



THE New Source of Information About Term Insurance

LHATF Shines Light on "Shadow Accounts"

The VET Index

The VET Index

918.92

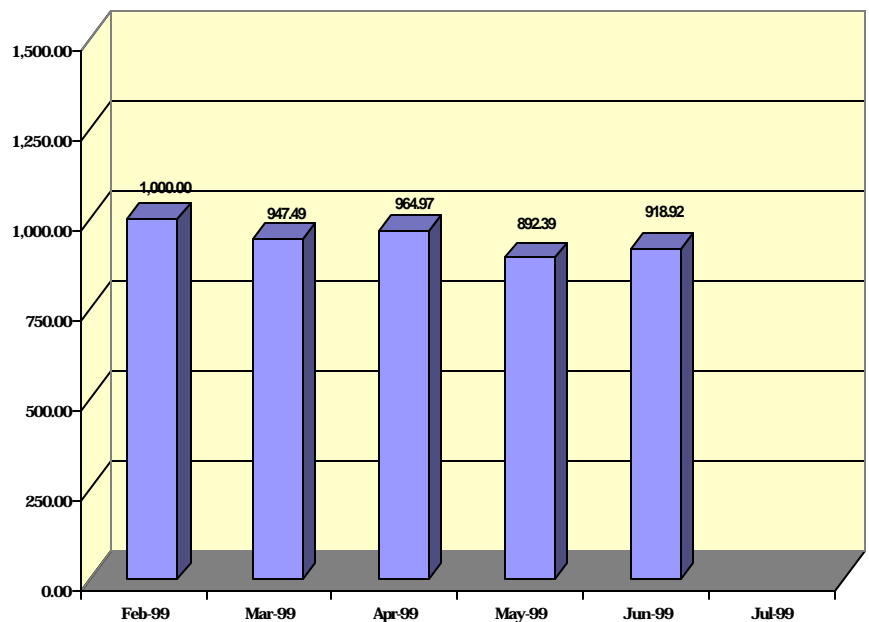
The VET Index rose 2.65% in June. The index sent mixed signals with Non Smoker rated policies having as many reductions as increases. Across the board increases in the rates for Preferred rated policies have pushed the index up. Some of these increases are in the 25% range.

XXX Handbook Update

There have been some changes to the 1980 CSO 10-Year Select Mortality Factors Table. The corrected page is included in this issue. It will replace the table in Appendix C on page 23.

XXX Spreadsheet

Version 1.4 of the XXX Spreadsheet has been sent out. Contact Lois at Van Elsen Consulting if you did not receive your update. We now are also selling another version of the XXX spreadsheet which can calculate non forfeiture values.



NAIC - Atlanta, GA

Regulators at the NAIC Fall meeting addressed the attempt to do an end run around XXX regulations by some companies. They made it clear there is no "loophole" in the XXX Regulation and any attempt to find one will bring the full wrath of the regulators.

Larry Gorski (Illinois) explained how some wording in filings "sounds" all right but upon closer inspection is only an attempt to create the "loophole." Other regulators agreed to share information with each other as they find new attempts to avoid adequate reserves.

While the concept of "Shadow Accounts" is not restricted, the use of them to avoid proper reserves will not be allowed. Any reserves for term products should display the traditional "humpback." In other words, if it looks like a duck, and sounds like a duck, and waddles like a duck... its probably a duck... and the regulators just declared duck season open.

