.75%	6%	2%	$369,282	$8.39
Provident Mutual	SPDA I	0-75	6.65%	(3.00%)	I	2 Yrs	5.65%	7%	1%	$362,424	$7.98
Reliance Standard	SPDA	0-78	5.50%	(4.50%)	P	1 Year	4.00%	7%	3%	$291,776	$8.97
Security CT Life	SPDA 1	0-85	5.60%	(4.0%)	I	1 Year	4.60%	7%	0%	$297,357	$8.31
Security Mutual/NY	SPDA	0-80	6.75%	(4.5%)	P	1 Year	4.75%	4%	0%	$369,282	$8.55
Standard Insurance	SPDA	0-80	6.61%	(3.0%)	I	1 Year	4.61%	7%	1%	$359,715	$8.59
Union Central LIC	SPDA 2000	0-85	7.70%	(4.0%)	I	1 Year	6.70%	7%	0%	$424,785	$8.28

Survey period: October 25, 1994 thru October 28, 1994

Table 4. Single Premium Deferred Annuities - Without Bailout

Reporting Companies	Policy Name	Issue Ages	Current Rate	(Guar.) (Rate)	Rnwl Mthd	Yield Guar. Period	Surrender Fees/Year 1	7	20 Yr Proj. Cash Accum. Based on Curr Rate	Mo. Income per $1,000 M 65 Life Only
American Investors	SPDA VII-D	0-85	8.40%	(4.0%)	I	1 Year	10%	4%	$299,796	$7.71
Amer.Life & Casualty	SPDA 8+	0-85	9.55%	(3.0%)	I	1 Year	10%	3%	$343,541	$7.81
Amer.Life & Casualty	SPDA 123	0-85	7.10%	(3.0%)	I	1 Year	10%	4%	$340,184	$7.81
Amer.Life & Casualty	SPDA X	0-85	7.10%	(3.0%)	I	1 Year	10%	2%	$329,900	$7.81
Canada Life Assurance	Security 1	0-80	6.00%	(4.0%)	I	1 Year	7%	2%	$320,714	$8.07
Central Life Assurance	Advant. Bonus	0-85	7.15%	(3.0%)	I	1 Year	9%	0%	$333,021	$7.33
Central Life Assurance	Advant. MVA	0-85	7.60%	(3.0%)	I	1 Year	9%	3%	$362,409	na
Central Life Assurance	Guarantee 5	0-80	6.50%	(4.0%)	P	5 Yrs	6%	0%	$352,364	$7.78
Central Nat'l LIC/Om	SPDA III	0-80	6.35%	(4.0%)	P	1 Year	8%	2%	$342,568	$7.72
Columbia Universal	Pres. Choice	0-85	7.80%	(4.5%)	I	1 Year	8%	0%	$376,247	$8.41
Delta Life & Annuity	SPDA psII	0-99	6.90%	(4.0%)	P	1 Year	6%	3%	$405,458	$8.35
Federal Home Life	SPDA II	0-80	6.95%	(4.0%)	I	1 Year	7%	1%	$383,368	$9.04
Fidelity & Guar. LIC	Optimum +	18-85	8.55%	(3.0%)	I	1 Year	5%	0%	$328,429	$7.85
Fidelity & Guar. LIC	Intrepid	18-85	6.40%	(3.0%)	I	1 Year	3.2%	0%	$313,378	$7.78
Fidelity & Guar. LIC	Resolute +	18-85	9.65%	(3.0%)	I	1 Year	9%	3%	$337,754	$7.85
Fort Dearborn	Asset Fortifier 5	0-85	7.00%	(4.0%)	P	1 Year	8%	0%	$295,924	$7.22
Great American	SP 10-2	0-85	7.70%	(4.0%)	I	2 Years	10%	4%	$440,874	$8.27
Great American	GTSA VI-SS	18-65	7.00%	(4.0%)	I	none	12%	6%	$445,014	$8.27
Great American	SP7R+6-2	0-85	7.70%	(3.0%)	I	1 Year	7%	1%	$467,326	$8.27
Great American	Money Max	0-85	6.20%	(3.0%)	I	1 Year	10%	4%	$324,852	$8.27
Great American	Secure 15	0-70	6.70%	(3.0%)	I	1 Year	12%	6%	$420,713	$8.27
Jackson National	Bonus Max One	0-75	7.18%	(3.0%)	I	1 Year	9%	3%	$399.988	$7.99
Jefferson Pilot	Secure Advant.	0-85	6.40%	(3.5%)	I	1 Year	7%	2%	$345,806	$7.82
Lincoln Security	SPDA 1	0-85	6.60%	(3.0%)	I	1 Year	7%	0%	$300,173	$8.23
Manhattan Nat'l LIC	Lifestream	0-80	5.50%	(5.0%)	I	1 Year	7%	0%	$291,776	$6.80
National Guardian	SPRA	0-85	6.00%	(4.0%)	P	1 Year	7%	1%	$320,714	$8.39
Ohio National	Choice II	0-80	7.20%	(4.0%)	P	Cal. Yr.	6%	0%	$401,694	$8.70
Penn Mutual	Diversifier II	0-85	5.80%	(4.0%)	-	7 Years	7%	1%	$308,825	$8.03
Penn Mutual	Diversifier II	0-85	5.75%	(4.0%)	-	5 Years	7%	1%	$305,919	$8.03
Penn Mutual	Diversifier II	0-85	5.50%	(4.0%)	-	3 Years	7%	1%	$291,775	$8.03
Presidential	SPDA	0-85	7.15%	(5.0%)	I	1 Year	6%	2%	$397,964	$8.39
Principal Mutual LIC	SPDA	0-95	6.50%	(3.0%)	I	1 Year	6%	2%	$352,364	$8.57
Principal Mutual LIC	SPDA+	0-95	7.35%	(3.0%)	I	1 Year	6%	2%	$345,792	$8.35
Provident Mutual	SPDA III	0-75	6.90%	(3.0%)	I	2 Years	3%	3%	$379,799	$7.98
Provident Mutual	SPDA IV	0-75	7.60%	(3.0%)	I	2 Years	5%	5%	$432,758	$7.98

continued...

Survey period: October 25, 1994 thru October 28, 1994

Table 4. Cont'd. Single Premium Deferred Annuities - Without Bailout

Reporting Companies	Policy Name	Issue Ages	Current Rate	(Guar.) (Rate)	Rnwl Mthd	Yield Guar. Period	Surrender Fees/Year 1	Surrender Fees/Year 7	20 Yr. Proj. Cash Accum. Based on Curr. Rate	Mo. Income per $ 1,000 M 65 Life Only
continued...										
SAFECO (q)	QPA III Plus	0-75	7.75%	(4.25%)	-	6-12 mos.	9%	4%	$356,500	$7.37
SAFECO (q)	QPA V Plus	0-75	7.75%	(3.0%)	-	6-12 mos.	8%	2%	$356,500	$7.37
Savings Bank	LifeSaver	0-80	6.25%	(4.0%)	I	1 Year	7%	1%	$336,185	$7.67
Security Benefit	Security Prem.	0-80	7.20%	(3.5%)	I	1 Year	9%	0%	$336,171	$7.78
Security Benefit	Security Prov.	0-80	6.20%	(3.5%)	I	1 Year	9%	0%	$333,036	$7.78
Security Conn. (q)	SPDA-1	0-85	6.10%	(4.0%)	I	1 Year	7%	0%	$326,819	$8.31
Security Conn. (q)	SPDA-Classic	0-85	7.85%	(4.0%)	I	1 Year	9%	3%	$317,648	$8.31
Southwestern Life	Flex Rite	0-75	6.20%	(4.0%)	I	none	7%	2%	$398,301	$7.90
Southwestern Life	Income Prov.+	0-85	6.95%	(4.0%)	I	2 Year	10%	7%	$323,727	$7.90
Southwestern Life	Gold. Bonus	0-85	8.55%	(3.0%)	I	1 Year	12%	9%	$331,385	$7.90
Sun LIC of America	Century 200+	0-80	6.75%	(4.0%)	I	1 Year	3.38%	3.38	$369,280	$8.17
USG Annuity & Life	MVA 9	0-85	7.80%	(3.0%)	I	1 Year	9%	3%	$376,247	$8.51
Union Central LIC	SPDA 2000	0-85	7.95%	(4.0%)	I	1 Year	7%	0%	$444,985	$8.28
Union Central LIC	SPDA 2000	0-85	7.65%	(4.0%)	I	3 Years	7%	0%	$420,851	$8.28
Union Central LIC	SPDA 2000	0-85	7.35%	(4.0%)	I	6 Years	7%	0%	$397,964	$8.28
United Companies	Maxsaver	0-80	6.15%	(3.0%)	P	1 Year	8%	0%	$329,913	$7.88
United Services	Index	0-85	7.00%	(4.0%)	I	1 Year	9%	3%	$354,019	$8.17
Western United	CD MAX V	0-84	6.75%	(4.5%)	I	5 Years	5%	0%	$309,476	$7.70

Survey period: October 25, 1994 thru October 28, 1994

Table 5. Single Premium Certificates of Annuity With Free Surrender Every Anniversary Date

Entire value of contract may be surrendered without penalty on each anniversary date

Reporting Companies	Policy Name	Issue Ages	Current Rate	Yield Guarantee Period	Surrender penalties by Year 1	2	3	4	5	6	7	8	9
Columbia	Your Choice	0-100	5.05%	3 mos.	2%	2%	2%	2%	2%	2%	2%	2%	2%
Delta Life & Ann.	Guar. Interest Ann.	0-99	5.40%	1 year	3%	3%	3%	3%	3%	-	-	-	-
Federal Home Life	SPDA Preferred	0-80	5.40%	1 Year	7%	6%	5%	4%	3%	2%	1%	-	-
Fidelity &	INTREPID LQ	18-85	4.25%	1 Year	5%	5%	5%	5%	5%	5%	5%	5%	5%
Ohio National	CD Annuity	0-80	3.25%	1 Year	1%	1%	1%	1%	1%	1%	1%	1%	1%
Provident Mutual	Asset Accumulator	0-75	5.82%	1 Year	3%	3%	3%	3%	3%	3%	3%	2%	1%
Security Benefit	Security Mark	0-75	6.20%	none	8%	7%	6%	5%	4%	3%	2%	1%	0%
Xerox Finan. Svcs	Acct 4 Keeps I	0-84	4.75%	1 Year	2%	1%	1%	1%	1%	1%	1%	1%	1%

Survey period: October 25, 1994 thru October 28, 1994

Table 6. Single Premium Certificates of Annuity Without Surrender Charges on Maturity Date

Reporting Companies	Policy Name	Issue Age	Current Rate	Yield Guar. Period	Surrender Penalties by Year 1	2	3	4	5	6	7	8	9	10
Crown Life #	SPDA	0-75	7.60%	10 Yrs	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	7.55%	9 Yrs	9.0%	8.0%	7.0%	6.0%	5.0%	4.0%	3.0%	2.0%	1.0%	-
Crown Life #	SPDA	0-75	7.35%	8 Yrs	8.4%	7.4%	6.3%	5.3%	4.2%	3.2%	2.1%	1.1%	-	-
Crown Life #	SPDA	0-75	7.20%	7 Yrs	8.4%	7.2%	6.0%	4.8%	3.6%	2.4%	1.2%	-	-	-
Crown Life #	SPDA	0-75	6.95%	6 Yrs	8.4%	7.0%	5.6%	4.2%	2.8%	1.4%	-	-	-	-
Crown Life #	SPDA	0-75	6.75%	5 Yrs	8.0%	6.4%	4.8%	3.2%	1.6%	-	-	-	-	-
Delta Life & Annuity	SP Guar.Ann.	0-99	6.50%	5 Yrs	3%	3%	3%	3%	3%	-	-	-	-	-
Delta Life & Annuity	SP Guar.Ann.	0-99	6.30%	4 Yrs	3%	3%	3%	3%	3%	-	-	-	-	-
Delta Life & Annuity	SP Guar.Ann.	0-99	6.10%	3 Yrs	3%	3%	3%	3%	-	-	-	-	-	-
Delta Life & Annuity	SP Guar.Ann.	0-99	5.80%	2 Yrs	3%	3%	-	-	-	-	-	-	-	-
Sun Life of America	Cert. of Ann.	0-82	6.75%	5 Years	cannot be surrendered before maturity									
United Services	Cert/Annuity	0-85	6.00%	5 Years	cannot be surrendered before maturity									
United Services	Cert/Annuity	0-85	5.50%	3 Years	cannot be surrendered before maturity									
Western United	CD-MAX I	0-84	6.00%	3 Yrs	2%	-	-	-	-	-	-	-	-	-
Xerox Finan. Svcs	Acct4KeepsVII	0-85	6.55%	7 Years	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Xerox Finan. Svcs	Acct4KeepsV	0-80	6.50%	5 Years	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Xerox Finan. Svcs	Acct4KeepsIII	0-82	5.25%	3 Years	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%

Additional surrender charges (e.g. "Market Value Adjustment") may further reduce cash value on surrender before contract maturity.
Survey period: October 25, 1994 thru October 28, 1994.

Table 7. Flexible Premium Deferred Annuities - With Bailout

Reporting Companies	Policy Name	Issue Ages	Current Rate	(Guar.) (Rate)	Rnwl Mthd	Yield Guar. Period	Bail-out Escape Rate	Surrender Fees/Year 1	7	20 Yr Proj. Cash Accum. Based on Curr. Rate	Mo. Income Per $1,000 M 65 Life Only
Mass. General LIC	General II	0-75	6.75%	(3.0%)	I	1 Year	5.25%	14%	8%	$28,222	$6.69
Security Mutual/NY	FPA	0-80	6.50%	(4.5%)	I	1 Year	4.50%	7%	4%	$413,490	$8.55
Standard Insurance Co	FPDA	0-80	6.34%	(3.0%)	I	1 Year	4.34%	7%	3%	$405,781	$8.59
Union Central LIC	GRA-4	0-85	7.43%	(4.0%)	I	1 Year	7.43%	5%	0%	$450,794	$8.28
United Services LIC	Conservation	0-85	7.00%	(3.0%)	I	1 Year	3.50%	7%	0%	$415,431	$8.17

Survey period: October 25, 1994 thru October 28, 1994

Table 8. Flexible Premium Deferred Annuities - Without Bailout

Reporting Companies	Policy Name	Issue Ages	Current Rate	(Guar.) (Rate)	Rnwl Mthd	Yield Guar. Period	Surrender Fees/Year 1	Surrender Fees/Year 7	20 Yr. Proj. Cash Accum. Based On Curr. Rate	Mo. Income per $1,000 Male 65 Life Only
AIG	10 Yr Flex	0-80	7.20%	(3.0%)	I	1 Cal. Yr.	10%	4%	$401,694	$8.26
American Investors	FPDA-P2	0-85	8.00%	(3.5%)	I	1 Year	12%	6%	$298,690	$7.71
American Life & Cas.	FPDA-8	0-85	8.15%	(3.0%)	I	1 Year	12%	6%	$397,456	$7.81
American Life & Cas.	FPDA-6+	0-85	6.95%	(3.0%)	I	1 Year	10%	2%	$387,955	$7.81
Central Nat'l LIC/Om	FPDA 1	1-80	7.50%	(4.0%)	P	1 Year	9%	3%	$413,821	$7.72
Central Nat'l LIC/Om.	Big Flex 6	1-80	7.45%	(4.0%)	P	1 Year	6%	0%	$411,392	$7.72
Columbia Universal	FPDA II	0-75	5.65%	(4.5%)	P	1 Year	10%	3%	$378,713	$8.41
Delta Life & Annuity	Flex No Load	0-99	6.40%	(4.0%)	P	1 Year	8%	4%	$425,606	$8.35
Delta Life & Annuity	Flex Front Load	0-99	6.90%	(4.0%)	P	1 Year	0%	0%	$433,877	$8.35
Empire LIC	FPA	0-85	5.75%	(3.0%)	I	1 Year	8.1%	2.7%	$378,713	$8.52
Federal Home Life	Premier Ann.+	0-80	7.25%	(4.0%)	I	1 Year	9%	3%	$452,434	$9.04
Fidelity & Guar. LIC	Optimum	18-85	7.00%	(3.0%)	I	1 Year	5%	0%	$390,230	$7.85
Fidelity & Guar. LIC	Resolute	18-85	6.10%	(3.0%)	I	1 Year	12%	6%	$394,517	$7.85
Financial Benefit LIC	Senior Advantage	0-100	9.50%	(3.0%)	I	1 Year	8%	2%	$35,567	$6.69
Financial Benefit LIC	Champion	0-75	8.75%	(3.0%)	I	1 Year	15%	7%	$37,620	$6.69
Fort Dearborn LIC	Fortiflex II	0-85	6.00%	(4.0%)	I	1 Year	6%	0%	$389,927	$7.22
General American	Flex 2	0-79	6.00%	(4.0%)	P	-	7%	0%	$386,218	$7.57
Great American (q)	GTSA VI	18-65	7.00%	(4.0%)	I	-	30%	0%	$451,850	$8.27
Great American (q)	TSA VIII	18-65	7.00%	(3.0%)	I	-	varies by age		$455,348	$8.27
Great American	GALIC 2003	0-85	6.55%	(4.0%)	I	-	5%	0%	$415,932	$8.27
Investors Insur. Corp.	American Ann.	0-85	8.50%	(3.0%)	P	1 Year	10%	7%	na	na
Jackson National	Flex I	0-70	7.00%	(3.0%)	I	1 Year	12%	3%	$438,652	$7.99
Kansas City Life	Retire. Contrib.	0-70	6.50%	(4.0%)	I	1 Cal. Yr.	15%	9%	$432,004	$7.77
Mass. General LIC	Commander	0-85	8.50%	(3.0%)	I	1 Year	14%	8%	$30,007	$6.69
National Guardian	FPRA	0-80	5.25%	(4.0%)	P	6 mos.	10%	3%	$357,360	$8.39
New England Mutual	FRA+	0-75	4.50%	(3.0%)	I	1 Year	10%	4%	$327,831	$7.09
Ohio National	Prime II	-	6.00%	(4.0%)	P	1 Cal. Yr.	8%	3%	$389,927	$8.70
Ohio National	Prime I	-	6.30%	(4.0%)	P	1 Cal. Yr.	7.8%	7.8%	$396,539	$8.70
Penn Mutual	Diversif. II	0-85	5.80%	(4.0%)	-	7 Years	7%	2.5%	$380,927	$8.03
Penn Mutual	Diversif. II	0-85	5.75%	(4.0%)	-	5 Years	7%	2.5%	$378,713	$8.03
Penn Mutual	Diversif. II	0-85	5.50%	(4.0%)	-	3 Years	7%	2.5%	$367,861	$8.03
Penn Mutual	Diversif. II	0-85	5.40%	(4.0%)	-	1 Year	7%	2.5%	$363,618	$8.03
Presidential	No Load Flex	0-85	6.25%	(5.5%)	I	1 Cal. Yr.	7%	4%	$401,515	$8.39
Presidential (q)	TSA-LOAN	0-85	6.35%	(5.5%)	I	1 Cal. Yr.	7%	4%	$406,258	$8.39
Principal Mutual LIC	FPDA	0-85	6.35%	(4.0%)	I	1 Year	7%	3%	$406,070	$8.57
Provident Mutual	LTD II	0-75	7.25%	(3.0%)	I	1 Year	13%	7%	$451,867	$7.98
Reliance Standard	FPDA II	0-78	6.00%	(4.5%)	P	1 Year	7%	7%	$389,927	$8.97
SAFECO	QPA V	0-75	6.50%	(3.0%)	-	6-12mos.	8%	2%	$413,490	$7.37
SAFECO	QPA III	0-75	6.50%	(4.25%	-	6-12mos.	9%	4%	$413,490	$7.37
Security Benefit	Security Mark	0-75	6.20%	(3.5%)	P	-	8%	2%	$282,312	$7.62

continued...

