

Dynamic Valuation and NonForfeiture Interest Rate Calculations

Report through: Jun-10	Current Year Averages Ending: June 2010	Prior Year Averages Ending: June 2009
Date Prepared: 07/12/10	12 Month: 5.76% 36 Month: 6.25%	12 Month: 6.80% 36 Month: 6.33%

LIFE INSURANCE CALCULATIONS

Actual 2011 Interest Rates			Val. Break Pt. Rate		2010 Actual Interest Rates		
Duration	Val*	NFF**	Lower	Higher	Duration	Val	NFF**
10 or Less	4.50	5.75	5.250	7.248	10 or Less	4.50	5.75
10+ - 20	4.25	5.25	4.944	6.831	10+ - 20	4.25	5.25
More than 20	4.00	5.00	4.786	7.783	More than 20	4.00	5.00

*Minimum change from previous year's rate is .50 . **Function of Valuation Rate.

ANNUITY CALCULATIONS

SINGLE PREMIUM IMMEDIATE ANNUITY										
2009 Actual Valuation Interest Rate: 6.00%										
Actual 2010 Valuation Interest Rate:		5.25%		Low Break Point:		5.656		High Break Point:		5.969
SINGLE PREMIUM or ANNUAL PREMIUM DEFERRED ANNUITY : Issue Year Basis										
Issue Year Basis: 2010 Actual				Cash Settlement	Future Int. Guar.	Type A Break Pt.		Type C Break Pt.		
Duration	A	B	C			Lower	Higher	Lower	Higher	
5 or Less	5.25	4.75	4.50			5.656	5.969	5.750	6.250	
5+ - 10	5.00	4.75	4.50	Yes	Yes	5.500	5.833	5.750	6.250	
10+ - 20	4.75	4.50	4.25			5.500	5.885	5.500	6.056	
More than 20	4.25	4.00	4.00			5.500	6.056	5.500	6.214	
5 or Less	5.25	4.75	4.50			5.500	5.794	5.500	5.955	
5+ - 10	5.25	4.75	4.50	Yes	No	5.656	5.969	5.500	5.955	
10+ - 20	5.00	4.50	4.50			5.679	6.036	5.750	6.250	
More than 20	4.50	4.00	4.00			5.750	6.250	5.188	5.813	
5 or Less	5.25					5.656	5.969			
5+ - 10	5.00	N/A	N/A	No	Yes/No	5.500	5.833	N/A	N/A	
10+ - 20	4.75					5.500	5.885			
More than 20	4.25					5.500	6.056			
SINGLE PREMIUM or ANNUAL PREMIUM DEFERRED ANNUITY : Change in Fund Basis										
Change in Fund Basis: 2010 Actual				Cash Settlement	Future Int. Guar.	Type A Break Pt.		Type C Break Pt.		
Duration	A	B	C			Lower	Higher	Lower	Higher	
5 or Less	5.50	5.25	4.50			5.500	5.763	5.500	5.955	
5+ - 10	5.50	5.25	4.50	Yes	Yes	5.639	5.917	5.500	5.955	
10+ - 20	5.25	5.00	4.50			5.656	5.969	5.750	6.250	
More than 20	4.75	4.75	4.00			5.708	6.125	5.188	5.813	
5 or Less	5.75	5.50	4.75			5.625	5.875	5.708	6.125	
5+ - 10	5.50	5.50	4.75	Yes	No	5.500	5.763	5.708	6.125	
10+ - 20	5.25	5.25	4.50			5.500	5.794	5.500	5.955	
More than 20	4.75	4.75	4.25			5.500	5.885	5.500	6.056	

INDIVIDUAL DEFERRED ANNUITY MINIMUM NONFORFEITURE VALUES

Five-Year Constant Maturity Treasury Rates (Based on averages of the published Monthly rates.)			
12 Month Average Ending Sep 2009: 2.17%	For the Indicated Periods Ending Jun 2010: 12 Month - 2.37% 3 Month - 2.26% 1 Month - 2.00%		
If one of the above rates is your basis, then the Minimum Nonforfeiture Interest Rate would be:			
12 Month Average Ending Sep 2009: 1.00%	For the Indicated Periods Ending Jun 2010: 12 Month - 1.10% 3 Month - 1.00% 1 Month - 1.00%		

HISTORICAL TAX INTEREST RATES

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6.09%	6.00%	5.71%	5.27%	4.82%	4.44%	3.98%	3.97%	4.06%	4.06%	3.81%

PROJECTED 2011 APPLICABLE FEDERAL INTEREST RATE: 3.54%