CONTENTS

The VET Index	1
XXX Handbook Update	1
XXX Spreadsheet	1
NAIC - Atlanta, GA	1
100K Term Insurance Survey	2
250K Term Insurance Survey	3
\$1,000K Term Insurance Survey	4
XXX Update	5

\$100K Term Insurance Survey

Male Rates	Non-Smoker \$100,000								
	10-Year			20-Year			30-Year		
	Apr	May	Jun	Apr	May	Jun	Apr	May	Jun
Age 25									
Products in Survey	141	140	143	108	106	111	53	52	54
Lowest	\$1.08	\$1.08	\$1.08	\$1.24	\$1.28	\$1.24	\$1.65	\$1.65	\$1.55
1st Quartile	\$1.43	\$1.43	\$1.41	\$1.72	\$1.67	\$1.67	\$1.89	\$1.88	\$1.82
Median	\$1.60	\$1.60	\$1.60	\$1.88	\$1.87	\$1.85	\$2.06	\$2.06	\$1.99
3rd Quartile	\$1.76	\$1.75	\$1.74	\$2.11	\$2.09	\$2.09	\$2.24	\$2.24	\$2.24
Highest	\$2.46	\$2.46	\$2.46	\$4.49	\$3.60	\$3.60	\$3.32	\$3.32	\$3.32
Mean	\$1.59	\$1.59	\$1.59	\$1.97	\$1.90	\$1.89	\$2.13	\$2.12	\$2.08
Age 45									
Products in Survey	149	148	151	117	115	120	54	53	55
Lowest	\$1.79	\$1.79	\$1.79	\$2.54	\$2.54	\$2.54	\$3.66	\$3.66	\$3.59
1st Quartile	\$2.58	\$2.58	\$2.58	\$3.44	\$3.39	\$3.35	\$4.15	\$4.12	\$4.05
Median	\$2.97	\$2.97	\$2.97	\$3.97	\$3.96	\$3.96	\$4.71	\$4.70	\$4.54
3rd Quartile	\$3.44	\$3.43	\$3.42	\$4.52	\$4.51	\$4.50	\$5.39	\$5.41	\$5.45
Highest	\$6.17	\$6.17	\$6.17	\$9.57	\$9.57	\$9.57	\$7.64	\$7.64	\$7.64
Mean	\$3.04	\$3.03	\$3.02	\$4.13	\$4.12	\$4.08	\$4.97	\$4.96	\$4.92
Age 65									
Products in Survey	138	137	141	42	42	45	4	4	5
Lowest	\$8.54	\$8.54	\$8.46	\$15.20	\$15.20	\$13.19	\$28.16	\$28.16	\$28.08
1st Quartile	\$12.35	\$12.28	\$11.94	\$17.82	\$17.78	\$17.64	\$28.16	\$28.16	\$28.16
Median	\$14.18	\$14.13	\$13.85	\$22.35	\$21.52	\$21.69	\$29.66	\$29.66	\$30.48
3rd Quartile	\$16.60	\$16.30	\$16.30	\$25.66	\$24.99	\$25.20	\$31.16	\$31.16	\$31.16
Highest	\$25.94	\$25.94	\$25.94	\$35.39	\$35.39	\$35.39	\$31.16	\$31.16	\$32.40
Mean	\$14.47	\$14.41	\$14.33	\$22.56	\$22.19	\$21.94	\$29.66	\$29.66	\$30.06