Survey period: October 25, 1994 thru October 28, 1994

Table 8. Cont'd. Flexible Premium Deferred Annuities - Without Bailout

Reporting Companies	Policy Name	Issue Ages	Current Rate	(Guar.) (Rate)	Rnwl Mthd	Yield Guar. Period	Surrender Fees/Year 1	7	20 Yr. Proj. Cash Accum. Based On Curr. Rate	Mo. Income per $1,000 Male 65 Life Only
USG Annuity & Life	Flex 9	0-85	7.50%	(3.0%)	I	1 Year	9%	3%	$417,372	$8.51
USG Annuity & Life	TSA PRO	0-65	8.45%	(3.0%)	I	1 Year	19%	13%	$442,176	$8.51
United Cos. Life	Advantage	0-80	7.75%	(3.0%)	P	1 Year	9%	3%	$479,641	$7.88
United Services	USLICO	0-85	7.00%	(4.0%)	I	1 Year	10%	4%	$393,606	$8.17
United Services	Flex Seven	0-85	7.00%	(4.0%)	I	1 Year	10%	2%	$393,606	$8.17
United Services	Flex Pay	0-85	7.00%	(4.0%)	I	1 Year	9%	4%	$393,606	$8.17
WM Life Ins. Co.	FPA	0-85	5.75%	(3.0%)	I	1 Year	8.1%	2.7%	$378,713	$8.52
Western United	Uniflex III	0-84	6.75%	(4.5%)	I	1 Year	5%	3%	$401,673	$7.70

Survey period: October 25, 1994 thru October 28, 1994

SPLIT ANNUITIES UPDATE

Split annuities (also called Combination annuities) are essentially a hybrid product combining the features of a Certificate of Annuity (Table 6) and a Period Certain immediate annuity (Tables 1c & 2c). These annuities provide immediate cash-flow and a guarantee that the initial purchase amount is returned at the end of a specified period of time (in Table 9 below, at the end of 5 years and 7 years). The figures in Table 9 are based on an investment of $100,000.

Column headed "**Annual Interest Rate**" indicates the rate earned on the deferred portion of the split annuity for the life of the contract (either five or seven years as illustrated). "**Deferred Annuity Premium**" column gives the amount of the original investment that is allocated to the deferred annuity portion of the contract. This is the amount set aside for the deferred annuity to grow back to the full amount of the original investment.

Column headed "**Monthly Income Amount**" lists the monthly income which is generated by the immediate annuity portion of the contract and payable each month until the contract matures (either 5 or 7 years). "**Income Annuity Premium**" column reports the amount of the original investment which is allocated to the immediate annuity portion of the contract.

Table 9. Split ("Combination") Immediate and Deferred Annuities

Reporting Companies	Policy Name	Issue Ages	5 Year Maturity Rates: Annual Interest Rate	Deferred Annuity Premium	Monthly Income Amount	Income Annuity Premium	7 Year Maturity Rates: Annual Interest Rate	Deferred Annuity Premium	Monthly Income Amount	Income Annuity Premium
Columbia Universal	Split Annuity	0-85	7.00%	$71,301	$557.11	$28,699	6.94%	$62,511	$551.86	$37,489
Empire Life	FPA	0-85	3.54%	$84,018	$298.87	$15,982	3.39%	$79,195	$294.89	$20,805
Federal Home Life	SPDAII/SPIA	0-80	na	na	na	na	6.75%	$63,942	$495.08	$36,058
Kansas City Life	Split Annuity	0-80	na	na	na	na	4.50%	$73,482	$388.00	$26,518
Lincoln Secur.	SPDA 1	0-85	6.60%	$87,288	$235.00	$12,712	6.60%	$78,563	$303.00	$21,437
Penn Mutual	SPIA/Divers.	0-85	na	na	na	na	5.80%	$67,391	$450.93	$32,609
Presidential (nq)	Combi-nnuity	0-85	6.55%	$72,817	$510.01	$27,183	na	na	na	na
Provident Mutual	SPDA II/SPIA	0-75	6.15%	$74,199	$464.00	$25,801	na	na	na	na
Security	SPDA 1	0-85	6.10%	$82,811	$322.00	$17,189	6.10%	$74,488	$365.00	$25,512
Security	SPDA Classic	0-85	7.85%	$83,010	$319.00	$16,990	7.85%	$75,321	$353.00	$24,679
United Services	Split Annuity	0-85	6.00%	$74,730	$458.51	$25,270	na	na	na	na
WM Life	FPA	0-85	3.54%	$84,018	$298.87	$15,982	3.39%	$79,195	$294.79	$20,805
Western United	CD Max V	0-84	6.75%	$72,137	$534.00	$27,863	na	na	na	na

Survey period: October 25, 1994 thru October 28, 1994.

VARIABLE ANNUITIES UPDATE

Most of the features described earlier in the Fixed Annuities section also apply to Variable Annuities (VAs), with just a few exceptions. Like a fixed annuity, a VA is designed to increase the value of your deposit on a tax-deferred basis. However, VAs offer many more investment options (see column headed **"Types of Accounts"**) 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 are currently available in the fixed general account. Transfers can usually be directed from this fixed account to the various "mutual-fund" type accounts. The **"Yield Guar. Period"** column lists the period for which the initial GIA rate remains unchanged. **"Surrender Fees/Year"** column reports the withdrawal penalties in effect in the sample years indicated. **"Total Assets $ Mil"** gives in millions of dollars the total amount of assets under management (excluding funds in fixed general accounts). **"# of Accts "** indicates the number of separate accounts that represent different investment options from which to choose.

In the PERFORMANCE TABLES **"Accum. Unit Value"** reports the dollar value per share of fixed-income type account. This figure represents the actual return to the investor and is net of all management fees and insurance expenses. **"YTD"** reports the year-to-date rate of return for the account listed. **"1 Yr"** reports the 1 year rate of return for the account listed. **"3 Yr"** reports the cumulative 3-year rate of return for the account listed. **"5 Yr"** reports the cumulative 5-year rate of return for the account listed.

Note: Many companies offer more than one variable annuity contract. Often, different contracts will offer many of the same optional accounts; yet the investment returns may show slight variations. This difference reflects the fact that separate variable annuity contracts may have different fee structures.

Table 10a. Variable Annuities - Contract Features

Reporting Companies	Policy Name	Total Assets $ Mil	# of Accts	Types of Accounts (see Legend)	Fixed Acct Rate	Yield Guar Period	Surrender Fees/Year 1	Surrender Fees/Year 7
Ameritas	Overture II	na	13	AA,AG,B,CA,EI,FI,G,I,MM,SI	4.50%	1 Year	6%	0%
Anchor National	ICAP II	$ 1,714	15	AA,AG,B,CA,EI,FI(2),G,GS,I	5.50%	1 Year	5%	0%
Connecticut Mutual	Panorama	na	4	AA,FI,G,MM	na	na	5%	4%
Fortis Benefits	Masters Annuity	na	9	AA,AG,B,EI,G,GS,MM,I	4.80%	1 Year	7%	1%
General American	Individual Variable	$ 205	8	B,EI,FI,G(2),I,MM,SI	6.00%	na	9%	3%
General American	G.T. Global Allocator	$ 186	12	EI,FI,G,I(7),MM,S	5.50%	3 Yrs	6%	0%
Guardian Life	Investor	na	7	B,FI,G(2),I,MM,RP	5.25%	1 Year	6%	1%
Jefferson Pilot	Separate Acct. A	na	3	FI,G,MM	no fixed account			
John Hancock	Accomodator 2000	na	7	AG,FI(2),G,I,MM,RP	5.30%	1 Year	8%	6%
Kemper Investors	Passport	na	6	EI,FI,G,GS,I,MM	4.85%	1 Year	6%	0%
Keyport Life	Preferred Advisor	na	10	AA,AG,CA,G,B,EI,G,GS,MM	4.60%	1 Year	7%	1%
Lincoln National	Multi-Fund III	$ 7,172	11	AA,AG,B,CA,FI,G,GS,I,MM,SA	7.10%	1 Year	7%	0%
Manulife Financial	Account II	na	6	AG,B,EI,FI,G,MM,RP	4.00%	1 Year	8%	1%
Metropolitan	Preference +	na	7	AG,B(3),G,I,SI	6.25%	1 Year	7%	1%
Nationwide	Best of Amer. IV	$ 5,492	24	AA,AG,B,CA,G,GS,FI,GS,I,EI,S	5.50%	1 Year	7%	1%
Nationwide	Best of Amer.	$484.1	24	AA,AG,B,CA,G,GS,FI,GS,I,EI,S	5.50%	1 Year	7%	1%
New England Mutual	Zenith Accumulator	$ 843.6	9	AG,B,EI,FI,G,I,MM,SI	4.50%	1 Year	6.5%	3.5%
N. Amer. Security	Venture	$ 3.8	13	AA,B,EI,G,GS,I(2),MM	4.70%	1 Year	6%	0%
Ohio National	TOP	$ 162.6	5	B,FI,G,I,MM	6.30%	Cal.Yr.	7.8%	7.8%
Ohio National	TOP Plus	$ 11.1	5	B,FI,G,I,MM	7.00%	Cal.Yr.	6%	0%
Pacific Mutual	Select	$ 244.5	9	B,EI,FI(2),G,GS,I,MM,SI	5.00%	1 Year	6%	0%
Penn Mutual	Diversifier II	$ 437.8	10	B(2),EI,FI(3),G(2),I,MM	5.75%	5 Yrs	7%	1%
Phoenix Home Life	Big Edge Plus	na	6	AA,B,FI,G,I,MM	6.00%	1 Year	5%	0%
Principal Mutual	Variable	na	10	AA,AG,B,CA,FI,G,GS	6.20%	1 Year	6%	0%
Provident Mutual	Market Street VIP/2	$ 54.5	16	AG,B,EI,FI,G,I,MM,SI	5.75%	Cal.Yr.	6%	0%
Prudential	Discovery Plus	na	12	AG,EI(2),FI(3),G(2),I,MM,RP,SI	6.60%	1 Year	7%	0%
SAFECO	Resource Var.Acct.B	$ 68.9	7	B,EI,FI,G,I,MM,S	na	na	9%	4%
SAFECO	Spinnaker (NQ Flex)	$ 1.2	7	B,EI,FI,G,I,MM,S	6.50%	6 mos.	8%	2%
SAFECO	Spinnaker (Q)	$ 4.4	7	B,EI,FI,G,I,MM,S	6.50%	6 mos.	8%	2%
SAFECO	Spinnaker Plus	$ 6.6	7	B,EI,FI,G,I,MM,S	7.70%	1 Year	8%	2%
Security Benefit	Variflex	$1,392	7	AG,B,FI,G,MM,I,SA	6.20%	3.5 Yrs	8%	2%
State Mutual	Exec.Annuity+	na	12	AG,EI(3),FI(3),G(3),I,MM	4.50%	1 Year	na	na
SunLife/Canada	Regatta Gold	na	8	B,CA,FI,G,GS,I,MM,S	na	5 Yrs	6%	3%
Travelers	Universal Annuity	na	23	AA,AG,B,CA,EI,FI,G,GS,I,MM,	4.25%	1 Year	5%	0%
Union Central	Carrillon Account	$ 260.7	6	AA,CA,FI,G,I,MM	7.10%	6 mos.	7%	2%
Xerox Finan. Svcs.	Performance	$ 378.1	6	AA,EI(2),FI(2),MM,SI	6.00%	Cal.Yr.	5%	0%

AA Asset Allocation; AG Aggressive Growth; B Balanced; CA Capital Apprec.; EI Equity/Income; FI Fixed Income; G Growth; GS Govt Securities; I International; MM Money Market; RP Real Property; S Sectors; SA Social Awareness; SI Stock Index

na=data not available

Table 10b. Variable Annuities - Bond (Fixed Income), Performance & Fees

Insurance Company/Contract/Fund Name	Accum. Unit Value	VA Assets $ Mil	Performance Returns thru 9/30/94 YTD	1 Yr	3 Yr	5 Yr
Ameritas/Overture II/Investment Grade Bond	$12.64	na	-4.5%	-4.2%	5.0%	6.4%
Anchor National/ICAP II/Gov't & Quality Bond	$22.44	$241.0	-5.0%	-5.6%	3.8%	6.2%
Connecticut Mutual/Panorama/Income (NQ)	$ 3.25	na	-4.7%	-5.2%	6.2%	7.6%
Fortis Benefits/Masters/Diversified Income	$ 1.51	na	-6.7%	-5.5%	4.7%	6.5%
General American/Individual Variable/Bond Index	$15.00	$3.3	-4.9%	-5.6%	4.6%	6.6%
General American/G.T. Global Allocator/U.S. Gov't Income	$11.70	$1.7	-7.2%	-9.8%	-	-
Guardian Life/Investor/Guardian Bond	$13.55	na	-4.2%	-5.0%	5.0%	6.9%
Jefferson Pilot/Separate Account A/Investment Grade Bond (NQ)	$32.84	na	-6.7	-7.7%	3.8%	5.7%
John Hancock/Accomodator 2000/Bond	$16.42	na	-3.8%	-4.3%	5.4%	7.0%
Kemper Investors/Passport/Gov't Securities	$1.06	na	-3.8%	-3.7%	3.9%	-
Keyport Life/Preferred Advisor/Stein Roe Mortgage Security	$14.12	na	-2.8%	-2.5%	3.5%	6.0%
Lincoln National/Multi Fund III/Bond Fund	$3.58	$210.8	-5.3%	-6.0%	6.0%	7.3%
Manulife Financial/Account II/Capital Growth Bond	$15.97	na	-5.7%	-6.3%	4.4%	6.2%
Metropolitan/Preference Plus/Income	$13.62	na	-4.6%	-4.2%	5.3%	-
Nationwide/Best of America IV/High Income	$18.61	$163.2	-1.3%	3.3%	14.2%	11.8%
Nationwide/Best of America (NQ/IRA)/High Income	$10.00	$16.0	-1.4%	3.2%	14.1%	11.7%
New England Mutual/Zenith Accumulator/Bond Income	$2.55	$107.6	-4.4%	-4.4%	6.2%	7.6%
North American Security/Venture/Investment Quality Bond	$14.23	$112.0	-5.9%	-6.8%	4.1%	-
Ohio National/TOP Annuity /Bond	$20.83	$5.0	-4.9%	-5.6%	4.6%	6.1%
Ohio National/Top Plus/Bond	$9.45	$ 0.4	0.3%	-5.3%	5.0%	6.4%
Pacific Mutual/Select/Managed Bond	$13.28	$ 26.6	-4.5%	-4.2%	7.0%	8.8%
Penn Mutual/Diversifier II/Quality Bond	$15.51	$ 29.5	-6.8%	-6.4%	4.4%	6.3%
Phoenix Home Life/Big Edge Plus/Bond	$2.76	na	-5.0%	-3.0%	7.3%	7.7%
Principal Mutual/Variable/Bond	$9.99	$ 0.6	na	-10.4%	3.3%	6.0%
Provident Mutual/Market St. VIP 2/Mkt. Street Bond	$462.24	$ 1.5	-8.7%	-7.8%	3.4%	5.1%
Prudential/Discovery Plus/Bond	$2.35	na	-7.7%	-8.4%	3.8%	6.2%
SAFECO/Resource Variable Account B/Bond	$15.58	$ 7.2	-4.2%	-5.0%	4.9%	6.0%
SAFECO/Spinnaker (NQ Flex)/Bond	$15.55	$ 0.04	-4.3%	-5.2%	4.7%	5.9%
SAFECO/Spinnaker (Q)/Bond	$15.55	$ 0.2	-4.3%	-5.2%	4.7%	5.9%
SAFECO/Spinnaker Plus/Bond	$15.58	$ 0.04	-4.2%	-5.0%	4.9%	6.0%
Security Benefit/Variflex/High Grade Income	$18.83	$ 112.0	-8.2%	-10.3%	4.4%	6.2%
State Mutual/Exec. Annuity Plus/Allmerica Invest. Grade Income	$1.20	na	-4.3%	-5.3%	5.5%	-
Sun Life Canada/Regatta Gold/Gov't Securities	$11.25	na	-3.9%	-4.6%	-	-
Travelers/Universal Annuity/Quality Bond	$4.29	na	-2.1%	-2.3%	5.5%	7.1%
Union Central/Carrillon Account/Bond	$20.19	$ 10.9	-3.9%	-3.1%	5.7%	7.3%
Xerox Finan. Svcs./Acct. for Perform./Quality Income	$13.20	$ 43.0	-5.5%	-11.7%	2.7%	-

na=data not available

Table 10b. Variable Annuities - Bond (Fixed Income), Performance & Fees

Contract Fee	Admin. Fee	Mortality and Expense	Mgt. Fee	Other	Total	Insurance Company/Contract/Fund Name
$30	.20%	1.25%	.68%	na	2.13%	Ameritas/Overture II/Fidelity Investment Grade Bond
$30	.15%	1.25%	.60%	.10%	2.10%	Anchor National/ICAP II/Gov't & Quality Bond
$40	na	.73%	.70%	na	1.43%	Connecticut Mutual/Panorama/Income (NQ)
$0	na	.57%	1.35%	na	1.92%	Fortis Benefits/Masters/Diversified Income
$0	.0%	1.00%	.30%	na	1.30%	General American/Individual Variable/Bond Index
$30	.15%	1.25%	.75%	.25%	2.40%	General American/G.T. Global Allocator/U.S. Gov't Income
$35	na	1.15%	.55%	na	1.70%	Guardian Life/Investor/Guardian Bond
$30	na	.99%	.59%	na	1.58%	Jefferson Pilot/Separate Account A/Investment Grade Bond (NQ)
$30	na	1.25%	.28%	na	1.53%	John Hancock/Accomodator 2000/Bond
$30	na	1.25%	.60%	na	1.81%	Kemper Investors/Passport/Gov't Securities
$36	na	1.40%	.76%	na	2.16%	Keyport Life/Preferred Advisor/Stein Roe Mortgage Security Income
$0	na	1.00%	.48%	.02%	1.50%	Lincoln National/Multi Fund III/Bond Fund
$30	na	1.00%	.50%	na	1.50%	Manulife Financial/Account II/Capital Growth Bond
$0	na	1.25%	.32%	na	1.57%	Metropolitan/Preference Plus/Income
$30	.05%	1.25%	.51%	.13%	1.94%	Nationwide/Best of America IV/High Income
$0	.15%	1.25%	.51%	.13%	2.04%	Nationwide/Best of America (NQ/IRA)/High Income
$30	.40%	.95%	.40%	.03%	1.78%	New England Mutual/Zenith Accumulator/Bond Income
$30	.15%	1.25%	.65%	.10%	2.15%	North American Security/Venture/Investment Quality Bond
$30	.25%	.85%	.45%	.17%	1.72%	Ohio National/TOP Annuity/Bond
$0	.25%	.65%	.45%	.17%	1.52%	Ohio National/Top Plus/Bond
$30	.15%	1.25%	.60%	.25%	2.25%	Pacific Mutual/Select/Managed Bond
$30	.0%	1.25%	.40%	.39%	2.14%	Penn Mutual/Diversifier II/Quality Bond
$35	na	1.25%	.65%	na	1.90%	Phoenix Home Life/Big Edge Plus/Bond
$30	.0%	1.25%	.50%	.09%	1.84%	Principal Mutual/Variable/Bond
$30	.15%	1.25%	.35%	.40%	2.15%	Provident Mutual/Market St. VIP 2/Mkt. St. Bond
$30	na	1.20%	.46%	na	1.66%	Prudential/Discovery Plus/Bond
$30	.0%	1.25%	.74%	.0%	1.99%	SAFECO/Resource Variable Account B/Bond
$30	.0%	1.25%	.74%	.0%	1.99%	SAFECO/Spinnaker (NQ Flex)/Bond
$30	.0%	1.25%	.74%	.0%	1.99%	SAFECO/Spinnaker (Q)/Bond
$30	.0%	1.25%	.74%	.0%	1.99%	SAFECO/Spinnaker Plus/Bond
$30	na	1.20%	.75%	.11%	2.06%	Security Benefit/Variflex/High Grade Income
$30	na	1.45%	.54%	na	1.99%	State Mutual/Exec. Annuity Plus/Allmerica Invest. Grade Income
$30	na	1.40%	.63%	na	2.03%	Sun Life Canada/Regatta Gold/Gov't Securities
$30	na	1.25%	.32%	na	1.57%	Travelers/Universal Annuity/Quality Bond
$30	.25%	1.20%	.50%	.16%	2.11%	Union Central/Carrillon Account/Bond
$30	.15%	1.25%	.50%	.10%	2.00%	Xerox Finan. Svcs./Acct. for Perform./Quality Income

na=data not available

Table 10c. Variable Annuities-Growth (Equity), Performance & Fees

Insurance Company/Contract/Fund Name	Accum. Unit Value	VA Assets $ Mil	Performance Returns thru 9/30/94 YTD	1 Yr	3 Yr	5 Yr
Ameritas/Overture II/Alger Growth	$23.61	na	-2.5%	2.0%	12.2%	12.7%
Anchor National/ICAP II/Capital Appreciation	$22.25	$215.7	-2.4%	-3.4%	17.1%	11.8%
Connecticut Mutual/Panorama/Growth (NQ)	$ 5.80	na	0.4%	1.7%	13.6%	11.1%
Fortis Benefits/Masters/Growth Stock	$ 2.07	na	-3.4%	-3.8%	7.0%	8.4%
General American/Individual Variable/Managed Equity	$20.15	$14.0	-1.6%	3.0%	5.7%	6.1%
General American/G.T. Global Allocator/America	$15.81	$10.2	16.4%	27.7%	-	-
Guardian Life/Investor/Guardian Stock	$16.62	na	-0.8	-3.4%	13.7%	9.8%
Jefferson Pilot/Separate Account A/Capital Apprcciation (NQ)	$66.06	na	-3.6%	0.7%	6.1%	7.2%
John Hancock/Accomodator 2000/Stock	$22.78	na	-1.3%	1.0%	8.3%	9.0%
Kemper Investors/Passport/Equity	$1.10	na	-5.0%	-7.0%	9.7%	10.7%
Keyport Life/Preferred Advisor/Stein Roe Capital Appreciation	$21.44	na	1.0%	9.6%	16.7%	13.0%
Lincoln National/Multi Fund III/Special Opportunities	$4.34	$304.9	-1.2%	1.3%	10.3%	9.7%
Manulife Financial/Account II/Common Stock	$20.93	na	-1.3%	0.1%	7.9%	7.7%
Metropolitan/Preference Plus/Growth	$13.76	na	-2.4	-2.1	10.4	-
Nationwide/Best of America IV/Total Return	$42.10	$180.9	2.6%	3.1%	9.8%	7.5%
Nationwide/Best of America (NQ/IRA)/Total Return	$10.35	$ 6.4	2.5%	3.0%	9.7%	7.4%
New England Mutual/Zenith Accumulator/Capital Growth	$8.67	$381.8	-4.2%	-1.9%	5.0%	5.3%
North American Security/Venture/Equity	$14.75	$500.0	-2.2%	-1.7%	5.6%	2.7%
Ohio National/TOP Annuity/Equity	$30.10	$70.3	-0.3%	1.6%	8.2%	5.9%
Ohio National/TOP Plus/Equity	$10.24	$ 2.1	3.7%	1.9%	8.6%	6.3%
Pacific Mutual/Select/Growth LT	$10.90	$ 19.3	10.0%	-	-	-
Penn Mutual/Diversifier II/TCI Growth	$10.75	$ 17.1	-3.4%	-3.9%	4.2%	6.6%
Phoenix Home Life/Big Edge Plus/Growth	$6.42	na	2.8%	5.1%	13.7%	14.0%
Principal Mutual/Variable/Capital Accumulation	$10.58	$ 0.6	na	-1.2%	7.2%	6.1%
Provident Mutual/Market St. VIP 2/Fidelity VIP Growth	$482.60	$ 5.8	-4.8%	-3.8%	10.1%	8.8%
Prudential/Discovery Plus/Common Stock	$3.78	na	2.8%	6.7%	13.3%	10.7%
SAFECO/Resource Variable Account B/Growth	$14.49	$ 4.1	7.5%	12.6%	-	-
SAFECO/Spinnaker (NQ Flex)/Growth	$14.47	$ 0.2	7.4%	12.4%	-	-
SAFECO/Spinnaker (Q)/Growth	$14.47	$ 0.8	7.4%	12.4%	-	-
SAFECO/Spinnaker Plus/Growth	$14.49	$ 0.5	7.5%	12.6%	-	-
Security Benefit/Variflex/Growth	$ 28.39	$ 323.0	-1.3%	1.1%	9.8%	6.9%
State Mutual/Exec. Annuity Plus/Allmerica Growth	$1.23	na	-0.8%	1.5%	7.4%	-
Sun Life Canada/Regatta Gold/Capital Appreciation	$14.69	na	-1.7%	-2.6%	-	-
Travelers/Universal Annuity/Capital Appreciation	$1.78	na	-5.9%	-7.6%	9.9%	7.6%
Union Central/Carrillon Account/Equity	$27.74	$ 53.8	3.9%	6.8%	11.3%	8.2%
Xerox Finan. Svcs./Acct. for Perform./Stock Index	$11.79	$ 49.6	-0.7%	-4.1%	-	-

na=data not available

Table 10c. Variable Annuities-Growth (Equity), Performance & Fees

Contract Fee	Admin. Fee	Mortality and Expense	Mgt. Fee	Other	Total	Insurance Company/Contract/Fund Name
$30	.20%	1.25%	.97%	na	2.42%	Ameritas/Overture II/Alger Growth
$30	.15%	1.25%	.70%	.20%	2.30%	Anchor National/ICAP II/Capital Appreciation
$40	na	.73%	.69%	na	1.42%	Connecticut Mutual/Panorama/Growth (NQ)
$0	na	1.35%	.69%	na	2.04%	Fortis Benefits/Masters/Growth Stock
$0	.0%	1.00%	.60%	na	1.60%	General American/Individual Variable/Managed Equity
$30	.15%	1.25%	.75%	.25%	2.40%	General American/G.T. Global Allocator/America
$35	na	1.15%	.54%	na	1.69%	Guardian Life/Investor/Guardian Stock
$30	na	.99%	.58%	na	1.57%	Jefferson Pilot/Separate Account A/Capital Appreciation (NQ)
$30	na	1.25%	.28%	na	1.53%	John Hancock/Accomodator 2000/Stock
$30	na	1.25%	.64%	na	1.89%	Kemper Investors/Passport/Equity
$36	na	1.40	.84%	na	2.24%	Keyport Life/Preferred Advisor/Stein Roe Capital Appreciation
$0	na	1.00%	.47%	.02%	1.49%	Lincoln National/Multi Fund III/Special Opportunities
$30	na	1.00%	.50%	na	1.50%	Manulife Financial/Account II/Common Stock
$0	na	1.25%	.28%	na	1.53%	Metropolitan/Preference Plus/Growth
$30	.05%	1.25%	.50%	.02%	1.82%	Nationwide/Best of America IV/Total Return
$0	.15%	1.25%	.50%	.02%	1.92%	Nationwide/Best of America (NQ/IRA)/Total Return
$30	.40%	.95%	.66%	.02%	2.03%	New England Mutual/Zenith Accumulator/Capital Growth
$30	.15%	1.25%	.75%	.13%	2.28%	North American Security/Venture/Equity
$30	.25%	.85%	.45%	.18%	1.73%	Ohio National/TOP Annuity/Equity
$0	.25%	.65%	.45%	.18%	1.53%	Ohio National/TOP Plus/Equity
$30	.15%	1.25%	.75%	.26%	2.41%	Pacific Mutual/Select/Growth LT
$30	.0%	1.25%	1.00%	.0%	2.25%	Penn Mutual/Diversifier II/TCI Growth
$35	na	1.25%	.79%	na	2.04%	Phoenix Home Life/Big Edge Plus/Growth
.0%	-	1.25%	.49%	.02%	1.76%	Principal Mutual/Variable/Capital Accumulation
$30	.15%	1.25%	.63%	.12%	2.15%	Provident Mutual/Market St. VIP 2/Fidelity VIP Growth
$30	na	1.20%	.53%	na	1.73%	Prudential/Discovery Plus/Common Stock
$30	.0%	1.25%	.74%	.0%	1.99%	SAFECO/Resource Variable Account B/Growth
$30	.0%	1.25%	.74%	.0%	1.99%	SAFECO/Spinnaker (NQ Flex)/Growth
$30	.0%	1.25%	.74%	.0%	1.99%	SAFECO/Spinnaker (Q)/Growth
$30	.0%	1.25%	.74%	.0%	1.99%	SAFECO/Spinnaker Plus/Growth
$30	na	1.20%	.75%	.09%	2.04%	Security Benefit/Variflex/Growth
$30	na	1.45%	.54%	na	1.99%	State Mutual/Exec. Annuity Plus/Allmerica Growth
$30	na	1.40%	.83%	na	2.23%	Sun Life Canada/Regatta Gold/Capital Appreciation
$30	-	1.25%	.87%	na	2.12%	Travelers/Universal Annuity/Capital Appreciation
$30	.25%	1.20%	.62%	.08%	2.15%	Union Central/Carrillon Account/Equity
$30	.15%	1.25%	.50%	.10%	2.00%	Xerox Finan. Svcs./Acct. for Perform./Stock Index

na=data not available

Table 10d. Variable Annuities - Total Return (Equity Income), Performance & Fees

Insurance Company/Contract/Fund Name	Accum. Unit Value	VA Assets $ Mil	Performance Returns thru 9/30/94 YTD	1 Yr	3 Yr	5 Yr
Ameritas/Overture II/Fidelity Equity-Income	$20.58	na	7.1%	8.3%	14.8%	8.4%
Connecticut Mutual/Panorama/Total Return (NQ)	$ 4.01	na	-1.7%	-0.8%	10.0%	9.9%
Fortis Benefits/Masters/Asset Allocation	$ 1.78	na	-1.3%	0.0%	6.8%	7.6%
General American/Individual Variable/VIP Equity-Income	$10.68	$3.1	7.3%	8.6%	15.1%	8.6%
General American/G.T. Global Allocator/Growth & Income	$13.44	$24.3	-3.7%	1.3%	-	-
Guardian Life/Investor/Value Line Strategic Asset Management	$17.09	na	-5.9%	-6.8%	9.8%	-
John Hancock/Accomodator 2000/Managed	$18.75	na	-3.1%	-2.1%	6.5%	7.6%
Kemper Investors/Passport/Total Return	$1.01	na	-8.6%	-8.4%	3.8%	7.7%
Keyport Life/Preferred Advisor/Stein Roe Managed Assets	$15.37	na	-2.6%	-1.3%	5.7%	6.8%
Lincoln National/Multi Fund III/Growth	$4.61	$1,156	0.8%	3.5%	7.1%	7.6%
Manulife Financial/Account II/Balanced	$18.10	na	-3.2%	-2.8%	6.6%	7.3%
Metropolitan/Preference Plus/Diversified	$13.70	na	-3.2%	-3.0	8.3%	-
Nationwide/Best of America IV/Equity-Income	$18.89	$530.4	7.1%	8.2%	14.7%	8.3%
Nationwide/Best of America (NQ/IRA)/Equity-Income	$10.90	$34.7	7.0%	8.1%	14.6%	8.2%
New England Mutual/Zenith Accumulator/Equity-Income	$2.13	$46.8	7.0%	8.2%	6.2%	7.6%
North American Security/Venture/Growth & Income	$13.30	$393.0	3.2%	4.6%	8.6%	-
Ohio National/TOP Annuity/OMNI	$24.09	$51.8	-2.0%	-2.9%	7.7%	6.8%
Ohio National/Top Plus/OMNI	$9.97	$ 2.4	-1.8%	-2.6%	8.0%	7.2%
Pacific Mutual/Select/Equity-Income	$14.54	$ 27.3	2.6%	4.5%	8.6%	7.1%
Penn Mutual/Diversifier II/Flexibly Managed	$35.93	$ 142.0	4.1%	9.1%	9.9%	8.6%
Phoenix Home Life/Big Edge Plus/Total Return	$2.97	na	-2.0%	-0.8	8.3%	9.4%
Principal Mutual/Variable/Balanced	$10.28	$ 0.7	na	-3.9%	7.8%	7.0%
Provident Mutual/Market St. VIP 2/Fidelity VIP Equity-Income	$540.70	$ 4.7	9.1%	7.8%	14.3%	7.9%
Prudential/Discovery Plus/Aggressively Managed Flex	$2.87	na	-3.0%	-2.5%	8.4%	8.6%
SAFECO/Resource Variable Account B/Equity	$25.54	$ 48.8	8.1%	13.5%	14.9%	11.9%
SAFECO/Spinnaker (NQ Flex)/Equity	$25.50	$ 0.3	8.0%	13.3%	13.2%	10.8%
SAFECO/Spinnaker (Q)/Equity	$25.50	$ 1.4	8.0%	13.3%	13.2%	10.8%
SAFECO/Spinnaker Plus/Equity	$25.54	$ 1.1	8.1%	13.5%	14.9%	11.9%
Security Benefit/Variflex/Income-Growth	$31.12	$ 594.0	-3.9%	-4.6%	5.4%	7.5%
State Mutual/Exec. Annuity Plus/Allmerica Sel. Gwth & Income	$1.10	na	2.7%	3.5%	-	-
Sun Life Canada/Regatta Gold/Conservative Growth	$12.12	na	-0.7%	-0.8%	-	-
Travelers/Universal Annuity/Managed Assets	$2.22	na	-2.6%	-2.1%	5.2%	6.4%
Union Central/Carrillon Acct/Capital	$14.50	$ 31.2	-0.0%	3.6%	7.4%	-
Xerox Finan. Svcs./Acct. for Perform./Growth & Income	$16.88	$ 111.0	2.8%	-0.7%	10.7%	-

na=data not available

Table 10d. Variable Annuities - Total Return (Equity Income), Performance & Fees

Contract Fee	Admin. Fee	Mortality and Expense	Mgt. Fee	Other	Total	Insurance Company/Contract/Fund Name
$30	.20%	1.25%	.61%	na	2.06%	Ameritas/Overture II/Fidelity Equity-Income
$40	na	.73%	.60%	na	1.43%	Connecticut Mutual/Panorama/Total Return (NQ)
$0	na	1.35%	.56%	na	1.91%	Fortis Benefits/Masters/Asset Allocation
$0	.0%	1.00%	.62%	na	1.62%	General American/Individual Variable/VIP Equity-Income
$30	.15%	1.25%	1.00%	.25%	2.65%	General American/G.T. Global Allocator/Growth & Income
$35	na	1.15%	.61%	na	1.76%	Guardian Life/Investor/Value Line Strategic Asset management
$30	na	1.25%	.38%	na	1.63%	John Hancock/Accomodator 2000/Managed
$30	na	1.25%	.59%	na	1.84%	Kemper Investors/Passport/Total Return
$36	na	1.40%	.69%	na	2.09%	Keyport Life/Preferred Advisor/Stein Roe Managed Assets
$0	na	1.00%	.36%	.02%	1.38%	Lincoln National/Multi Fund III/Growth
$30	na	1.00%	.50%	na	1.50%	Manulife Financial/Account II/Balanced
$0	na	1.25%	.29%	na	1.54%	Metropolitan/Preference Plus/Diversified
$30	.05%	1.25%	.53%	.09%	1.92%	Nationwide/Best of America IV/Equity-Income
$0	.15%	1.25%	.53%	.09%	2.02%	Nationwide/Best of America IV (NQ/IRA)/Equity-Income
$30	.40%	.95%	.53%	.09%	1.97%	New England Mutual/Zenith Accumulator/Equity-Income
$30	.15%	1.25%	.75%	.10%	2.25%	North American Security/Venture/Growth & Income
$30	.25%	.85%	.45%	.17%	1.72%	Ohio National/TOP Annuity/OMNI
$0	.25%	.65%	.45%	.17%	1.52%	Ohio National/Top Plus/OMNI
$30	.15%	1.25%	.65%	.29%	2.34%	Pacific Mutual/Select/Equity-Income
$30	-	1.25%	.50%	.35%	2.10%	Penn Mutual/Diversifier II/Flexibly Managed
$35	na	1.25%	.74%	na	1.99%	Phoenix Home Life/Big Edge Plus/Total Return
$30	.0%	1.25%	.60%	.09%	1.94%	Principal Mutual/Variable/Balanced
$30	.15%	1.25%	.53%	.12%	2.05%	Provident Mutual/Market St. VIP 2/Fidelity VIP Equiy-Income
$30	na	1.20%	.66%	na	1.86%	Prudential/Discovery Plus/Aggressively Managed Flex
$30	.0%	1.25%	.74%	.04%	2.03%	SAFECO/Resource Variable Account B/Equity
$30	.0%	1.25%	.74%	.04%	2.03%	SAFECO/Spinnaker (NQ Flex)/Equity
$30	.0%	1.25%	.74%	.04%	2.03%	SAFECO/Spinnaker (Q)/Equity
$30	.0%	1.25%	.74%	.04%	2.03%	SAFECO/Spinnaker Plus/Equity
$30	na	1.20%	.75%	.09%	2.04%	Security Benefit/Variflex/Income-Growth
$30	na	1.45%	.99%	na	2.44%	State Mutual/Exec. Annuity Plus/Allmerica Sel. Gwth. & Income
$30	na	1.40%	.66%	na	2.06%	Sun Life Canada/Regatta Gold/Conservative Growth
$30	na	1.25%	.56%	na	1.81%	Travelers/Universal Annuity/Managed Assets
$30	.25%	1.20%	.70%	.12%	2.27%	Union Central/Carrillon Acct/Capital
$30	.15%	1.25%	.50%	.15%	2.05%	Xerox Finan. Svcs./Acct. for Perform./Growth & Income

na=data not available

Table 10e. Variable Annuities - International, Performance & Fees

Insurance Company/Contract/Fund Name	Accum. Unit Value	VA Assets $ Mil	Performance Returns thru 9/30/94 YTD	1 Yr	3 Yr	5 Yr
Ameritas/Overture II/Fidelity Overseas	$16.10	na	3.2%	8.8%	7.3%	6.2%
Anchor National/ICAP II/Foreign Securities	$12.21	$79.1	-1.4%	7.5%	0.8%	-1.3%
Fortis Benefits/Masters/Global Growth	$12.53	na	-2.0%	0.3%	-	-
General American/Individual Variable/VIP Overseas	$10.21	$2.1	3.4%	9.2%	7.6%	6.5%
General American/G.T. Global Allocator/Latin America	$21.92	$28.4	25.5%	64.7%	-	-
Guardian Life/Investor/Baillie Gifford International	$13.08	na	2.2%	10.5%	6.3%	-
John Hancock/Accomodator 2000/International	$15.33	na	-1.5%	9.9%	10.7%	7.8%
Kemper Investors/Passport/International	$1.28	na	-0.7%	8.2%	-	-
Lincoln National/Multi Fund III/International	$1.31	$297.8	5.4%	12.1%	10.1%	-
Metropolitan/Preference Plus/International Stock	$15.09	na	9.9%	17.9%	12.3%	-
Nationwide/Best of America IV/Global Securities	$12.31	$146.7	1.3%	24.0%	16.1%	-
Nationwide/Best of America (NQ/IRA)/Global Securities	$11.32	$29.0	1.2%	23.9%	16.0%	-
New England Mutual/Zenith Accumulator/Fidelity Overseas	$1.58	$63.8	3.1%	8.8%	5.0%	5.3%
North American Security/Venture/Global Equity	$16.45	$633.0	6.5%	8.9%	11.9%	5.9%
Ohio National/TOP Annuity/International	$13.66	$ 32.0	10.0%	20.1%	-	-
Ohio National/Top Plus/International	$11.95	$ 4.1	10.3%	20.5%	-	-
Pacific Mutual/Select/International	$11.90	$ 35.7	6.6%	12.1%	7.9%	3.8%
Penn Mutual/Diversifier II/International Equity	$13.72	$ 44.9	-1.1%	11.0%	-	-
Phoenix Home Life/Big Edge Plus/International	$1.33	na	4.6%	18.3%	7.2%	-
Provident Mutual/Market St. VIP 2/Mkt. St. International	$540.55	$ 4.8	1.3%	7.8%	-	-
Prudential/Discovery Plus/Global Equity	$1.42	na	-0.4%	11.0%	10.8%	5.5%
SAFECO/Resource Variable Account B/International	$ 10.98	$ 3.6	2.2%	10.2%	10.2%	7.3%
SAFECO/Spinnaker (NQ Flex)/International	$10.96	$ 0.2	2.1%	10.0%	10.0%	7.1%
SAFECO/Spinnaker (Q)/International	$10.96	$ 0.7	2.1%	10.0%	10.0%	7.1%
SAFECO/Spinnaker Plus/International	$10.98	$ 0.6	2.2%	10.2%	10.2%	7.3%
Security Benefit/Variflex/Worldwide Equity	$11.86	$ 150.0	5.4%	10.7%	10.2%	-
State Mutual/Exec. Annuity Plus/Fidelity Overseas	$1.26	na	3.1%	8.6%	7.1%	6.0%
Sun Life Canada/Regatta Gold/World Growth	$11.26	na	6.0%	-	-	-
Travelers/Universal Annuity/Templeton Stock	$1.40	na	1.4%	10.3%	14.8%	9.4%
Union Central/Carrillon Acct/International	$13.53	$ 12.9	1.4%	9.3%	-	-