Male Rates	Preferred \$100,000								
	10-Year			20-Year			30-Year		
	Apr	May	Jun	Apr	May	Jun	Apr	May	Jun
Age 25									
Products in Survey	182	179	109	161	156	91	87	84	39
Lowest	\$0.78	\$0.78	\$0.81	\$1.00	\$1.00	\$1.09	\$1.21	\$1.21	\$1.31
1st Quartile	\$1.12	\$1.12	\$1.21	\$1.30	\$1.29	\$1.40	\$1.46	\$1.46	\$1.49
Median	\$1.29	\$1.29	\$1.34	\$1.47	\$1.47	\$1.56	\$1.61	\$1.62	\$1.62
3rd Quartile	\$1.43	\$1.43	\$1.48	\$1.67	\$1.65	\$1.70	\$1.73	\$1.74	\$1.82
Highest	\$2.04	\$2.04	\$2.04	\$3.11	\$3.11	\$3.11	\$2.84	\$2.84	\$2.84
Mean	\$1.27	\$1.27	\$1.35	\$1.50	\$1.49	\$1.59	\$1.63	\$1.64	\$1.70
Age 45									
Products in Survey	184	181	111	166	161	96	88	85	40
Lowest	\$1.29	\$1.29	\$1.52	\$1.82	\$1.82	\$2.11	\$2.60	\$2.60	\$2.90
1st Quartile	\$1.78	\$1.77	\$1.96	\$2.35	\$2.32	\$2.62	\$3.00	\$2.99	\$3.16
Median	\$2.10	\$2.09	\$2.24	\$2.76	\$2.70	\$2.91	\$3.33	\$3.34	\$3.51
3rd Quartile	\$2.41	\$2.41	\$2.56	\$3.20	\$3.17	\$3.43	\$3.69	\$3.70	\$4.05
Highest	\$3.61	\$3.61	\$3.61	\$7.68	\$7.68	\$7.68	\$6.20	\$6.20	\$6.20
Mean	\$2.12	\$2.11	\$2.30	\$2.89	\$2.87	\$3.12	\$3.47	\$3.47	\$3.69
Age 65									
Products in Survey	185	182	112	47	46	31	7	7	3
Lowest	\$6.11	\$6.11	\$7.02	\$11.72	\$11.26	\$12.68	\$19.02	\$19.02	\$21.87
1st Quartile	\$7.96	\$7.81	\$8.93	\$13.49	\$13.28	\$14.34	\$20.29	\$20.29	\$22.82
Median	\$9.37	\$9.36	\$10.17	\$15.95	\$14.54	\$16.00	\$21.56	\$21.56	\$23.76
3rd Quartile	\$10.97	\$10.97	\$12.19	\$19.03	\$18.34	\$18.97	\$23.76	\$23.76	\$24.46
Highest	\$15.89	\$15.89	\$15.89	\$30.68	\$30.68	\$30.68	\$25.16	\$25.16	\$25.16
Mean	\$9.70	\$9.64	\$10.53	\$16.92	\$16.32	\$17.42	\$21.98	\$21.98	\$23.60

\$250K Term Insurance Survey

Male Rates	Non-Smoker \$250,000								
	10-Year			20-Year			30-Year		
	Apr	May	Jun	Apr	May	Jun	Apr	May	Jun
Age 25									
Products in Survey	116	165	165	125	124	129	61	61	63
Lowest	\$0.78	\$0.78	\$0.72	\$0.97	\$0.97	\$0.91	\$1.15	\$1.15	\$1.10
1st Quartile	\$1.14	\$1.03	\$1.02	\$1.27	\$1.25	\$1.25	\$1.50	\$1.50	\$1.44
Median	\$1.21	\$1.15	\$1.14	\$1.42	\$1.41	\$1.40	\$1.65	\$1.62	\$1.60
3rd Quartile	\$1.36	\$1.29	\$1.29	\$1.56	\$1.55	\$1.55	\$1.88	\$1.88	\$1.82
Highest	\$1.85	\$1.85	\$1.85	\$3.24	\$3.24	\$3.24	\$2.84	\$2.84	\$2.84
Mean	\$1.25	\$1.16	\$1.15	\$1.48	\$1.46	\$1.45	\$1.70	\$1.69	\$1.66
Age 45									
Products in Survey	166	166	166	126	125	130	60	60	62
Lowest	\$1.49	\$1.49	\$1.46	\$2.24	\$2.24	\$2.24	\$3.36	\$3.36	\$3.03
1st Quartile	\$2.11	\$2.06	\$2.05	\$2.93	\$2.90	\$2.80	\$3.66	\$3.66	\$3.58
Median	\$2.39	\$2.39	\$2.38	\$3.40	\$3.33	\$3.31	\$4.24	\$4.19	\$3.94
3rd Quartile	\$2.81	\$2.80	\$2.80	\$3.82	\$3.82	\$3.82	\$4.78	\$4.76	\$4.77
Highest	\$6.02	\$6.02	\$6.02	\$9.21	\$9.21	\$9.21	\$7.57	\$7.57	\$7.57
Mean	\$2.51	\$2.50	\$2.48	\$3.56	\$3.54	\$3.50	\$4.45	\$4.42	\$4.38
Age 65									
Products in Survey	153	153	154	45	45	48	6	6	6
Lowest	\$8.09	\$8.09	\$8.04	\$14.78	\$14.78	\$12.89	\$27.72	\$27.72	\$27.68
1st Quartile	\$11.66	\$11.22	\$11.20	\$17.28	\$17.21	\$16.74	\$28.46	\$28.46	\$28.41
Median	\$13.10	\$13.02	\$12.93	\$21.50	\$20.94	\$20.86	\$30.68	\$30.68	\$30.58
3rd Quartile	\$15.05	\$15.04	\$14.98	\$24.84	\$24.00	\$24.21	\$34.77	\$34.77	\$31.70
Highest	\$25.79	\$25.79	\$25.79	\$34.94	\$34.94	\$34.94	\$36.13	\$36.13	\$36.13
Mean	\$13.53	\$13.42	\$13.34	\$21.99	\$21.57	\$21.28	\$31.51	\$31.51	\$30.79

Male Rates	Preferred \$250,000								
	10-Year			20-Year			30-Year		
	Apr	May	Jun	Apr	May	Jun	Apr	May	Jun
Age 25									
Products in Survey	212	0	0	182	0	0	97	0	0
Lowest	\$0.50	\$0.50	\$0.58	\$0.68	\$0.68	\$0.76	\$0.79	\$0.79	\$1.20
1st Quartile	\$0.73	\$0.73	\$0.79	\$0.89	\$0.89	\$0.96	\$1.09	\$1.09	\$1.26
Median	\$0.84	\$0.83	\$0.89	\$1.01	\$1.00	\$1.05	\$1.20	\$1.20	\$1.36
3rd Quartile	\$0.95	\$0.95	\$1.01	\$1.20	\$1.16	\$1.21	\$1.36	\$1.33	\$1.43
Highest	\$1.53	\$1.53	\$1.53	\$2.73	\$2.73	\$2.73	\$2.36	\$2.36	\$2.36
Mean	\$0.85	\$0.85	\$0.91	\$1.06	\$1.05	\$1.13	\$1.24	\$1.23	\$1.41
Age 45									
Products in Survey	214	0	0	182	0	0	93	0	0
Lowest	\$0.92	\$0.92	\$1.16	\$1.52	\$1.51	\$1.74	\$2.09	\$2.09	\$2.89
1st Quartile	\$1.35	\$1.33	\$1.52	\$1.89	\$1.86	\$2.09	\$2.56	\$2.56	\$3.08
Median	\$1.58	\$1.56	\$1.72	\$2.25	\$2.21	\$2.31	\$2.81	\$2.81	\$3.26
3rd Quartile	\$1.84	\$1.84	\$1.92	\$2.61	\$2.57	\$2.72	\$3.19	\$3.14	\$3.55
Highest	\$3.31	\$3.31	\$3.31	\$7.32	\$7.32	\$7.32	\$5.72	\$5.72	\$5.72
Mean	\$1.65	\$1.63	\$1.78	\$2.37	\$2.33	\$2.56	\$2.98	\$2.97	\$3.48
Age 65									
Products in Survey	205	0	0	51	0	0	8	0	0
Lowest	\$5.60	\$5.49	\$6.50	\$11.50	\$10.77	\$11.90	\$19.02	\$19.02	\$21.87
1st Quartile	\$7.26	\$7.23	\$8.32	\$12.89	\$12.40	\$13.22	\$20.57	\$20.57	\$23.02
Median	\$8.72	\$8.70	\$9.28	\$15.47	\$13.95	\$15.56	\$22.24	\$22.24	\$24.04
3rd Quartile	\$10.03	\$10.00	\$10.85	\$19.57	\$18.24	\$18.75	\$23.72	\$23.72	\$26.54
Highest	\$15.59	\$15.59	\$15.59	\$30.23	\$30.23	\$30.23	\$32.11	\$32.11	\$32.11
Mean	\$8.97	\$8.87	\$9.67	\$16.42	\$15.79	\$16.71	\$22.97	\$22.97	\$25.52