na=data not available

Table 10e. Variable Annuities - International, Performance & Fees

Contract Fee	Admin. Fee	Mortality and Expense	Mgt. Fee	Other	Total	Insurance Company/Contract/Fund Name
$30	.20%	1.25%	1.03%	na	2.48%	Ameritas/Overture II/Fidelity Overseas
$30	.15%	1.25%	.90%	.40%	2.70%	Anchor National/ICAP II/Foreign Securities
$0	na	1.35%	1.02%	na	2.37%	Fortis Benefits/Masters/Global Growth
$0	.0%	1.00%	1.03%	na	2.03%	General American/Individual Variable/VIP Overseas
$30	.15%	1.25%	1.00%	.25%	2.65%	General American/G.T. Global Allocator/Latin American
$35	na	1.15%	1.11%	na	2.26%	Guardian Life/Investor/Baillie Gifford International
$30	na	1.25%	.85%	na	2.10%	John Hancock/Accomodator 2000/International
$30	na	1.25%	.92%	na	2.17%	Kemper Investors/Passport/International
$0	na	1.00%	.89%	.35%	2.24%	Lincoln National/Multi Fund III/International
$0	na	1.25%	1.14%	na	2.39%	Metropolitan/Preference Plus/International Stock
$30	.05%	1.25%	.72%	.20%	2.22%	Nationwide/Best of America IV/Global Securities
$0	.15%	1.25%	.72%	.20%	2.32%	Nationwide/Best of America (NQ/IRA)/Global Securities
$30	.40%	.95%	.77%	.26%	2.38%	New England Mutual/Zenith Accumulator/Fidelity Overseas
$30	.15%	1.25%	.90%	.26%	2.56%	North American Security/Venture/Global Equity
$30	.25%	.85%	.90%	.49%	2.49%	Ohio National/TOP Annuity/International
$0	.25%	.65%	.90%	.49%	2.29%	Ohio National/Top Plus/International
$30	.15%	1.25%	.85%	.67%	2.92%	Pacific Mutual/Select/International
$30	-	1.25%	.75%	.49%	2.49%	Penn Mutual/Diversifier II/International Equity
$35	na	1.25%	1.15%	na	2.35%	Phoenix Home Life/Big Edge Plus/International
$30	.15%	1.25%	.75%	.75%	2.90%	Provident Mutual/Market St. VIP 2/Mkt. St. International
$30	na	1.20%	1.44%	na	2.64%	Prudential/Discovery Plus/Global Equity
$30	.0%	1.25%	.88%	.32%	2.45%	SAFECO/Resource Variable Account B/International
$30	.0%	1.25%	.88%	.32%	2.45%	SAFECO/Spinnaker (NQ Flex)/International
$30	.0%	1.25%	.88%	.32%	2.45%	SAFECO/Spinnaker (Q)/International
$30	.0%	1.25%	.88%	.32%	2.45%	SAFECO/Spinnaker Plus/International
$30	na	1.20%	1.00%	.36%	2.56%	Security Benefit/Variflex/Worldwide Equity
$30	na	1.45%	1.03%	na	2.48%	State Mutual/Exec. Annuity Plus/Fidelity Oveseas
$30	na	1.40%	1.02%	na	2.42%	Sun Life Canada/Regatta Gold/World Growth
$30	na	1.25%	.73%	na	1.98%	Travelers/Universal Annuity/Templeton Stock
$30	.25%	1.20%	.88%	.32%	2.65%	Union Central/Carrillon Acct/International

na=data not available

Table 10f. Variable Annuities - Miscellaneous Accounts, Performance & Fees

Insurance Company/Contract/Fund Name	Accum. Unit Value	VA Assets $ Mil	Performance Returns thru 9/30/94 YTD	1 Yr	3 Yr	5 Yr
Anchor National/ICAP II/Natural Resources	$16.38	$27.7	8.4%	22.7%	13.0%	5.5%
Anchor National/ICAP II/Convertible Securities	$17.78	$40.6	-5.0%	-2.8%	11.6%	8.7%
General American/Individual Variable/VIP Growth Portfolio	$9.68	$3.4	-3.2%	-3.1%	10.8%	9.5%
General American/Individual Variable/Asset Allocation	$16.86	$8.9	-2.9%	-0.6%	5.5%	6.1%
General American/Individual Variable/S&P 500 Index	$20.21	$18.3	0.6%	2.5%	7.9%	7.7%
General American/G.T. Global Allocator/Telecommunications	$13.69	$32.4	5.1%	-	-	-
General American/G.T. Global Allocator/Europe	$15.12	$14.5	-0.1%	6.3%	-	-
General American/G.T. Global Allocator/New Pacific	$15.27	$19.7	-3.8%	8.7%	-	-
General American/G.T. Global Allocator/Strategic Income	$12.96	$24.0	-14.2%	-5.2%	-	-
General American/G.T. Global Allocator/Global Gov't Income	$11.77	$9.7	-9.1%	-7.0%	-	-
Lincoln National/Multi Fund III/Aggressive Growth	$0.91	$ 47.8	-12.0%	-	-	-
Lincoln National/Multi Fund III/Equity-Income	$1.07	$ 58.8	4.3%	-	-	-
Lincoln National/Multi Fund III/Putnam Master	$1.66	$ 197.9	-1.9%	0.9%	7.8%	7.7%
Lincoln National/Multi Fund III/Managed	$2.75	$461.9	-2.9%	-2.1%	5.5%	6.5%
Lincoln National/Multi Fund III/Social Awareness	$2.03	$162.7	0.7%	-0.1%	8.3%	8.1%
Lincoln National/Multi Fund III/Capital Appreciation	$1.01	$ 40.0	-0.8%	-	-	-
New England Mutual/Zenith Accumulator/Stock Index	$1.78	$24.7	-0.1%	1.9%	7.3%	7.1%
North American Security/Venture/Conservative Asset Allocation	$12.32	$232.0	-2.9%	-2.4%	5.1%	4.0%
North American Security/Venture/Value Equity	$11.67	$201.0	4.4%	7.8%	-	-
North American Security/Venture/Global Government Bond	$14.61	$217.0	-7.2%	-5.6%	5.2%	7.2%
North American Security/Venture/Pasadena Growth	$9.05	$145.0	-3.9%	0.5%	-	-
Ohio National/Top Plus/Capital Appreciation	$10.48	$ 0.5	4.8%	-	-	-
Ohio National/Top Plus/Small Cap	$11.96	$ 0.6	19.6%	-	-	-
Pacific Mutual/Select/Growth	$17.21	$ 31.3	-4.4%	0.4%	15.8%	9.5%
Pacific Mutual/Select/High Yield Bond	$16.06	$ 11.0	0.3%	3.9%	13.8%	11.7%
Pacific Mutual/Select/Multi Strategy	$14.58	$ 25.0	0.2%	1.6%	7.6%	7.3%
Pacific Mutual/Select/Gov't Securities	$13.35	$ 14.9	-5.5%	-5.2%	5.9%	8.1%
Pacific Mutual/Select/Equity Index	$12.08	$ 8.8	1.1%	3.4%	8.5%	-
Penn Mutual/Diversifier II/High Yield	$23.59	$ 30.1	-4.7%	-0.3%	10.5%	8.2%
Penn Mutual/Diversifier II/Growth Equity	$25.55	$ 74.0	-10.5%	-10.2%	4.7%	3.9%
Penn Mutual/Diversifier II/Value Equity	$18.73	$ 71.5	3.7%	4.2%	8.9%	6.4%
Penn Mutual/Diversifier II/Balanced Fund	$10.36	$ 11.7	-3.3%	-4.1%	4.9%	5.5%
Penn Mutual/Diversifier II/Limited Maturity Bond	$10.06	$ 4.3	-1.2%	-1.3%	3.9%	5.4%
Principal Mutual/Variable/Gov't Securities	$9.97	$ 0.9	na	-11.6%	2.4%	6.2%
Provident Mutual/Market St. VIP 2/Fidelity Asset Manager	$510.22	$ 10.4	-5.6%	1.7%	8.9%	9.8%
SAFECO/Resource Variable Account B/Northwest	$10.41	$ 0.8	4.9%	7.0%	-	-
SAFECO/Resource Variable Account B/Balanced	$10.13	$ 0.9	-2.1%	-1.6%	5.6%	6.0%
SAFECO/Spinnaker (NQ Flex)/Northwest	$10.39	$ 0.03	4.8%	6.8%	-	-
SAFECO/Spinnaker (NQ Flex)/Balanced	$10.06	$ 0.07	-2.7%	-2.3%	5.3%	5.7%
SAFECO/Spinnaker (Q)/Northwest	$10.39	$ 0.1	4.8%	6.8%	-	-
SAFECO/Spinnaker (Q)/Balanced	$10.06	$ 0.2	-2.7%	-2.3%	5.3%	5.7%
SAFECO/Spinnaker Plus/Northwest	$10.41	$ 0.08	4.9%	7.0%	-	-
SAFECO/Spinnaker Plus/Balanced	$10.13	$ 0.1	-2.1%	-1.6%	5.6%	6.0%
Security Benefit/Variflex/Emerging Growth	$12.96	$ 73.0	-7.2%	-5.5%	-	-
Union Central/Carrillon Acct/Scudder Capital Growth	$11.54	$ 10.0	-9.5%	-6.2%	-	-

na=data not available

Table 10f. Variable Annuities - Miscellaneous Accounts, Performance & Fees

Contract Fee	Admin. Fee	Mortality and Expense	Mgt. Fee	Other	Total	Insurance Company/Contract/Fund Name
$30	.15%	1.25%	.80%	.30%	2.50%	Anchor National/ICAP II/Natural Resources
$30	.15%	1.25%	.70%	.20%	2.30%	Anchor National/ICAP II/Convertible Securities
$0	.0%	1.00%	.71%	na	1.71%	General American/Individual Variable/VIP Growth Portfolio
$0	.0%	1.00%	.60%	na	1.60%	General American/Individual Variable/Asset Allocation
$0	.0%	1.00%	.30%	na	1.30%	General American/Individual Variable/S&P 500 Index
$30	.15%	1.25%	1.00%	.25%	2.65%	General American/G.T. Global Allocator/Telecommunications
$30	.15%	1.25%	1.00%	.25%	2.65%	General American/G.T. Global Allocator/Europe
$30	.15%	1.25%	1.00%	.25%	2.65%	General American/G.T. Global Allocator/New Pacific
$30	.15%	1.25%	.75%	.25%	2.40%	General American/G.T. Global Allocator/Strategic Income
$30	.15%	1.25%	.75%	.25%	2.40%	General American/G.T. Global Allocator/Global Gov't Income
$0	na	1.00%	.75%	na	1.75%	Lincoln National/Multi Fund III/Aggressive Growth
$0	na	1.00%	.95%	na	1.95%	Lincoln National/Multi Fund III/Equity-Income
$0	na	1.00%	.74%	.31%	2.05%	Lincoln National/Multi Fund III/Putnam Master
$0	na	1.00%	.43%	.02%	1.45%	Lincoln National/Multi Fund III/Managed
$0	na	1.00%	.48%	.03%	1.51%	Lincoln National/Multi Fund III/Social Awarenesws
$0	na	1.00%	.80%	na	1.80%	Lincoln National/Multi Fund III/Capital Appreciation
$30	.40%	.95%	.25%	.09%	1.69%	New England Mutual/Zenith Accumulator/Stock Index
$30	.15%	1.25%	.75%	.11%	2.26%	North American Security/Venture/Conservative Asset Allocation
$30	.15%	1.25%	.80%	.14%	2.34%	North American Security/Venture/Value Equity
$30	.15%	1.25%	.80%	.26%	2.46%	North American Security/VentureGlobal Government Bond
$30	.15%	1.25%	.98%	na	2.38%	North American Security/Venture/Pasadena Growth
$0	.25%	.65%	.80%	.18%	1.88%	Ohio National/Top Plus/Capital Appreciation
$0	.25%	.65%	.80%	.20%	1.90%	Ohio National/Top Plus/Small Cap
$30	.15%	1.25%	.65%	.21%	2.26%	Pacific Mutual/Select/Growth
$30	.15%	1.25%	.60%	.25%	2.25%	Pacific Mutual/Select/High Yield Bond
$30	.15%	1.25%	.65%	.28%	2.33%	Pacific Mutual/Select/Multi Strategy
$30	.15%	1.25%	.60%	.25%	2.25%	Pacific Mutual/Select/Gov't Securities
$30	.15%	1.25%	.25%	.27%	1.92%	Pacific Mutual/Select/Equity Index
$30	.0%	1.25%	.50%	.37%	2.12%	Penn Mutual/Diversifier II/High Yield
$30	.0%	1.25%	.44%	.33%	2.02%	Penn Mutual/Diversifier II/Growth Equity
$30	na	1.25%	.50%	.33%	2.08%	Penn Mutual/Diversifier II/Value Equity
$30	na	1.25%	.70%	.28%	2.23%	Penn Mutual/Diversifier II/Balanced Fund
$30	na	1.25%	.50%	.22%	2.02%	Penn Mutual/Diversifier II/Limited Maturity Bond
$30	.0%	1.25%	.50%	.05%	1.80%	Principal Mutual/Variable/Gov't Securities
$30	.15%	1.25%	.73%	.18%	2.31%	Provident Mutual/Market St. VIP 2/Fidelity Asset Manager
$30	.0%	1.25%	.74%	.0%	1.99%	SAFECO/Resource Variable Account B/Northwest
$30	.0%	1.25%	.48%	.27%	2.00%	SAFECO/Resource Variable Account B/Balanced
$30	.0%	1.25%	.74%	.0%	1.99%	SAFECO/Spinnaker (NQ Flex)/Northwest
$30	.0%	1.25%	.48%	.27%	2.00%	SAFECO/Spinnaker (NQ Flex)/Balanced
$30	.0%	1.25%	.74%	.0%	1.99%	SAFECO/Spinnaker (Q)/Northwest
$30	.0%	1.25%	.48%	.27%	2.00%	SAFECO/Spinnaker (Q)/Balanced
$30	.0%	1.25%	.74%	.0%	1.99%	SAFECO/Spinnaker Plus/Northwest
$30	.0%	1.25%	.48%	.27%	2.00%	SAFECO/Spinnaker Plus/Balanced
$30	na	1.20%	.75%	.14%	2.09%	Security Benefit/Variflex/Emerging Growth
$30	.25%	1.20%	.47%	.13%	2.05%	Union Central/Carrillon Acct/Scudder Capital Growth

na=data not available

STRUCTURED SETTLEMENT UPDATE

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 adjustment (COLA). The COLA adjustment is made at the beginning of each year with monthly payments during the year remaining at a constant level (i.e., in the first year at $1,000; in year 2 at $1,030; in year 3 at $1,060.90; etc.) Quotes assume (1) normal life expectancy (i.e. plaintiff's injury is not life impairing), (2) that the cost of any third-party assignment is extra, and (3) that the first payment date is one month af there 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. The **"Male 15 0% COLA"** column reports the cost of $1,000 of monthly income for life purchased for a 15 year old male, assuming a 0% cost of living adjustment. **"Male 15 3% COLA"** reports the cost of an escalating lifetime annuity for a male age 15. The annuity states at $1,000 a month and increases by 3% on each policy anniversary. Remaining columns show similar figures for male age 50, and for females ages 15 and 50. **"Add'l Cost Assignment"** indicates the availability and cost of a third-party assignment.

Table 11. Structured Settlement Annuities

	ISSUE AGES AND FORMS OF ANNUITY								
Reporting Companies	Male 15 0% COLA	Male 15 3% COLA	Male 50 0% COLA	Male 50 3% COLA	Fem. 15 0% COLA	Fem 15 3% COLA	Fem. 50 0% COLA	Fem. 50 3% COLA	Add'l Cost Assignment
Empire Life	$190,227	$313,718	$156,983	$219,078	$192,389	$322,894	$167,016	$239,837	na
Fidel.& Guar LIC	$182,084	$317,388	$142,375	$194,196	$189,910	$352,798	$156,798	$223,058	$500
Presidential	$170,275	$269,616	$134,711	$178,639	$174,303	$283,886	$146,972	$202,503	$100
Standard	$197,166	$355,091	$158,734	$224,940	$200,529	$372,779	$168,724	$247,124	$500
WM LIC	$190,227	$313,718	$156,983	$219,078	$192,389	$322,894	$167,016	$239,837	na

Survey period: Oct. 25, 1994 thru Oct. 28, 1994.

GICS UPDATE

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 almost exclusively available to only large corporate or institutional buyers, such as pension plans. They are NOT available to individual investors. GICs are usually backed by the general account assets of the insurers. The "Bullet" GICs illustrated below do not permit withdrawals before maturity (and are quoted without commissions).

Table 12. Bullet GICs

		$500,000 Deposit				$3,000,000 Deposit			
		Compound		Simple		Compound		Simple	
Reporting Companies	Date of Quote	3 Yr	7 Yr	3 Yr	7 Yr	3 Yr	7 Yr	3 Yr	7 Yr
Allmerica Financial	10/13	7.43%	8.23%	7.38%	8.10%	7.52%	8.29%	7.47%	8.17%
Canada Life	10/13	-	-	7.01%	7.62%	-	-	7.15%	7.74%
Hartford	10/13	7.16%	7.96%	7.10%	7.81%	7.16%	7.96%	7.10%	7.81%
Lincoln Nat'l	10/13	6.99%	7.91%	7.00%	7.85%	7.18%	7.99%	7.20%	7.95%
Principal Mutual	10/13	7.15%	7.85%	7.10%	7.68%	7.20%	7.90%	7.15%	7.73%
Prudential	10/13	-	-	-	-	7.23%	8.05%	7.19%	7.91%
Reliance Std. LIC	10/24	7.49%	8.02%	7.43%	8.02%	7.52%	8.04%	7.47%	8.04%
Sun Life of America	10/13	7.50%	8.14%	7.50%	8.14%	7.60%	8.18%	7.60%	8.18%

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

The premiums illustrated below are for a male or female, both nonsmokers, who purchase a yearly renewable term policy with a face amount of $250,000—at various ages; 35, 40, 45, 50, 55, and 60—and who continue to renew the policy 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 show the initial premium for entry at that age. The columns headed **"Ages 35-39" "inclusive," etc.,** show the aggregate cost for the five years indicated.