\$1,000K Term Insurance Survey

Male Rates		Non-Smoker \$1,000,000								
		10-Year			20-Year			30-Year		
		Apr	May	Jun	Apr	May	Jun	Apr	May	Jun
Age 25										
Products in Survey	153	169	153	130	129	134	63	63	65	
Lowest	\$0.63	\$0.59	\$0.54	\$0.82	\$0.82	\$0.71	\$1.01	\$1.01	\$0.88	
1st Quartile	\$0.81	\$0.81	\$0.79	\$1.07	\$1.06	\$1.04	\$1.29	\$1.28	\$1.24	
Median	\$0.92	\$0.93	\$0.91	\$1.22	\$1.21	\$1.21	\$1.50	\$1.50	\$1.39	
3rd Quartile	\$1.04	\$1.08	\$1.02	\$1.37	\$1.34	\$1.34	\$1.65	\$1.62	\$1.61	
Highest	\$1.21	\$1.76	\$1.20	\$3.06	\$3.06	\$3.06	\$2.60	\$2.60	\$2.60	
Mean	\$0.92	\$0.96	\$0.90	\$1.28	\$1.26	\$1.25	\$1.51	\$1.50	\$1.47	
Age 45										
Products in Survey	169	169	169	130	129	134	62	62	64	
Lowest	\$1.34	\$1.28	\$1.26	\$2.09	\$2.09	\$2.09	\$3.16	\$3.16	\$2.89	
1st Quartile	\$1.89	\$1.84	\$1.84	\$2.73	\$2.60	\$2.57	\$3.45	\$3.43	\$3.40	
Median	\$2.17	\$2.17	\$2.14	\$3.13	\$3.08	\$3.06	\$4.04	\$4.00	\$3.78	
3rd Quartile	\$2.57	\$2.56	\$2.54	\$3.60	\$3.55	\$3.55	\$4.55	\$4.49	\$4.53	
Highest	\$5.95	\$5.95	\$5.95	\$9.03	\$9.03	\$9.03	\$7.57	\$7.57	\$7.57	
Mean	\$2.29	\$2.28	\$2.26	\$3.34	\$3.31	\$3.28	\$4.23	\$4.21	\$4.17	
Age 65										
Products in Survey	155	155	156	45	45	48	6	6	6	
Lowest	\$7.83	\$7.83	\$7.55	\$13.99	\$13.99	\$12.74	\$27.54	\$27.54	\$27.44	
1st Quartile	\$11.23	\$10.99	\$10.85	\$17.10	\$16.56	\$15.85	\$28.28	\$28.28	\$28.27	
Median	\$12.90	\$12.80	\$12.74	\$21.00	\$20.76	\$20.64	\$30.48	\$30.48	\$30.46	
3rd Quartile	\$14.62	\$14.56	\$14.53	\$24.66	\$23.88	\$24.08	\$33.69	\$33.69	\$31.52	
Highest	\$25.72	\$25.72	\$25.72	\$34.72	\$34.72	\$34.72	\$34.76	\$34.76	\$34.76	
Mean	\$13.19	\$13.09	\$13.00	\$21.68	\$21.28	\$21.00	\$30.93	\$30.93	\$30.42	

Male Rates		Preferred \$1,000,000								
		10-Year			20-Year			30-Year		
		Apr	May	Jun	Apr	May	Jun	Apr	May	Jun
Age 25										
Products in Survey	224	225	116	193	192	92	104	103	30	
Lowest	\$0.34	\$0.32	\$0.54	\$0.54	\$0.54	\$0.74	\$0.65	\$0.65	\$1.01	
1st Quartile	\$0.53	\$0.52	\$0.62	\$0.69	\$0.69	\$0.80	\$0.93	\$0.91	\$1.06	
Median	\$0.62	\$0.62	\$0.70	\$0.82	\$0.79	\$0.90	\$1.02	\$1.01	\$1.17	
3rd Quartile	\$0.73	\$0.73	\$0.81	\$0.96	\$0.94	\$1.06	\$1.15	\$1.15	\$1.26	
Highest	\$1.38	\$1.38	\$1.38	\$2.54	\$2.54	\$2.54	\$2.12	\$2.12	\$2.12	
Mean	\$0.65	\$0.64	\$0.73	\$0.86	\$0.85	\$0.98	\$1.06	\$1.05	\$1.21	
Age 45										
Products in Survey	222	225	116	191	192	92	100	102	29	
Lowest	\$0.80	\$0.74	\$1.19	\$1.34	\$1.30	\$1.81	\$1.95	\$1.95	\$2.69	
1st Quartile	\$1.13	\$1.09	\$1.35	\$1.68	\$1.66	\$2.03	\$2.36	\$2.34	\$2.84	
Median	\$1.36	\$1.34	\$1.55	\$2.02	\$1.95	\$2.19	\$2.65	\$2.63	\$3.04	
3rd Quartile	\$1.62	\$1.60	\$1.74	\$2.38	\$2.30	\$2.57	\$2.94	\$2.93	\$3.26	
Highest	\$3.16	\$3.16	\$3.16	\$7.14	\$7.14	\$7.14	\$5.48	\$5.48	\$5.48	
Mean	\$1.43	\$1.41	\$1.63	\$2.14	\$2.10	\$2.47	\$2.78	\$2.75	\$3.24	
Age 65										
Products in Survey	213	216	128	51	51	34	8	8	4	
Lowest	\$5.26	\$5.16	\$6.00	\$10.98	\$9.89	\$11.20	\$19.02	\$19.02	\$5.47	
1st Quartile	\$7.07	\$6.97	\$7.99	\$12.47	\$11.94	\$12.99	\$20.39	\$20.39	\$5.75	
Median	\$8.48	\$8.40	\$9.02	\$15.09	\$13.72	\$15.35	\$22.03	\$22.03	\$6.01	
3rd Quartile	\$9.81	\$9.69	\$10.38	\$18.89	\$18.18	\$18.50	\$23.53	\$23.53	\$6.63	
Highest	\$15.16	\$15.16	\$15.16	\$30.01	\$30.01	\$30.01	\$28.89	\$28.89	\$8.03	
Mean	\$8.66	\$8.52	\$9.35	\$16.06	\$15.46	\$16.42	\$22.44	\$22.44	\$6.38	

XXX Update

States Likely to Adopt XXX Effective 1/1/2000 (25 States)

Arizona	Kansas	New Mexico	Pennsylvania
Arkansas	Maine	New York	Texas
California	Minnesota	North Carolina	Utah
Colorado	Montana	North Dakota	Vermont
Illinois	Nebraska	Ohio	Virginia
Indiana	Nevada	Oklahoma	Wisconsin
Iowa			

States Under Active Review of XXX (12 States)

Alabama	Louisiana	Mississippi	Oregon
Connecticut	Maryland	Missouri	Rhode Island
Delaware	Michigan	New Jersey	West Virginia

States Without a Current Position on XXX (12 States & DC)

Alaska	Hawaii	Massachusetts	South Dakota
District of Columbia	Idaho	New Hampshire	Tennessee
Florida	Kentucky	South Carolina	Wyoming
Georgia			

States With Adverse Positions on XXX (1 State)

Washington Department making decision very soon as to direction to take. Options of action are 1) take no action, 2) move forward with NAIC model, 3) or move forward with the drafted version that does not contain the X factor.