Table 13a. Yearly Renewable Term Life Ins. - Male Non-Smoker Rates $250,000 Face

Company	Policy Name	Aage 35	35-39 inclusive	Age 40	40-44 inclusive	Age 45	45-49 inclusive
Central Life	YRT	$ 253	$ 1,441	$ 350	$ 2,650	$ 675	$ 6,208
Chubb Sovereign	TrackOne	$ 238	$ 1,450	$ 245	$ 1,825	$ 348	$ 2,463
Columbia Universal	T-90 ART	$ 273	$ 1,435	$ 328	$ 1,897	$ 463	$ 2,639
Federal Home Life	Term Saver	$ 463	$ 2,418	$ 518	$ 2,890	$ 680	$ 3,965
Fidelity & Guaranty	1 Yr R&C Term	$ 208	$ 1,471	$ 233	$ 1,953	$ 278	$ 2,663
Jackson National	YRT 100	$ 255	$ 1,548	$ 298	$ 2,038	$ 348	$ 2,693
Kansas City Life	YRT to 95	$ 238	$ 1,438	$ 263	$ 1,813	$ 300	$ 2,500
Lincoln Security	Lifeline - 1	$ 258	$ 1,698	$ 270	$ 2,080	$ 350	$ 2,982
National Guardian	ART	$ 388	$ 2,220	$ 543	$ 3,118	$ 748	$ 4,210
Ohio National	YRT-99	$ 338	$ 1,425	$ 438	$ 1,890	$ 566	$ 2,445
Principal Mutual LIC	ART	$ 288	$ 1,562	$ 355	$ 2,096	$ 440	$ 2,853
Savings Bank	YRT	$ 218	$ 1,135	$ 243	$ 1,388	$ 345	$ 2,038
Security Benefit LIC	YRT-100	$ 283	$ 1,405	$ 428	$ 2,228	$ 658	$ 3,403
Security CT LIC	Lifeline - 1	$ 258	$ 1,698	$ 270	$ 2,080	$ 322	$ 2,955
Secur.Mutual/NY	Prime Life	$ 268	$ 1,565	$ 323	$ 2,068	$ 328	$ 2,725
Southwestern LIC	ART 100	$ 350	$ 1,843	$ 403	$ 2,235	$ 545	$ 3,298

Survey period: Oct. 25, 1994 thru Oct. 28, 1994

Table 13b. Yearly Renewable Term Life Ins. - Male Non-Smoker Rates $250,000 Face

Company	Policy Name	Age 50	50-54 inclusive	Age 55	55-59 inclusive	Age 60	60-64 inclusive
Central Life	YRT	$1,325	$ 8,223	$1,958	$13,111	$3,135	$21,251
Chubb Sovereign	TrackOne	$ 385	$ 3,595	$ 560	$ 5,045	$ 893	$ 8,225
Columbia Universal	T-90 ART	$ 630	$ 3,577	$ 868	$ 5,122	$1,313	$ 7,952
Federal Home Life	Term Saver	$ 945	$ 5,248	$1,323	$ 8,068	$2,128	$13,415
Fidelity & Guaranty	1 Yr R&C Term	$ 380	$ 3,412	$ 565	$ 5,522	$1,120	$ 9,401
Jackson National	YRT 100	$ 430	$ 3,678	$ 600	$ 5,300	$ 875	$ 7,638
Kansas City Life	YRT to 95	$ 425	$ 3,625	$ 588	$ 5,313	$ 938	$ 8,313
Lincoln Security	Lifeline - 1	$ 470	$ 4,140	$ 710	$ 6,385	$1,070	$10,343
National Guardian	ART	$1,013	$ 5,978	$1,530	$ 9,140	$2,340	$14,253
Ohio National	YRT-99	$ 741	$ 3,320	$ 1,146	$ 5,035	$ 1,556	$ 7,090
Principal Mutual LIC	ART	$ 555	$ 4,103	$ 763	$ 6,009	$1,370	$10,226
Savings Bank	YRT	$ 525	$ 3,168	$ 868	$ 5,255	$ 1,410	$ 8,485
Security Benefit LIC	YRT-100	$ 993	$ 5,185	$ 1,445	$ 7,520	$ 2,248	$11,875
Security Conn.	Lifeline - 1	$ 470	$ 4,140	$ 710	$ 6,385	$1,070	$10,343
Secur.Mutual/NY	Prime Life	$ 408	$ 3,613	$ 580	$ 5,160	$ 825	$ 7,843
Southwestern LIC	ART 100	$ 863	$ 5,095	$1,273	$ 7,423	$1,875	$11,395

Survey period: Oct. 25, 1994 thru Oct. 28, 1994

Table 13c. Yearly Renewable Term Life Ins. - Female Non-Smoker Rates $250,000 Face

Company	Policy Name	Age 35	35-39 inclusive	Age 40	40-44 inclusive	Age 45	45-49 inclusive
Central Life Assurance	YRT	$ 243	$ 1,387	$ 338	$ 2,544	$ 648	$ 5,816
Chubb Sovereign	TrackOne	$ 228	$ 1,410	$ 240	$ 1,718	$ 265	$ 1,975
Columbia Universal	T-90 ART	$ 263	$ 1,339	$ 278	$ 1,490	$ 353	$ 2,032
Federal Home Life	Term Saver	$ 393	$ 2,008	$ 415	$ 2,180	$ 473	$ 2,550
Fidelity & Guaranty LIC	1 Yr R&C Term	$ 208	$ 1,398	$ 215	$ 1,634	$ 250	$ 2,241
Jackson National	YRT 100	$ 248	$ 1,380	$ 253	$ 1,500	$ 288	$ 1,925
Kansas City Life	YRT to 95	$ 188	$ 1,190	$ 238	$ 1,563	$ 263	$ 1,938
Lincoln Security	Lifeline - 1	$ 222	$ 1,452	$ 267	$ 1,938	$ 338	$ 2,435
National Guardian	ART	$ 370	$ 2,118	$ 520	$ 2,993	$ 725	$ 4,085
Ohio National	YRT-99	$ 321	$ 1,300	$ 348	$ 1,495	$ 461	$ 1,987
Principal Mutual LIC	ART	$ 283	$ 1,496	$ 293	$ 1,644	$ 370	$ 2,224
Savings Bank LIC/MA	YRT	$ 218	$ 1,135	$ 243	$ 1,388	$ 345	$ 2,038
Security Benefit LIC	YRT-100	$ 225	$ 1,115	$ 338	$ 1,765	$ 520	$ 2,693
Security Conn.	Lifeline - 1	$ 208	$ 1,343	$ 242	$ 1,737	$ 300	$ 2,147
Secur.Mutual/NY	Prime Life	$ 208	$ 1,208	$ 248	$ 1,588	$ 253	$ 2,073
Southwestern LIC	ART 100	$ 323	$ 1,713	$ 378	$ 2,110	$ 510	$ 2,978

Survey period: Oct. 25, 1994 thru Oct. 28, 1994

Table 13d. Yearly Renewable Term Life Ins. - Female Non-Smoker Rates $250,000 Face

Company	Policy Name	Age 50	50-54 inclusive	Age 55	55-59 inclusive	Age 60	60-64 inclusive
Central Life Assurance	YRT	$1,215	$ 7,273	$1,683	$10,373	$2,340	$14,902
Chubb Sovereign	TrackOne	$ 340	$ 3,018	$ 480	$ 3,908	$ 643	$ 5,690
Columbia Universal	T-90 ART	$ 495	$ 2,806	$ 668	$ 3,815	$ 935	$ 5,567
Federal Home Life	Term Saver	$ 590	$ 3,315	$ 848	$ 5,238	$1,395	$ 8,668
Fidelity & Guaranty LIC	1 Yr R&C Term	$ 315	$ 2,953	$ 423	$ 3,999	$ 758	$ 6,894
Jackson National	YRT 100	$ 338	$ 2,545	$ 410	$ 3,423	$ 558	$ 4,908
Kansas City Life	YRT to 95	$ 313	$ 2,563	$ 400	$ 3,500	$ 563	$ 5,070
Lincoln Security	Lifeline - 1	$ 403	$ 3,320	$ 465	$ 4,315	$ 780	$ 6,600
National Guardian	ART	$ 965	$ 5,418	$1,285	$ 7,265	$1,723	$ 9,750
Ohio National	YRT-99	$ 596	$ 2,575	$ 793	$ 3,605	$ 1,221	$ 5,347
Principal Mutual LIC	ART	$ 460	$ 3,064	$ 585	$ 4,418	$ 828	$ 6,596
Savings Bank LIC/MA	YRT	$ 525	$ 3,168	$ 868	$ 5,255	$ 1,410	$ 8,485
Security Benefit LIC	YRT-100	$ 785	$ 4,100	$ 1,143	$ 5,948	$ 1,778	$ 9,388
Security Conn.	Lifeline - 1	$ 370	$ 3,042	$ 445	$ 4,122	$ 745	$ 6,298
Secur.Mutual/NY	Prime Life	$ 313	$ 2,748	$ 443	$ 3,908	$ 623	$ 5,820
Southwestern LIC	ART 100	$ 735	$ 4,180	$ 985	$ 5,400	$1,238	$ 6,952

Survey period: Oct. 25, 1994 thru Oct. 28, 1994

The premiums illustrated below assume that a non-smoker male or female purchases 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 Life Ins. - Male Non-Smoker Rates $250,000 Face

Company	Policy Name	Age 35	Age 40	Age 45	Age 50	Age 55	Age 60
Amer.Life&Casualty	Protector	$ 333	$ 463	$ 705	$1,113	$1,563	$2,125
Canada Life Assur.	Total Protection	$ 388	$ 488	$ 775	$1,208	$1,763	$2,563
Central Life Assur	10YT	$ 298	$ 298	$ 545	$ 545	$2,153	$3,135
Chubb Sovereign	Track Ten	$ 273	$ 383	$ 530	$ 790	$1,180	$1,863
Columbia Universal	T-90 Level	$ 290	$ 403	$ 563	$ 780	$1,160	$1,860
Federal Home Life	Diamond 10	$ 485	$ 630	$ 865	$1,238	$1,820	$2,820
Fidelity & Guar.	10 Yr. R&C Term	$ 288	$ 410	$ 563	$ 823	$1,235	$1,840
Jackson National	10-Year R&C	$ 278	$ 373	$ 513	$ 750	$1,060	$1,612
Kansas City Life	Level 10	$ 275	$ 385	$ 540	$ 763	$1,163	$1,780
Manhattan Nat'l	Super Saver	$ 273	$ 365	$ 495	$ 720	$1,045	$1,545
Nat'l Guardian	10 Yr Level Term	$ 393	$ 480	$ 653	$ 940	$1,600	$2,383
Ohio National	Q-10	$ 290	$ 400	$ 540	$ 798	$1,193	$1,758
Presidential	10-Year Term	$ 340	$ 420	$ 575	$ 823	$1,183	$1,823
Principal Finan.	10-Yr Level Term	$ 315	$ 433	$ 618	$ 920	$1,390	$2,193
Security Benefit LIC	Security 10 LT	$ 400	$ 540	$ 763	$1,063	$1,525	$2,323
Security Conn.	Lifeline - 10	$ 392	$ 538	$ 748	$1,112	$1,673	$2,635
Security Mutual/NY	Prime 10	$ 393	$ 480	$ 645	$ 875	$1,283	$1,910
Southwestern LIC	10-Year Term	$ 410	$ 540	$ 718	$1,030	$1,485	$2,415
*USG Annuity & Life	Quick 10Yr Level	$ 290	$ 375	$ 555	$ 793	$1,220	$1,858

Survey period: Oct. 25 thru Oct 28, 1994

Table 14b. Ten-Year Level Term Life Ins. - Female Non-Smoker Rates $250,000 Face

Company	Policy Name	Age 35	Age 40	Age 45	Age 50	Age 55	Age 60
Amer.Life&Casualty	Protector	$ 268	$ 395	$ 528	$ 803	$1,085	$1,730
Canada Life	Total Protection	$ 350	$ 470	$ 675	$ 950	$1,325	$1,838
Central Life Assur	10YT	$ 290	$ 290	$ 440	$ 440	$1,810	$2,498
Chubb Sovereign	Track Ten	$ 265	$ 338	$ 405	$ 635	$ 820	$1,248
Columbia Universal	T-90 Level	$ 268	$ 305	$ 433	$ 600	$ 838	$1,268
Federal Home Life	Diamond 10	$ 400	$ 490	$ 588	$ 825	$1,175	$1,608
Fidelity & Guar.	10 Yr. R&C Term	$ 273	$ 288	$ 410	$ 563	$ 823	$1,235
Jackson National	10-Year R&C	$ 238	$ 300	$ 395	$ 530	$ 700	$ 975
Kansas City Life	Level 10	$ 238	$ 308	$ 410	$ 565	$ 753	$1,025
Manhattan Nat'l	Super Saver	$ 263	$ 273	$ 365	$ 495	$ 720	$1,045
Nat'l Guardian	10 Yr Level Term	$ 390	$ 503	$ 630	$ 878	$1,308	$1,833
Ohio National	Q-10	$ 238	$ 343	$ 468	$ 645	$ 930	$1,335
Presidential	10-Year Term	$ 290	$ 333	$ 405	$ 490	$ 683	$1,065
Principal Finan.	10-Yr Level Term	$ 303	$ 330	$ 465	$ 665	$ 995	$1,515
Security Benefit LIC	Security 19 LT	$ 350	$ 463	$ 613	# 845	$1,175	$1,688
Security Conn.	Lifeline - 10	$ 328	$ 447	$ 675	$ 833	$1,045	$1,815
Security Mutual/NY	Prime 10	$ 340	$ 415	$ 508	$ 738	$ 988	$1,330
Southwestern LIC	10-Year Term	$ 398	$ 500	$ 638	$ 880	$1,220	$1,655
USG Annuity & Life	Quick 10Yr Level	$ 243	$ 323	$ 438	$ 570	$ 808	$1,143

Survey period: Oct. 25, 1994 thru Oct. 28, 1994

LIFE INSURANCE UPDATE

The illustrations below are based on a single premium deposit of $100,000 and reflect the rates for a male age 45 who is a non-smoker. The "**Initial Credit %**" column shows the current rate offered for initial deposits. "**Yield Guarantee Period**" is the period for which the initial credit rate will remain unchanged. "**Surrender Fees/Year**" reports the penalties in effect for the sample years iindicated.

Table 15. Single Premium Life Insurance

Companies	Policy Name (Product Type)	Issue Ages	Initial Credit%	Yield Guar. Period	Surrender Fes/Year 1	5	10	Net Cash Value Age 65	Net Death Benefit at Age 65
Amer.Life/Casualty	SPL (UL)	20-75	6.30%	na	10%	6%	1%	$303.308	$525.332
Jackson National	SPWL-I (WL)	0-80	6.00%	1 Year	9%	5%	0%	$320,714	$550,018
Presidential	Taxbreaker II (UL)	0-75	6.00%	1 Year	7%	4%	0%	$320,714	$512,423
Southwestern LIC	SPWL (WL)	0-80	6.00%	-	-	-	-	$197,566	$426,709
Western United	Freedom III (WL)	0-80	5.25%	1 Year	10%	7%	3%	$278,254	$425,647
USG Annuity & Life	Life 3 (UL)	30-85	8.15%	1 Year	9%	5%	0%	$276,469	$483,821

Survey period: Oct. 25, 1994 thru Oct. 28, 1994

LIFE & HEALTH GUARANTY ASSOCIATIONS

Most states have guaranty funds to help pay the claims of financially impaired insurance companies. State laws specify the lines of insurance covered by these funds and the dollar limits payable. Coverage is usually for individual policyholders and their beneficiaries and not for values held in unallocated group contracts. Most states also restrict insurance agents and companies from advertising the funds' availability.

There are many issues, too numerous to describe here, which determine the type and extent of coverage available. You are advised to consult your state insurance department for details about any policy you consider purchasing. Another source information is the National Organization of Life ar Health Insurance Guaranty Associations (NOLHG/ 13873 Park Center Road, Suite 329, Herndon, V 22071). NOLHGA provided the information sun marized below:

LIABILITY LIMITS

State	Aggregate Benefits	Death Benefits	Cash Values	PV of Annuities	Insurance Commisioners' Phone Numbers
Alabama	**$300,000**	-	**$100,000**	**$100,000**	**(205) 269-3550**
Alaska	$300,000	$300.000	$100.000	$100,000	(907) 465-2515
Arizona	**$300,000**	-	**$100,000**	**$100,000**	**(602) 912-8420**
Arkansas	$300,000	$100,000	$100,000	$100,000	(501) 686-2900
California	**$250,000**	**$250,000**	**$100,000**	**$100,000**	**(916) 445-5544**
Colorado	$300,000	$300,000	$100,000	$100,000	(303) 894-7499
Connecticut	**$300,000**	**$300,000**	**$100,000**	**$100,000**	**(203) 297-3802**
Delaware	$300,000	$300,000	$100,000	$100,000	(302) 739-4251
Dist. of Col.	**$300,000**	**$300,000**	**$100,000**	**$100,000**	**(202) 727-8000**
Florida	$300,000	-	$100,000	$100,000	(904) 922-3100
Georgia	**$300,000**	-	**$100,000**	**$100,000**	**(404) 656-2056**
Hawaii	$300,000	$300,000	$100,000	$100,000	(808) 586-2790
Idaho	**$300,000**	-	**$100,000**	**$100,000**	**(208) 334-2250**
Illinois	$300,000	$300,000	$100,000	$100,000	(217) 782-4515
Indiana	**$300,000**	-	**$100,000**	**$100,000**	**(317) 232-2385**
Iowa	$300,000	-	$100,000	$100,000	(515) 281-5705
Kansas	**$300,000**	**$300,000**	**$100,000**	**$100,000**	**(913) 296-7801**
Kentucky	-	$300,000	$100,000	$100,000	(502) 564-3630
Louisiana	**$300,000**	**$300,000**	**$100,000**	**$100,000**	**(504) 342-5900**
Maine	$300,000	-	$100,000	$100,000	(207) 582-8707
Maryland	**all contractual obligations**				**(410) 333-6300**
Massachusetts	$300,000	$300,000	$100,000	$100,000	(617) 521-7794
Michigan	**$300,000**	**$300,000**	**$100,000**	**$100,000**	**(517) 373-9273**
Minnesota	$300,000	$300,000	$100,000	$100,000	(612) 296-6848
Mississippi	**$300,000**	**$300,000**	**$100,000**	**$100,000**	**(601) 359-3569**
Missouri	$300,000	$300,000	$100,000	$100,000	(314) 751-4126
Montana	-	**$300,000**	-	-	**(406) 444-2040**
Nebraska	$300,000	$300,000	$100,000	$100,000	(402) 471-2201
Nevada	**$300,000**	**$300,000**	**$100,000**	**$100,000**	**(702) 687-4270**
New Hampshire	$300,000	-	$100,000	$100,000	(603) 271-2261
New Jersey	**$500,000**	**$500,000**	**$100,000**	**$500,000**	**(609) 292-5363**
New Mexico	$300,000	-	$100,000	$100,000	(505) 827-4500
New York	**$500,000**	-	-	-	**(212) 602-0492**
No. Carolina	$300,000	-	-	-	(919) 733-7343
North Dakota	**$300,000**	**$300,000**	**$100,000**	**$100,000**	**(701) 224-2440**
Ohio	$300,000	$300,000	$100,000	$100,000	(614) 644-2651
Oklahoma	**$300,000**	**$300,000**	**$100,000**	**$300,000**	**(405) 521-2828**
Oregon	$300,000	$300,000	$100,000	$100,000	(503) 378-4271
Pennsylvania	**$300,000**	**$300,000**	**$100,000**	**$100,000**	**(717) 787-5173**
Puerto Rico	-	$300,000	-	-	(809) 722-8686
Rhode Island	**$300,000**	**$300,000**	**$100,000**	**$100,000**	**(401) 277-2223**
So. Carolina	$300,000	-	-	-	(803) 737-6117
South Dakota	**$300,000**	**$300,000**	**$100,000**	**$100,000**	**(605) 773-3563**
Tennessee	$300,000	$300,000	$100,000	$100,000	(615) 741-2241
Texas	-	**$300,000**	**$100,000**	**$100,000**	**(512) 463-6464**
Utah	$300,000	$300,000	$100,000	$100,000	(801) 530-3800
Vermont	**$300,000**	**$300,000**	**$100,000**	**$100,000**	**(802) 828-3301**
Virginia	$300,000	$300,000	$100,000	$100,000	(804) 371-9741
Washington	**$500,000**	**$500,000**	-	**$500,000**	**(206) 753-7301**
West Virginia	$300,000	$300,000	$100,000	$100,000	(304) 558-3394
Wisconsin	**$300,000**	-	-	-	**(608) 266-0102**
Wyoming	$300,000	$300,000	$100,000	$100,000	(307) 777-7401

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 COMPANY RATINGS

Annuities which are invested in an insurance company's General Account are as secure as the stability of that carrier's investment portfolio. Annuities are not federally insured (eg., FDIC). They will probably be covered by the State Guaranty Funds but that may fall short of the total amount in an account if it holds more than the fund's limits of coverage.

One way to tilt the odds in your favor is by investing with companies which get high grades from several rating agencies. These rating opinions are based on factors such as ability to pay claims, quality of investments, and ability to withstand economic downturns. The five rating services presented here are A.M. Best's, Standard & Poor's, Moody's, Duff & Phelps, and Weiss Research. 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.

ALPHABETICAL RATINGS

The five rating agencies assign **alphabetical** grades (such as AAA thru F) to the insurance companies they rate. These alphabetical ratings may be confusing when making comparisons. For instance, a company rated "C" by Weiss has merely received an "average" grade. But a "C" from S&P indicates the company is very close to liquidation. In the case of Weiss, an "A+" is the highest rating and assigned to only a few companies. For A.M. Best, an "A+" represents their second highest grade, which was assigned to more than 200 of the companies Best rates. For S&P and Duff & Phelps, an "A+" is the 5th rank from the top and therefore denotes a much weaker standing than it does for either Weiss or Best.

NUMERICAL RANKINGS

To level the alphabetical rating field we include a NUMERICAL RANK in front of each letter grade. Now you can easily judge the value of an alphabetical grade by its position in that agency's DISTRIBUTION OF RATINGS. This numerical ranking will help you to recognize that the same letter grade may carry very different relative value with the different rating agencies.

DISTRIBUTION OF RATINGS

A.M.Best Rank	Grade	# Co. 881	S & P Rank	Grade	#Co. 256	Moodys Rank	Grade	# Co. 106	Duff & Phelps Rank	Grade	# Co. 170	Weiss Research Rank	Grade	# Co. 1774
1	(A++)	58	1	(AAA)	64	1	(AAA)	10	1	(AAA)	51	1	(A+)	12
2	(A+)	169	2	(AA+)	46	2	(Aa1)	9	2	(AA+)	19	2	(A)	19
3	(A)	214	3	(AA)	42	3	(Aa2)	20	3	(AA)	42	3	(A-)	31
4	(A-)	120	4	(AA-)	53	4	(Aa3)	21	4	(AA-)	25	4	(B+)	44
5	(B++)	57	5	(A+)	28	5	(A1)	24	5	(A+)	21	5	(B)	129
6	(B+)	118	6	(A)	6	6	(A2)	9	6	(A)	10	6	(B-)	120
7	(B)	76	7	(A-)	3	7	(A3)	2	7	(A-)	1	7	(C+)	124
8	(B-)	17	8	(BBB+	2	8	(Baa1)	3	8	(BBB+	0	8	(C)	245
9	(C++)	11	9	(BBB)	3	9	(Baa2)	2	9	(BBB)	0	9	(C-)	217
10	(C+)	7	10	(BBB-)	2	10	(Baa3)	3	10	(BBB-)	0	10	(D+)	157
11	(C)	11	11	(BB+)	1	11	(Ba1)	0	11	(BB+)	0	11	(D)	208
12	(C-)	3	12	(BB)	1	12	(Ba2)	1	12	(BB)	0	12	(D-)	48
13	(D)	2	13	(BB-)	1	13	(Ba3)	0	13	(BB-)	0	13	(E+)	52
14	(E)	13	14	(B+)	0	14	(B1)	0	14	(B+)	0	14	(E)	43
15	(F)	5	15	(B)	0	15	(B2)	0	15	(B)	0	15	(E-)	0
(as of 9/94)			16	(B-)	0	16	(B3)	0	16	(B-)	0	16	(F)	54
			17	(CCC)	0	17	(Caa)	2	17	(CCC+	0	17	(U)	271
			18	(R)	4	18	(Ca)	0	18	(CCC)	1	(as of 9/94)		
			(as of 9/94)			19	(C)	0	19	(CCC-)	0			
						(as of 9/94)			(as of 9/94)					

INSURANCE COMPANY RATINGS

Company Legal Name NAIC#	State Dom.	Year Incorp	Admitted Assets	C&S/ Assets	NIGB/ Assets	DFM/ Assets	A.M. Best's	Std & Poors	Moodys Invest.	Duff & Phelps	Weiss Research
Acacia Nat'l Life 85685	VA	1974	$ 0.41B	5.4%	8.1%	0.0%	-	-	-	4 (AA-)	7 (SC+)
Aetna LI & Ann. Co. 86509	CT	1954	$ 17.64B	3.2%	2.9%	0.0%	*	3 (AA)	3 (Aa2)	2 (AA+)	7 (C+)
Aetna LIC 60054	CT	1853	$ 51.54B	3.3%	3.5%	2.4%	3 (A)	5 (A+)	4 (Aa3)	3 (AA)	9 (C-)
Aid Assoc. Lutherans 56014	WI	1902	$ 11.26B	7.4%	2.7%	0.4%	1 (A++)	1 (AAA)	-	1 (AAA)	-
AIG Life Insur. Co. 66842	DE	1962	$ 1.80B	5.64	3.5%	0.0%	*	1 (AAA)	-	-	9 (C-)
Alex. Ham. LIC Amer. 88358	MI	1963	$ 6.40B	3.5%	2.8%	0.2%	2 (A+)	3 (AA)	5 (A1)	3 (AA)	7 (C+)
Allied LIC 60178	IA	1965	$ 0.46B	9.2%	1.5%	0.0%	*	-	-	-	4 (B+)
Allian LIC of NA 90611	MN	1979	$ 7.68B	3.2%	0.1%	0.0%	2 (A+)	-	-	-	6 (B-)
Allstate LIC 60186	IL	1957	$ 21.23B	5.5%	4.8%	0.2%	2 (A+)	2 (AA+)	4 (Aa3)	-	6 (B-)
Amer. Enterprise LIC 94234	IN	1981	$ 1.87B	6.03%	7.6%	0.0%	*	-	-	1 (AAA)	6(B-)
Amer. Family LIC 60399	WI	1957	$ 1.52B	10.7%	1.1%	0.0%	2 (A+)	-	-	-	1 (A+)
Amer. Fidel. Assur. 60410	OK	1956	$ 0.93B	11.7%	0.0%	0.2%	*	-	-	-	3 (A-)
Amer. General LIC 60488	TX	1917	$ 5.51B	22.8%	2.5%	0.4%	1 (A++)	1 (AAA)	4 (Aa3)	1 (AAA)	3 (A-)
Amer. Heritage LIC 60534	FL	1956	$ 0.97B	12.5%	4.6%	0.0%	*	9 (BBB)	-	-	3 (A-)
Amer. Int'l Life/NY 60607	NY	1962	$ 3.96B	5.3%	5.7%	0.0%	*	1 (AAA)	-	-	8 (C)
Amer. Investors LIC 60631	KS	1965	$ 1.84B	4.7%	5.0%	0.0%	*	9 (BBB)	-	5 (A+)	9 (C-)
Amer. Life/Cas.Ins. 60682	IA	1951	$ 4.06B	5.2%	1.1%	0.1%	3 (A)	6 (A)	-	-	8 (C)
Amer. LIC 60690	DE	1928	$ 8.63B	8.2%	0.4%	0.0%	*	1 (AAA)	-	-	6 (B-)
Amer. LIC/ NY 60704	NY	1955	$ 1.22B	5.0%	0.0%	0.1%	*	4 (AA-)	-	2 (AA+)	5 (B)
Amer. Mayflw LIC/NY 60712	NY	1957	$ 0.79B	5.6%	1.9%	0.0%	*	2 (AA+)	4 (Aa3)	2 (AA+)	6 (B-)
Amer. Mutual LIC 60720	IA	1897	$ 1.24B	10.60%	5.1%	0.0%	*	-	6 (A2)	-	5 (B)
Amer. Nat'l Ins.Co. 60739	TX	1905	$ 4.33B	25.7%	0.2%	1.00	1 (A++)	-	3 (Aa2)	-	6 (B-)
Amer. Skandia L Assur 86630	CT	1969	$ 1.46B	4.1%	0.0%	0.0%	*	9 (BBB)	-	4 (AA-)	10(SD)
American United LIC 60895	IN	1877	$ 5.48B	4.1%	1.9%	0.4%	2 (A+)	4 (AA-)	5 (A1)	2 (AA+)	5 (B)
Ameritas LI Corp. 61301	NE	1887	$ 1.58B	10.2%	1.7%	0.1%	*	3 (AA)	-	-	2 (A)

Continued . . .

Disclaimer: While we attempt to list the ratings currently in effect, we are not to be held liable for the reliability of this information. You are strongly advised to directly contact the rating agencies and insurance companies for verification of ratings and additional details.

* The rating for this insurer can be obtained directly from A.M. Best. Ratings listed are from news announcements issued by Best "FOR IMMEDIATE RELEASE."

-("dash" in rating columns) — Company may not be rated by that agency. Insurance companies must pay up to $60,000 a year to be rated by some of the 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 insurance companies.

Company Legal Name NAIC# — 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. The 5-digit number following each company name is the National Association of Insurance Commissioners ("NAIC") assigned number to identify that company or subsidiary. Canadian carriers are not assigned NAIC numbers.

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 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. Includes invested assets plus amounts receivable and separate account assets.

C&S / Assets (Ratio of Capital & Surplus to Assets). This compares a company's net worth to its assets. The ratio indicates the degree to which a company has leveraged its capital and surplus. The normal industry range for C&S/Assets is from 5% to 10% (the higher, the better). This ratio will depend on factors such as the types of risk and products with which a company is involved.

NIGB / Assets (Ratio of Non-Investment Grade Bonds to Assets). This measures exposure to "Junk Bonds" as a percent of assets and provides an indication of risk due to bond portfolio losses. Our measure of NIGB includes NAIC classes 3,4,5, and 6 bonds. The usual range for this test is 4% to 7% (the lower, the better). NIGB not available for Canadian companies.

DFM / Assets (Ratio of Delinquent & Foreclosed Mortgages to Assets). This is the percent of a company's portfolio comprised of mortgages more than 90 days past due, mortgages in process of foreclosure, or properties acquired by foreclosure (real estate) as a percentage of company assets. A DFM/Assets ratio above 3% is above the industry norm for this measure (the lower, the better).

INSURANCE COMPANY RATINGS

Company Legal Name NAIC#	State Dom.	Year Incorp	Admitted Assets	C&S/ Assets	NIGB/ Assets	DFM/ Assets	A.M. Best's	Std & Poors	Moodys Invest.	Duff & Phelps	Weiss Research
Amex Life Assur. Co. 67962	CA	1958	$ 1.96B	15.0	2.6%	0.0%	*	-	-	-	5 (B)
Anchor Nat'l LIC 60941	CA	1965	$ 6.03B	3.3%	8.3%	0.0%	*	3 (AA)	6 (A2)	3 (AA)	8 (C)
Bankers Life/Cas. Co. 61263	IL	1880	$ 2.68B	12.1	8.5%	0.0%	*	-	-	4 (AA-)	8 (C)
Bankers Sec. LI Soc. 61360	NY	1917	$ 0.88B	7.3%	3.3%	0.1%	*	5 (A+)	-	-	7 (C)
Bankers Uni. Life Ass. 61387	IA	1936	$ 3.24B	4.2%	6.9%	0.4%	*	2 (AA+)	4 (Aa3)	4 (AA+)	7 (C+)
Beneficial Std LIC 61417	CA	1940	$ 2.24B	4.6%	7.0%	0.4%	*	-	-	5 (A+)	8 (C)
Berkshire LIC 61433	MA	1851	$ 1.02B	5.7%	0.8%	0.3%	*	3 (AA)	-	3 (AA)	7 (C+)
Bradford Nat'l LIC 86371	LA	1947	$ 0.19B	4.5%	0.0%	0.0%	*	-	-	-	9 (SC-)
Calfarm LIC 61514	CA	1950	$ 0.78B	7.6%	2.7%	0.4%	3 (A)	-	-	-	5 (B)
Canada Life Assur. Co.80659	CD	1849	$ 15.14B	7.2%	1.4%	0.9%	1 (A++)	1 (AAA)	3 (Aa2)	1 (AAA)	-
Canada Life Ins.Co.(NY)79359	NY	1971	$ 0.20B	6.6%	2.6%	0.0%	*	1 (AAA)	-	1 (AAA)	7 (SC+)
Capitol Bankers LIC 62421	MN	1963	$ 0.42B	6.1%	0.0%	1.0%	*	3 (AA)	-	-	8 (C)
Central Life Assur. 61689	IA	1896	$ 2.42B	6.8%	6.6%	1.0%	3 (A)	5 (A+)	7 (A3)	6 (A+)	7 (C+)
Cen Nat LIC/Omaha 61700	NE	1953	$ 1.17B	16.7	0.1%	0.0%	*	3(AA)	-	-	5 (B)
Century Life of Amer. 65749	IA	1879	$ 2.27B	5.7%	3.0%	0.4%	*	-	-	4 (AA-)	5 (B)
Champlain LIC 93637	VT	1981	$ 0.75B	na	na	na	*	4 (AA-)	-	3 (AA)	8 (SC)
Charter National LIC 61808	MO	1955	$ 0.64B	47.2	3.0%	0.0%	*	-	-	-	8 (C)
Chubb Sovereign LIC 80438	CA	1962	$ 0.38B	13.1	4.5%	0.0%	*	1 (AAA)	-	-	5 (B)
Colonial LIC of Amer. 62057	NJ	1897	$ 0.69B	13.5	4.6%	0.0%	*	1 (AAA)	-	-	5 (B)
Columbia Universal LIC 67954	TX	1983	$ 0.16B	6.7%	3.3%	0.0%	*	-	-	7 (A-)	9 (SC-)
Columbus LIC 99937	OH	1906	$ 1.53B	7.6%	4.5%	0.3%	*	1 (AAA)	-	1 (AAA)	6 (B)
Commc'l Un. LIC/Am. 62898	DE	1958	$ 1.14B	7.3%	1.1%	0.0%	*	-	-	4 (AA-)	4 (B+)
CU Life Ins Co. NY 92665	NY	1981	$ 0.25B	6.3%	1.2%	0.0%	*	-	-	4 (AA-)	7 (SC+)
Commonwealth LIC 62227	KY	1904	$ 5.21B	5.6%	6.5%	0.3%	2 (A+)	1 (AAA)	4 (Aa3)	2 (AA+)	8 (C)
Conn. General LIC 62308	CT	1865	$ 48.37B	4.2%	4.9%	0.6%	2 (A+)	2 (AA+)	4 (Aa3)	1 (AAA)	7 (C+)
Conn. Mutual LIC 62316	CT	1846	$ 11.52B	5.6%	2.3%	1.0%	3 (A)	4 (AA-)	5 (A1)	4 (AA-)	5 (B)
Constitution LIC 62359	KY	1929	$ 0.56B	8.9%	13.5%	0.0%	*	8 (BBB+)	-	5 (A+)	10(D+)
Continental Assur. Co. 62413	IL	1911	$ 11.01B	9.2%	0.9%	0.0%	*	2 (AA+)	4 (Aa3)	1 (AAA)	5 (B)
Contin. Western LIC 62510	IA	1966	$ 0.34B	7.3%	0.1%	0.6%	*	8 (BBB+)	-	3 (AA)	5 (SB)
Country LIC 62553	IL	1928	$ 2.72B	15.6	1.0%	0.0%	2 (A+)	-	-	-	1 (A+)
Covenant LIC 68012	PA	1759	$ 0.63B	8.3%	2.2%	0.4%	*	-	-	-	5 (B)
Crown LIC n/a	CD	1900	$ 8.70B	-	-	-	4 (A-)	4 (AA-)	9 (Baa2)	-	-
CUNA Mutual Ins. Soc. 62626	WI	1935	$ 1.62B	14.5	0.7%	0.0%	*	-	-	3 (AA)	8 (C)
Delta Life & Ann. 65145	TN	1955	$ 1.07B	4.6%	0.0%	0.0%	2 (A+)	-	-	4 (AA-)	6 (B-)
Empire LIC 62820	NE	1962	$ 0.19B	10.3	0.0%	0.0%	*	-	-	4 (AA-)	9 (SC-)
Empire Gen. LAC 94285	TN	1981	$ 0.05B	-	-	-	*	3 (AA)	-	3 (AA)	-
Equit. L. Assur.Soc. 62944	NY	1859	$ 47.31B	3.8%	3.8%	1.1%	4 (A-)	5 (A+)	6 (A2)	6 (A+)	10 (D+)
Equit.L./IOWA 62979	IA	1867	$ 2.26B	17.4	5.3%	0.1%	4 (A+)	3 (AA)	5 (A1)	3 (AA)	5 (B)
Equit. Variable LIC 81361	NY	1972	$ 11.22B	6.3%	1.5%	1.4%	*	5 (A+)	6 (A2)	6 (A+)	10 (D+)
FB Annuity Co. 92401	MI	1980	$ 0.37B	5.3%	1.0%	0.8%	*	-	-	-	8 (SC)
FBL Insur. Co. 90646	IA	1979	$ 0.54B	7.9%	7.5%	0.0%	*	-	-	-	6 (B-)
Federal Home LIC 67695	IN	1910	$ 1.91B	9.5%	1.4%	0.0%	*	-	-	4 (AA-)	6 (B-)
Fed. Kemper L. Assur. 63207	IL	1905	$ 3.06B	6.8%	4.5%	0.9%	*	-	8 (Baa1)	4 (AA-)	8 (C)
Fidelity & Guar. LIC 63274	MD	1959	$ 4.52B	7.0%	8.8%	0.3%	*	8 (BBB+)	10 (Baa3)	6 (A)	9 (C-)
Fidelity Union LIC 92509	TX	1927	$ 0.99B	13.9	1.2%	0.2%	*	-	-	-	4 (B+)
Financial Benefit LIC 98213	FL	1983	$ 0.58B	5.3%	10.1%	0.0%	*	-	-	-	9 (C-)
First Alex. Ham. LIC 71510	NY	1986	$ 0.31B	7.1%	0.0%	0.0%	*	-	-	3 (AA)	8 (SC)
First Colony LIC 63401	VA	1955	$ 6.79B	4.7%	3.2%	0.0%	1 (A++)	2 (AA+)	4 (Aa3)	2 (AA+)	5 (B)
First GNA LIC/NY 72990	NY	1988	$ 1.33B	11.1	4.4%	0.0%	*	3 (AA)	-	3 (AA)	7 (C+)
First Rel. Std. LIC 71005	NY	1983	$ 0.05B	na	na	na	*	7 (A-)	-	4 (AA-)	8 (C)
First Safeco Nat'l NY 78417	NY	1987	$ 0.02B	10.6	NA	NA	2 (A+)	3 (AA)	3 (Aa2)	-	9 (SC-)
First SunAmerica LIC 92495	NY	1978	$ 0.11B	13.7	3.5%	0.0%	*	-	-	-	8 (SC)
First UNUM LIC 64297	NY	1959	$ 0.65B	17.6	2.4%	0.1%	*	2 (AA+)	3 (Aa2)	-	4 (B+)
Ford LIC 63576	MI	1966	$ 1.90B	6.1%	2.8%	0.0%	*	3 (AA)	6 (A2)	3 (AA)	5 (B)
Fort Dearborn LIC 71129	IL	1966	$ 0.21B	14.1%	0.0%	0.0%	*	-	-	-	6 (B-)

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Fortis Benefits LIC 70408	MN	1910	$ 3.35B	7.7%	2.0%	0.1%	2 (A+)	3 (AA)	-	-	5 (B)
Franklin LIC 63622	IL	1884	$ 6.27B	9.8%	3.4%	0.0%	1 (A++)	2 (AA+)	3 (Aa2)	1 (AAA)	2 (A)
General Amer. LIC 63665	MO	1933	$ 7.61B	5.8%	3.0%	0.7%	2 (A+)	4 (AA-)	5 (A1)	3 (AA)	7 (C+)
General Electric CAP 70025	DE	1956	$ 5.40B	5.8%	7.2%	0.0%	*	3 (AA)	4 (Aa3)	4 (AA-)	10 (D+)
General Services LIC 63762	IA	1954	$ 0.84B	4.1%	0.0%	0.0%	*	2 (AA+)	-	4 (AA-)	8 (C)
Globe Life/Accid. IC 91472	DE	1951	$ 0.68B	14.2%	3.0%	0.0%	*	1 (AAA)	-	-	4 (B+)
Golden Rule Ins. Co. 62286	IL	1940	$ 1.08B	16.0%	6.7%	0.0%	*	4 (AA-)	-	-	5 (B)
Great American LIC 63312	OH	1916	$ 4.76B	5.2%	5.0%	0.0%	3 (A)	-	10(Baa3)	5 (A+)	7 (C+)
Great Amer. Res. Ins. 64017	TX	1937	$ 1.34B	6.2%	8.7%	0.0%	*	-	-	5 (A+)	9 (C-)
Gr. Nrthrn Insur. Ann. 94366	WA	1980	$ 5.66B	5.1%	0.9%	0.0%	2 (A+)	3 (AA)	4 (Aa3)	3 (AA)	6 (B-)
Great Southern LIC 90212	TX	1909	$ 0.90B	19.8%	0.2%	0.0%	*	6 (A)	-	-	7 (C+)
Great-West Life Assur. n/a	CD	1891	$ 13.57B	4.6%	1.3%	0.3%	1 (A++)	1 (AAA)	3 (Aa2)	1 (AAA)	6 (B-)
Guar. Mutual Life Co. 64181	NE	1901	$ 0.98B	10.8%	5.6%	0.1%	*	-	-	-	3 (A-)
Guardian LIC of Amer. 64246	NY	1860	$ 9.07B	10.8%	3.1%	0.1%	1 (A++)	1 (AAA)	1 (Aaa)	1 (AAA)	1 (A+)
Gulf LIC 64270	TN	1911	$ 3.07B	10.6%	2.3%	0.4%	*	1 (AAA)	-	-	5 (B)
Hartford LIC 88072	CT	1902	$ 28.97B	2.8%	0.1%	0.0%	1 (A++)	1 (AAA)	3 (Aa2)	1 (AAA)	3 (A-)
Harvest LIC 79421	OH	1972	$ 0.82B	8.2%	0.4%	0.0%	*	-	-	4 (AA-)	7 (C+)
Horace Mann LIC 64513	IL	1949	$ 2.24B	5.5%	4.5%	0.2%	*	4 (AA-)	-	-	5 (B)
IDS LIC 65005	MN	1972	$ 28.04B	4.1%	8.1%	0.1%	2 (A+)	-	3 (Aa2)	1 (AAA)	5 (B)
IL Mut. Life/Cas. 64580	IL	1912	$ 0.46B	11.8%	1.2%	0.6%	*	-	-	-	5 (B)
Indianapolis LIC 64645	IN	1905	$ 1.27B	8.0%	0.7%	0.1%	*	-	-	3 (AA)	5 (B)
Investors LIC of NE 86975	SD	1961	$ 0.31B	12.3%	1.0%	0.0%	*	2 (AA+)	-	-	5 (B)
Integrity LIC 74780	AZ	1954	$ 1.70B	0.51%	1.5%	0.0%	*	6 (A)	-	5 (A+)	11 (D)
Investors Ins. Corp. 64939	DE	1956	$ 0.14B	4.8%	0.0%	0.2%	*	-	-	-	12 (SD-)
Jackson Nat'l LIC 65056	MI	1961	$ 16.95B	5.5%	8.7%	0.0%	3 (A)	3 (AA)	5 (A1)	3 (AA)	7 (C+)
Jefferson Nat'l LIC 65064	IN	1937	$ 1.10B	6.3%	8.8%	0.1%	*	-	-	5 (A+)	8 (C)
Jefferson-Pilot LIC 67865	NC	1890	$ 4.89B	19.3%	2.1%	0.2%	1 (A++)	1 (AAA)	-	-	1 (A+)
John Alden LIC 65080	MN	1961	$ 4.24B	6.8%	0.0%	0.5%	2 (A+)	-	-	-	8 (C)
John Deere LIC 97128	IL	1937	$ 0.37B	14.1%	3.4%	0.0%	*	-	-	-	3 (A-)
John Hancock Mut'l 65099	MA	1862	$ 43.69B	4.1%	6.7%	0.9%	1 (A++)	1 (AAA)	3 (Aa2)	1 (AAA)	5 (B)
Kansas City LIC 65129	MO	1895	$ 1.88B	8.0%	3.9%	0.4%	6 (A2)	3 (AA)	-	-	5 (B)
Kemper Investors LIC 90557	IL	1947	$ 7.03B	4.7%	5.1%	2.0%	4 (A-)	-	8 (Baa1)	6 (A+)	8 (C)
KY Home Mutual 65218	KY	1932	$ 0.41B	na	na	na	*	-	-	7 (A)	8 (SC)
Keyport LIC 65234	RI	1957	$ 9.72B	5.3%	6.1%	0.0%	2 (A+)	4 (AA-)	5 (A1)	4 (AA-)	5 (B)
Knights of Columbus 58033	CT	1882	$ 3.97B	na	na	na	1 (A++)	1 (AAA)	-	-	-
Lamar LIC 65250	MS	1906	$ 0.61B	12.7%	7.5%	0.4%	*	-	4 (Aa3)	-	2 (A)
Lafayette LIC 65242	IN	1905	$ 0.62B	7.9%	5.5%	0.0%	*	-	-	3 (AA)	5 (B)
Liberty LIC 65323	SC	1905	$ 1.09B	11.9%	3.8%	0.5%	*	-	-	3 (AA)	3 (A-)
Liberty Nat'l LIC 65331	AL	1929	$ 2.71B	14.9%	0.1%	0.0%	*	1 (AAA)	-	-	3 (A-)
Life Ins.Co./Georgia 65471	GA	1891	$ 2.37B	8.8%	0.9%	0.2%	2 (A+)	1 (AAA)	-	1 (AAA)	3 (A-)
Life Ins.Co./S'west 65528	TX	1955	$ 1.46B	5.4%	2.4%	0.0%	*	-	-	4 (AA-)	5 (B)
Life Ins.Co./Virginia 65536	VA	1871	$ 6.90B	5.4%	3.6%	0.6%	*	3 (AA)	5 (A1)	2 (AA+)	5 (B)
Life Investors Ins. Co.64130	IA	1930	$ 3.55B	9.9%	6.6%	0.7%	2 (A+)	2 (AA+)	4 (Aa3)	2 (AA+)	6 (B-)
LifeUSA Ins. Co. 63339	CO	1961	$ 0.90B	5.1%	0.0%	0.0%	*	-	-	-	7 (C+)
Lincoln Benefit Life 65595	NE	1938	$ 0.12B	65.6%	0.0%	0.0%	*	2 (AA+)	-	-	7 (C+)
Lincoln Nat'l LIC 65676	IN	1905	$ 34.04B	3.8%	4.4%	1.0%	2 (A+)	4 (AA-)	5 (Aa3)	1 (AAA)	6 (B-)
Lincoln Security LIC 61620	NY	1984	$ 0.20B	5.3%	1.9%	0.0%	*	4 (AA-0	-	-	8 (SC)
London Pac. Life/Ann. 68934	NC	1927	$ 0.87B	5.2%	18.8%	0.0%	*	-	-	-	11 (D)
Lutheran Brotherhood 57126	MN	1917	$ 7.97B	na	na	na	1 (A++)	1 (AAA)	-	1 (AAA)	5 (SB)
Manufacturers LIC n/a	CD	1887	$ 32.73B	6.5%	2.96%	2.27%	1 (A++)	2 (AA+)	4 (Aa3)	1 (AAA)	-
Mass. General LIC 65900	MA	1962	$ 1.27B	5.5%	3.1%	0.1%	*	-	-	6 (A+)	6 (B-)
Mass. Mutual LIC 65935	MA	1851	$ 34.31B	5.3%	4.9%	0.7%	1 (A++)	1 (AAA)	2 (Aa1)	1 (AAA)	4 (B+)
Merrill Lynch LIC 79022	AR	1986	$ 11.80B	0.3%	7.2%	0.3%	3 (A)	4 (AA-)	5 (A1)	-	7 (C+)
Metropolitan LIC 65978	NY	1868	$ 128.23B	5.0%	1.3%	0.7%	1 (A++)	2 (AA+)	2 (Aa1)	1 (AAA)	4 (B+)
Midland Mutual LIC 66036	OH	1905	$ 1.20B	4.3%	1.8%	2.0%	*	-	-	-	8 (C)
Midland Nat'l LIC 66044	SD	1906	$ 1.61B	16.6%	1.5%	0.1%	*	2 (AA+)	-	-	2 (A)

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Ministers Life 66133	MN	1900	$ 0.26B	5.8%	3.3%	0.2%	*	-	-	1 (AAA)	8 (SC)
Minnesota Mutual LIC 66168	MN	1880	$ 7.80B	4.4%	3.2%	0.1%	1 (A++)	2 (AA+)	2 (Aa1)	1 (AAA)	5 (B)
Modern Wood./Amer. 57541	IL	1884	$ 2.19B	na	na	na	*	-	-	2 (AA+)	-
Monumental LIC 66281	MD	1858	$ 3.32B	5.5%	5.1%	0.6%	2 (A+)	2 (AA+)	4 (Aa3)	2 (AA+)	6 (B-)
Mutual of Amer. LIC 88668	NY	1945	$ 6.28B	5.3%	0.0%	0.2%	2 (A+)	2 (AA+)	4 (Aa3)	2 (AA+)	4 (B+)
Mutual LIC.NY MONY 66370	NY	1842	$ 14.68B	4.1%	3.3%	1.0%	4 (A-)	5 (A+)	8 (Baa1)	5(A+)	11(D)
Mutual Trust LIC 66427	IL	1904	$ 0.68B	7.9%	2.2%	0.0%	*	4 (AA-)	-	4 (AA-)	4 (B+)
Nat'l Guardian LIC 66583	WI	1909	$ 0.61B	7.4%	1.1%	0.0%	*	-	-	-	1 (A+)
Nat'l Heritage LIC 97284	DE	1981	$ 0.45B	7.9%	3.2%	4.4%	*	12 (BB)	-	-	16 (SF)
Nat'l Home Life Asr. 66605	MO	1920	$ 7.74B	5.8%	4.6%	0.3%	2 (A+)	3 (AA)	6 (A2)	3 (AA)	3 (B)
Nat'l Integrity LIC 75264	NY	1968	$ 0.69B	4.7%	2.8%	0.0%	*	6 (A)	-	5 (A+)	8 (C)
National LIC of VT 66680	VT	1850	$ 5.06B	4.8%	2.4%	0.1%	2 (A+)	4 (AA-)	-	3 (AA)	6 (B-)
Nat'l Travelers Life 66828	IA	1907	$ 0.41B	10.1%	0.8%	0.3%	*	-	-	-	5 (B)
National Western LIC 66850	CO	1956	$ 2.33B	7.8%	1.1%	0.2%	*	-	-	-	7 (C+)
Nationwide LIC 66869	OH	1929	$ 23.05B	4.3%	1.9%	0.2%	2 (A+)	1 (AAA)	2 (Aa1)	-	5 (B)
New England Mutual L 66893	MA	1835	$ 16.24B	2.4%	2.8%	1.4%	3 (A)	5 (A+)	7 (A3)	3 (AA)	7 (C+)
New York LIC 66915	NY	1841	$ 53.57B	6.4%	3.4%	0.1%	1 (A++)	1 (AAA)	1 (Aaa)	1 (AAA)	2 (A)
No.Am.Co./L.& Hlth 66974	IL	1886	$ 1.92B	0.6%	3.6%	0.0%	*	-	-	-	8 (C)
N Amer. Secur. LIC 90425	DE	1979	$ 3.42B	1.5%	0.1%	1.2%	*	3 (AA)	-	-	7 (C+)
N. Atlantic LIC/Am. 67024	NY	1961	$ 0.96B	5.7%	4.2%	0.5%	*	-	-	3 (AA)	9 (C-)
N W Life Assur./Can.	CD	1967	$ 0.48B	-	-	-	*	-	-	-	-
Northbrook LIC 88528	IL	1960	$ 2.14B	2.0%	0.0%	0.0%	*	2 (AA+)	-	-	7 (C+)
Northern LIC 87734	WA	1906	$ 3.59B	5.3%	3.2%	0.2%	2 (A+)	4 (AA-)	5 (A1)	3 (AA)	7 (C+)
N'western Mutual LIC 67091	WI	1857	$ 44.06B	4.6%	5.2%	0.1%	1 (A++)	1 (AAA)	1 (Aaa)	1 (AAA)	1 (A+)
N'western Nat'l LIC 67105	MN	1885	$ 4.66B	11.1%	5.7%	0.9%	3 (A)	5 (A+)	6 (A2)	3 (AA)	7 (C+)
Ohio Nat'l Life Assur. 89206	OH	1979	$ 0.42B	12.5%	4.7%	0.0%	*	3 (AA)	-	3 (AA)	5 (B)
Ohio Nat'l LIC 67172	OH	1909	$ 3.64B	4.6%	5.2%	0.2%	2 (A+)	3 (AA)	5 (A1)	3 (AA)	6 (B-)
Ohio State LIC 67180	OH	1906	$ 0.73B	14.5%	2.8%	0.4%	*	-	-	-	5 (B)
PFL Life Ins Co. 86231	IA	1961	$ 5.02B	6.0%	5.6%	0.3%	*	2 (AA+)	4 (Aa3)	2 (AA+)	6 (B-)
Pacific Mutual LIC 67466	CA	1868	$ 13.35B	4.3%	2.4%	0.2%	2 (A+)	2 (AA+)	6 (Aa3)	2 (AA+)	5 (B)
Pan-American LIC 67539	LA	1911	$ 1.91B	9.0%	6.9%	0.4%	*	3 (A)	5 (A1)	4 (AA-)	7 (C+)
Paragon LIC 93564	MO	1981	$ 0.05B	na	na	na	*	4 (AA-)	-	3 (AA)	-
Paul Revere LIC 67598	MA	1930	$ 2.78B	1.3%	3.2%	0.3%	2 (A+)	4 (AA-)	-	-	5 (B)
Penn Insur. & Annuity 93262	DE	1980	$ 0.69B	6.7%	2.6%	0.8%	2 (A+)	4 (AA-)	5(A1)	4 (AA-)	7 (C+)
Penn Mutual LIC 67644	PA	1847	$ 6.31B	4.4%	2.4%	0.5%	2 (A+)	4 (AA-)	5 (A1)	4 (AA-)	7 (C+)
Peoples Security LIC 64475	NC	1916	$ 4.10B	6.6%	5.1%	0.3%	2 (A+)	1 (AAA)	4 (Aa3)	2 (AA+)	7 (C+)
PHF LIC 84808	FL	1974	$ 0.37B	12.8%	1.7%	0.0%	*	2 (AA+)	-	4 (AA-)	8 (C)
Philadelphia LIC 97047	PA	1906	$ 1.56B	6.7%	6.4%	0.2%	*	-	-	6 (A+)	8 (C+)
Phoenix Home Life 67814	NY	1851	$ 11.29B	5.1%	3.5%	0.3%	3 (A)	4 (AA-)	4 (Aa3)	3 (AA)	7 (C+)
Pioneer LIC/IL 68330	IL	1946	$ 036B	2.0%	0.2%	0.0%	*	-	-	-	8 (C)
Presidential LIC 68039	NY	1965	$ 2.16B	7.6%	11.3%	0.0%	*	-	12 (Ba1)	-	10 (D+)
Primerica LIC 65919	MA	1927	$ 2.10B	26.2%	0.4%	0.0%	4 (A-)	-	-	-	5 (B)
Principal Mutual LIC 61271	IA	1879	$ 40.07B	4.0%	6.9%	0.3%	1 (A++)	2 (AA+)	2 (Aa1)	1 (AAA)	5 (B)
Protective LIC 68136	TN	1907	$ 4.54B	5.8%	5.2%	0.2%	2 (A+)	3 (AA)	5 (A1)	3 (AA)	4 (B+)
Provident Life/Accid. 68195	TN	1887	$ 11.06B	7.20%	4.1%	0.2%	3 (A)	5 (A+)	4 (Aa3)	4 (AA-)	6 (B-)
Provident Mutual LIC 68225	PA	1865	$ 3.85B	5.4%	3.3%	0.3%	2 (A+)	2 (AA+)	5 (A1)	3 (AA)	7 (C+)
Provident Nat'l Assur. 70866	TN	1967	$ 4.60B	3.2%	3.6%	1.0%	*	5 (A+)	4 (Aa3)	4 (AA-)	8 (C)
Prudential Ins.Co./Amer 68241	NJ	1873	$165.74B	4.8%	5.8%	0.9%	2 (A+)	3 (AA)	3 (Aa2)	3 (AA)	5 (B)
Reliance Standard LIC 68381	IL	1907	$ 1.89B	7.2%	2.7%	0.0%	*	6 (A-)	-	4 (AA-)	8 (C)
Royal Maccabees LIC 65765	MI	1885	$ 1.93B	6.0%	1.2%	0.6%	*	-	-	6 (A)	8 (C)
SAFECO LIC 68608	WA	1957	$ 8.33B	4.5%	2.0%	0.1%	2 (A+)	3 (AA)	3 (Aa2)	-	4 (B+)
Savings Bank LI/MA 70435	MA	1907	$ 0.96B	11.8%	0.0%	0.6%	*	4 (AA-)	-	3 (AA)	7 (C+)
Secur. Bene. LIC 68675	KS	1892	$ 3.74B	3.4%	4.4%	0.1%	2 (A+)	4 (AA-)	-	-	7 (C+)
Secur. Conn. LIC 91588	CT	1955	$ 1.24B	9.2%	5.1%	0.0%	*	4 (AA-)	-	-	5 (B)
Secur. First LIC 61050	DE	1960	$ 1.72B	5.2%	8.8%	0.0%	*	4 (AA-)	-	-	8 (C)

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Secur. Life Denver 68713	CO	1928	$ 2.51B	9.7%	0.7%	0.0%	*	3 (AAA)	-	3 (AAA)	1 (A+)
Secur. Mut'l LIC/NY 68772	NY	1886	$ 1.15B	4.4%	1.6%	0.1%	*	5 (A+)	-	4 (AA-)	6 (B-)
Shenandoah LIC 68845	VA	1914	$ 0.63B	6.6%	2.2%	0.0%	*	-	-	-	5 (B)
Southland LIC 68950	TX	1908	$ 1.13B	13.5%	2.1%	0.0%	2 (A+)	1 (AAA)	-	1 (AAA)	3 (A-)
Southwestern LIC 91391	TX	1903	$ 1.30B	11.0%	5.9%	0.5%	*	10 (BBB-)	13 (Ba2)	8 (BBB+)	11(D)
Standard Insur. Co. 69019	OR	1906	$ 3.05B	6.6%	0.7%	0.3%	3 (A)	4 (AA-)	6 (A2)	4 (AA-)	5 (B)
State Bond/Mortgage 69086	MN	1966	$ 0.78B	5.4%	0.0%	0.2%	*	-	-	-	6 (B-)
State Farm LIC 69108	IL	1929	$ 17.09B	10.9%	0.5%	0.3%	1 (A++)	1 (AAA)	1 (Aaa)	-	1 (A+)
State LIC 69116	IN	1894	$ 0.27B	8.0%	2.0%	0.0%	*	-	-	2 (AA+)	6 (SB-)
State Mutual L Assur. 69140	MA	1844	$ 6.99B	7.5%	5.5%	0.3%	*	3 (AA)	4 (Aa3)	3 (AA)	8 (C)
Sun Life of America 69256	MD	1897	$ 6.00B	9.6%	8.8%	0.7%	3 (A)	3 (AA)	6 (A2)	3 (AA)	6 (B-)
Sun Life Assur./Canada n/a	CD	1865	$ 26.49B	12.4%	0.4%	0.0%	1 (A++)	1 (AAA)	2 (Aa1)	3 (AAA)	-
Sun Life /Canada (US) 79065	DE	1970	$ 9.20B	5.2%	1.7%	0.0%	*	1 (AAA)	2 (Aa1)	3 (AAA)	7 (C+)
Sunset LIC/America 69272	WA	1937	$ 0.40B	12.2%	4.4%	0.3%	*	3 (AA)	-	-	3 (A-)
TIAA of Amer. 69345	NY	1918	$ 67.48B	4.7%	4.8%	1.9%	*	1 (AAA)	1 (Aaa)	1 (AAA)	6 (B-)
Time Insur. Co. 69477	WI	1910	$ 1.31B	35.7%	1.7%	0.0%	*	3 (AA)	-	-	3 (A-)
TMG LIC (W'tn States) 70491	ND	1930	$ 0.98B	10.1%	0.7%	1.4%	*	1 (AAA)	-	-	6 (B-)
Transam. Life & Ann. 69507	CA	1966	$ 11.01B	3.6%	3.8%	0.0%	*	2 (AA+)	4 (Aa3)	2 (AA+)	5 (B)
Transam. Occidental 67121	CA	1906	$ 11.46B	6.9%	3.7%	0.0%	*	2 (AA+)	4 (Aa3)	2 (AA+)	5 (B)
Travelers Insur. Co. 87726	CT	1863	$ 32.67B	5.5%	2.7%	2.3%	4 (A-)	5 (A+)	6 (A2)	6 (A+)	9 (C-)
Travelers Life/Annu. 80950	CT	1973	$ 1.96B	11.2%	7.9%	0.5%	*	5 (A+)	-	-	10 (D+)
Union Central LIC 80837	OH	1867	$ 3.53B	5.0%	4.2%	0.4%	*	5 (A+)	7 (A3)	5 (A+)	8 (C)
United Companies 69876	LA	1955	$ 1.51B	5.6%	0.9%	0.6%	*	-	-	5 (A+)	7 (C+)
Union Labor LIC 69744	MD	1925	$ 1.86B	6.5%	2.0%	0.4%	*	8 (BBB+)	-	5 (A+)	10 (D+)
United Amer. Insur. Co. 92916	DE	1947	$ 0.70B	26.0%	0.5%	0.0%	*	1 (AAA)	-	-	1 (A)
United Fidelity LIC 87645	TX	1920	$ 0.35B	13.6%	0.9%	0.4%	*	-	-	-	11 (D)
United Investors LIC 94099	MO	1961	$ 1.21B	11.7%	0.4%	0.0%	*	1 (AAA)	-	-	2 (A)
United of Omaha 69868	NE	1926	$ 5.71B	6.6%	2.7%	0.2%	*	3 (AA)	3 (Aa2)	3 (AA)	4 (B+)
United Presidential 70033	IN	1965	$ 0.95B	8.3%	3.4%	0.0%	*	-	-	-	5 (B)
United Services 70084	VA	1937	$ 2.17B	5.8%	1.9%	0.2%	*	5 (A+)	-	-	8 (C)
Unity Mutual LIC 70114	NY	1903	$ 0.45B	4.5%	1.8%	0.0%	*	-	-	-	8 (C)
UNUM LIC 62235	ME	1966	$ 9.06B	7.4%	4.0%	0.5%	1 (A++)	2 (AA+)	2 (Aa1)	-	5 (B)
USAA LIC 69663	TX	1963	$ 4.75B	6.3%	1.7%	0.0%	1 (A++)	1 (AAA)	2 (Aa1)	-	3 (A-)
USG Ann.& Life Co. 61247	OK	1957	$ 3.88B	5.9%	7.3%	0.0%	*	3 (AA)	5 (A1)	3 (AA)	7 (C+)
USLife Ins.Co.(NY) 70106	NY	1850	$ 2.44B	7.4%	3.7%	0.8%	*	2 (AA+)	-	-	7 (C+)
Variable Ann. LIC 70238	TX	1968	$ 19.94B	3.8%	2.6%	0.3%	1 (A++)	1 (AAA)	3 (Aa2)	1 (AAA)	4 (B+)
Vermont LIC 93645	VT	1981	$ 0.49B	5.0%	2.0%	1.3%	*	4 (AA-)	-	4 (AA-)	8 (SC)
WM (Wash. Mut'l) LIC 85952	AZ	1975	$ 0.74B	7.0%	0.0%	0.0%	*	-	-	-	9 (C-)
Wash. Nat'l Ins. 70319	IL	1923	$ 1.63B	11.5%	3.5%	0.3%	*	-	-	-	7 (C+)
West Coast LIC 70335	CA	1915	$ 0.44B	20.9%	2.9%	0.1%	*	-	5 (A1)	-	5 (B)
Western Nat'l LIC 70432	TX	1944	$ 7.91B	4.7%	8.4%	0.0%	*	5 (A+)	9 (Baa2)	4 (AA-)	8 (C)
W'tern Reserve LAC 91413	OH	1957	$ 1.87B	2.6%	6.5%	0.0%	*	2 (AA+)	4 (Aa3)	2 (AA+)	7 (C+)
W'tern United LAC 77925	WA	1963	$ 0.76B	5.6%	0.0%	2.6%	*	-	-	-	10 (D+)
Wm Penn LIC of NY 66230	NY	1962	$ 0.99B	5.6%	0.6%	0.0%	*	-	-	-	5 (B)
Wisconsin Nat'l LIC 70580	WI	1908	$ 0.36B	14.0%	0.8%	0.0%	*	-	-	-	3 (A-)
Woodmen of the World 57320	NE	1891	$ 3.03B	-	-	-	*	3 (AA)	-	-	-
Xerox Finan. Svcs. LIC 93513	MO	1981	$ 3.91B	2.7%	9.8%	0.1%	*	5 (A+)	6 (A2)	-	9 (C-)
Zurich Amer. LIC 70661	IL	1960	$ 0.27B	11.0%	0.0%	0.0%	*	4 (AA-)	4 (Aa3)	-	8 (C)

* The rating for this insurer can be obtained directly from A.M. Best Company. A. M. Best ratings which are listed above were obtained from news announcements issued by Best "FOR IMMEDIATE RELEASE."

A. M. BEST's Ratings

A. M. Best Co. is the oldest insurance rating agency in the world and has been reporting on the financial condition of insurance companies since 1899. It 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 guarranty of any 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 is assigned after evaluating a company's financial condition and operating performance both in qualitative and quantitative terms. Quantitative evaluation examines (1) profitability, (2) leverage, (3) liquidity, (4) reserve adequacy, and (5) reinsurance. Qualitative evaluation is based on (1) spread of risk, (2) soundness and appropriates of reinsurance, (3) quality and diversification of assets, (4) adequacy of policy reserves, and (5) adequacy of surplus, (6) capital structure, and (7) management experience. Ratings are reviewed both on an annual and a quarterly basis. The rating scale uses letter grades ranging from A++ (Superior), the highest, to F (In Liquidation), 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.

The rating categories, including modifiers and "not assigned" designations, are as follows:

Rating Categories

A++, A+	Superior
A, A-	Excellent
B++, B+	Very Good
B, B-	Good
C++, C+	Fair
D	Below Minimum Standards
E	Under State Supervision
F	In Liquidation

Rating Modifiers

p	Pooled Rating
r	Reinsured Rating
e	Parent Rating
x	Revised Rating
w	Rating Watch List
g	Group Rating
s	Consolidated Rating
q	Qualified Rating

"Not Assigned" Categories

NA-1	Special Data Filing
NA-2	Less than Minimum Size
NA-3	Insufficient Operating Experience
NA-4	Rating Procedure Inapplicable
NA-5	Significant Change
NA-6	Reinsured by Unrated Insurer
NA-8	Incomplete Financial Information
NA-9	Company Request
NA-11	Rating Suspended

Ratings and reports on individual companies are available from A.M. Best. The cost of the report, which includes the company's rating, is $20. You can also receive just the letter rating by dialing a 900 number (this is a toll call at $2.50 per minute). Call A.M. Best at (908) 439-2200 for instructions on how to place the call.

Standard & 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 R (lowest), (ie., AAA, AA, A, BBB, BB, B, CCC, R). The ratings from AA to B 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.

Rating Categories

AAA	Superior financial security. Highest safety.
AA	Excellent financial security. Highly safe.
A	Good financial security. More susceptible to enconomic change than highly rated companies.
BBB	Adequate financial security. More vulnerable to economic changes than highly rated companies.
BB	Financial security may be adequate, but capacity to meet long-term policies is vulnerable.
B	Vulnerable financial security.
CCC	Extremely vulnerable financial security. Questionable ability to meet obligations unless favorable conditions prevail.
R	Regulatory action. Placed under an order of rehabilitation and liquidation.

S & P ratings for individual companies are available at no charge. Financial reports are $25 each. Write to Standard & Poor's Corporation; 25 Broadway; New York, NY 10004. Or call (212) 208-1996.

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's 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.

Rating Categories

Aaa	Exceptional security. Unlikely to be affected by change.
Aa	Excellent security. Lower than Aaa because long-term risks appear somewhat larger.
A	Good Security. Possibly susceptible to future impairment.
Baa	Adequate security. Certain protective to future impairment.
Ba	Questionable security. Ability to meet obligations may be moderate.
B	Poor security. Assurance of punctual payment of obligations is small over the long run.
Caa	Very poor security. There may be elements of danger regarding the payment of obligations.
Ca	Extremely poor security. Companies are often in default.
C	Lowest security. Extremely poor prospects of offering financial security.

Moody's provides a range of financial analysis reports and ratings. For further information, write to Moody's Investors Service; 99 Church Street; New York, NY 10007; or telephone (212) 553-1658.

Duff & Phelps' Ratings

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.

Rating Categories

AAA	Highest claims paying ability. Negligible risk.
AA+ **AA** **AA-**	Very high claims paying ability. Modest risk.
A+ **A** **A-**	High claims paying ability. Variable risk over time.
BBB+ **BBB** **BBB-**	Below average claims paying ability.
BB+ **BB** **BB-**	Uncertain claims paying ability. Protective factors are subject to change to change with adverse economy.
CCC	Substantial risk regarding claims paying ability. Likely to be placed under state insurance department supervision.

Full reports on individual companies are available for $25. Ratings are provided free of charge. Write to Duff & Phelps Credit Rating Company; 55 East Monroe St.; Chicago, IL 60603; or call (312) 368-3157.

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; or telephone (800) 289-9222.

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.

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 deposit with tax-deferred earnings until you withdraw those funds from your account.

Annuities may accept either a one-time deposit ("Single Premium" annuity) or unlimited periodic investments ("Flexible Premium" annuity). Some annuities allow you to allocate your money among a choice of investment options ("Variable" annuity), and the value of your annuity fluctuates with the value of the underlying funds. Other annuities credit a fixed interest rate ("Fixed" annuity), which is determined each year by the insurance company.

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 extra cost and we 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 deposit. 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 purchaser. 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.

Advantages of An Immediate Annuity

Advantages of an immediate annuity are: (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 particularly 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.

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).

Forms of Annuity Definitions

<u>Life Only, No Refund:</u> Level payments are received for the annuitant's lifetime and cease upon the annuitant's death.

<u>Life with Period Certain:</u> Level payments are received for the annuitant's lifetime. However, if the annuitant should die before the end of the specified certain period (usually from 5 to 25 years), payments will be paid to the designated beneficiary until the end of the certain period.

<u>Life with Installment Refund:</u> Level payments are received for the annuitant's lifetime. However, if the annuitant should die before receiving an amount equal to the original premium, payments will be paid to the designated beneficiary until the total payments made (annuitant and beneficiary) equal the original premium (without interest).

<u>Joint and Full Survivor (100%):</u> Level payments are made for as long as either the annuitant or joint annuitant is alive. Joint and Survivor (100%) with Certain Period: same as above except, if both the annuitant and joint annuitant should die before the end of the specified certain period (5-25 years), payments will be paid to the designated beneficiary until the end of the certain period.

<u>Joint and Survivor (50%..75%) reducing on FIRST or EITHER death:</u> Full level payments are made as long as both the annuitant and joint annuitant are alive. Upon the death of either the annuitant or joint annuitant, reduced (50%...75%) level payments will continue to the survivor for as long he/she is alive.

Adding a <u>Period Certain</u> provision to a Joint and Survivor (50%...75%) annuity accomplishes the following: even if the annuitant or joint annuitant dies before the end of the certain period, payments to the survivor will not reduce until after the end of the certain period (5-25 years). If both the annuitant and joint annuitant die before the end of the certain period, full level payments will be paid to the designated beneficiary until the end of the certain period.

<u>Joint and Survivor (50%..75%) reducing ONLY ON DEATH OF PRIMARY ANNUITANT:</u> Full level payments will be made for as long as both the annuitant and contingent annuitant lives. Payments are never reduced to the Primary Annuitant. Payments are reduced to the Contingent annuitant should the Primary Annuitant predecease the Contingent Annuitant. (Note: This form is sometimes called Joint and **Contingent** annuity. However, be careful, many companies interchange their definitions for Joint and Survivor and Joint and Contingent forms. Verify your company's interpretation of survivor annuity to be what you have in mind to purchase.)

Adding a <u>Period Certain</u> provision to a Joint and Contingent (50%..75) annuity does this: if the annuitant dies before the end of the certain period, payments to the contingent annuitant will not reduce until after the end of the certain period (5-25 years). If both annuitants die before the end of the certain period, full level payments will be paid to the designated beneficiary until the end of the certain period.

<u>Annuity Certain (Without Life Contingency):</u> Level payments are received for a specific period (5-25 years). If the annuitant should die before the end of the certain period, payments will be paid to the designated beneficiary. NO payments are made to the annuitant after the end of the specified period. (You <u>may</u> outlive this type of annuity.)

Immediate Annuity Rate Tables

Source of Funds -
Qualified vs. Non-Qualified

The term **Qualified** (in the heading of Immediate Annuities Update Tables) 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. **The whole payment received each month from a qualified annuity is taxable as income (since income taxes has not yet been paid on these funds). Qualified** annuities may either come from corporate-sponsored retirement plans (such as Defined Benefit or Defined Contribution Plans), Lump Sum distributions from such retirement plans, or from such individual retirement arrangements as IRAs, SEPs, and Section 403(b) tax-sheltered annuities, or Section 1035 annuity or life insurance exchanges. Generally speaking, insurance companies use male/female (sex-distinct) rates when pricing qualified annuities where the purchaser and/or owner is a corporation. Where the annuity is purchased by an individual, 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. **A part of each monthly payment is considered a return of previously taxed principal and therefore EXCLUDED from taxation as income this year. The amount excluded from taxes is calculated by an EXCLUSION RATIO which appears on most annuity quotation sheets.** Non-qualified annuities may be purchased by employers for situations such as deferred compensation or supplemental income programs or by individuals investing their after-tax savings accounts or money market accounts, CD's, proceeds from the sale of a house, business, mutual funds, other investments, or from an inheritance or proceeds from a life insurance settlement. 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.

The income figures in the immediate annuity tables represent monthly payment for a $1,000 deposit with the first check 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.

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 explore issues related to "Fixed" deferred annuities (which are different than "Variable" deferred annuities reviewed in a separate section below). 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.

Advantages of A Deferred Annuity

1. Compound Earnings Without Paying Taxes

Annuity interest is tax-deferred. There are no IRS forms to file nor earned-interest entries on your 1040. People saving for retirement or investors with large money market or CD balances **must** consider annuities for the extra earnings which only this kind of tax deferral can provide. That's because tax-free compounding over a reasonable period of time produces a substantially greater retirement benefit after taxes are paid than taxable investing. Some studies find from 15% to 40% more money is available. So why would anyone want to warehouse their excess cash in a taxable CD when they could avoid the annual tax bite and even earn **additional** interest on each year's unpaid taxes year after year? What's more, if they wait to receive annuity income until retirement, when they're likely to be in a lower tax bracket, they'll further increase the value of their original investment.

2. Earning Higher Interest Rates

Annuities credit interest which is close to **long-term** bond rates and a lot higher than **short-term** money market rates. Add that to the power of tax deferral and you can see why each year annuities earn a substantially higher yield than CDs. Compare the **7.98%** equivalent yield from a typical 6% annuity (for an investor in the 33% tax bracket) to the **2.48%** net return from a 3.50% taxable CD or money market account. That's THREE times the earnings power of a CD. Plus, when long-term rates finally do turn up again, annuities will earn the higher interest rates then available.

3. Unlimited Tax-Deferral

Even persons who have maximized their yearly IRA and pension contributions may still invest any amount they wish into a tax-deferred annuity. There are no annual investment ceilings (no $30,000 limits) on this tax-advantaged plan. Investors may even continue to shelter their funds in annuities with many insurance companies to age 90 and older.

4. Principal Safety Without Market Fluctuations

When interest rates begin to trend up again (which they most certainly will do sometime during the next 10-20 years) annuity accounts will be protected from the kind of losses in principal which will hit bonds and bond funds. Annuities will credit future high interest rates without losses in principal. In an annuity 100% of your accumulated principal and interest is always in the account no matter what direction interest rates take.

5. Worry-Free Investing

The value of a fixed rate annuity is guaranteed and will not vary with "today's closing averages." The accumulated principal and interest is never subject to market losses. The interest or income continues regardless of what happens to bond rates or stock market performance. Investors are advised to regularly monitor the financial condition of their issuing company.

6. Retire Early Without Penalty

Annuities can offer valuable tax-savings for under age 59-1/2 employees who accept large cash sums from their 401k profit-sharing plans as part of an early retirement or severance package. For example, a young couples' 401k rollover can be invested in an annuity with "Substantial and Equal Payments" (IRS requirement) to cover their monthly mortgage payments. And this from monies they thought couldn't be touched until retirement!

7. Avoid the 50% Penalty on Minimum Required Withdrawals

Wealthy investors or retirees over age 70-1/2 who are now required to take minimum withdrawals from their IRA or Pension plans can avoid the hefty 50%(!) IRS penalty on amounts they should have withdrawn which they didn't, by simply annuitizing their accounts and turning over responsibility for income calculations to the insurance companies. They will also save the annual fees their accountant or attorney normally charges for making these calculations (and it may even be difficult finding one who knows how to do it correctly).

8. Retire With Lifetime Income

Retirees concerned about making their profit sharing plan and money market savings last "forever" can protect themselves with a guaranteed income stream, no matter how long they live. Nowadays, the possibility of outliving one's savings is high. A healthy male age 65 has a 25% chance of living beyond age 90, and women live longer still. With annuities, the monthly retirement check is guaranteed for life, regardless of swings in the economy.

9. Probate-Free Inheritance

Investors seeking to protect their beneficiaries from the onerous two- and three-year delays and associated costs of probate, can spare them the hassles with annuities. Annuity cash values are paid directly and quickly to named beneficiaries as soon as the insurance company is notified of the policyholder's death.

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, oven charge greater surrender penalties.

Deferred Annuity Rate Tables

The deferred annuity rate tables (in the earlier DEFERRED ANNUITIES UPDATE sections) 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—<u>and</u> 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 deferred annuities tables). 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 arbitrarily 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. (This is different than "Variable" annuities where front-end charges may exist.) This means that 100% of your deposit without any deductions goes directly to work for you in your account. Of course, your salesman is paid a commission (usually from 3% to 8%). But his fee is not deducted from your deposit. It's actually advanced to him by his insurance company, which figures to recoup this expense a little each year, through the **spread** between the interest rate it earns on your money and the rate it credits to your account.

It is not common for fixed annuities to charge maintenance fees. Most insurance companies also let you withdraw up to 10% of your account value (principal plus accumulated interest) each year, without paying a surrender penalty. However, EXCEPT for certain Certificate of Annuity policies, if you want to withdraw more than 10% of your contract value or surrender it for its full value before the insurance company has had time to recoup its sales expenses—typically during the first 7 years or so—then you will be charged a penalty (in other words, a "back-end load"). These surrender charges usually approximate the unearned expenses a company has advanced. (These penalties are in addition to whatever IRS 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 Annuities - Split Annuities

Combination annuities (also called 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 our table on Split annuities show maturity periods of five and seven years.

What makes combination annuities different from other cash accumulation programs is how they are taxed. Payments from an immediate annuity have unique taxation: a portion of each payment is recognized by the IRS as a return of principal, with the remainder representing taxable income in the year received. The amounts are determined by a percentage factor, known as the "exclusion ratio," and in a combination annuity the results are very favorable. This feature can be viewed as an important advantage over bank CDs, for instance, because it reduces the amount of tax paid by the investor. A simple example will help illustrate this point. Suppose a semi-retired individual has a $50,000 investment coming up for renewal this month. The aim of this person is to use the monthly interest earnings to supplement his income. A local bank is offering a 6% fixed rate for an 84 month account where interest may be withdrawn without a charge each month. From the bank certificate of deposit, then, our investor would get $250.00 in interest income each month. After taxes, at 15%, he would receive $212.50 in net income. But he can do significantly better with a combination annuity.

By allocating his $50,000 into a combi-nation annuity that uses both an SPIA and a deferred annuity, here's how our investor could increase his after-tax income. Based on current interest rates, he would deposit approximately $32,500 into the deferred annuity portion of a combination annuity. In 84 months, this deposit will have grown to a value of $50,000. He would then use the remaining $17,500 of his original $50,000 to purchase an SPIA, which at current rates would generate approximately $254.00 over the next 84 months. Of that amount, $208.02 is received tax free, because it represents a return of principal. This leaves $45.98 as taxable income. Assuming the same 15% tax bracket as before, $39.09 of this amount would constitute after-tax income. So, in this example, our investor would be receiving a total of $247.10 ($208.02 plus $39.08) in after-tax income. And, he would also have his full $50,000 investment returned in seven years. The result is an increase in monthly income by more than 16% over what would have be provided through a bank certificate of deposit. The investor should also note that the income generated inside the deferred annuity portion of his combination annuity would be come taxable income if he takes a withdrawal. He can avoid this taxation, however, simply by rolling over the money into another tax deferred investment.

Some tax consultants advise investors to "custom build" their own combination annuity by simply purchasing an immediate annuity and a deferred annuity from separate insurance companies. This has the potential of providing more competitive returns and also avoids the unfavorable implications of certain IRS revenue rulings concerning combination annuities where the immediate annuity and deferred annuity portions are issued by the same company.

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

Most VAs can be purchased on a no-load basis (that is, without a "front-end" load). Therefore, virtually all of your Variable Annuity deposit will be put to work for you (on a tax-advantaged basis to boot). VAs sometimes have annual contract fees—typically $30. In addition, 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 the GICs table 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

Annual renewable term life insurance is a very simple product. It is essentially a bet on your life. If you die while the policy is still in force, the insurance company will pay your beneficiary the face value. If you survive, the insurance company has no obligation to pay anything to anyone. Renewal of the policy from one year to the next is also guaranteed by the issuing insurance company, without any need for the policyholder to prove continued insurability. Moreover, the insurance company cannot increase premiums because the policyholder has developed an adverse physical condition. Premiums do increase each year; however, they do so only in relation to the higher risk carried by the insurance company as the policyholder's life expectancy decreases.

Term insurance rates are reported in tables 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 aggregate 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 succeeding five-year interval.

Ten-Year Level Term Life Insurance

Ten-year level term has the same basic contractual obligations as annual renewable term. The main difference is one of pricing. For Ten-year level term, the premium is guaranteed to remain constant for a period of ten years, unlike annual renewable term where the premiums gradually increase each year.

Annuity Shopper reports annual premium amounts, including all fees and commissions, 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.

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 un-funded 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 submiting 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.

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