

Dynamic Valuation and NonForfeiture Interest Rate Calculations

Report through: Dec-11	Current Year Averages Ending: June 2012	Prior Year Averages Ending: June 2011	
Date Prepared: 01/06/12	12 Month: 4.58%	36 Month: 5.23%	12 Month: 5.37%
			36 Month: 5.97%

LIFE INSURANCE CALCULATIONS

Projected 2013 Interest Rates			Val. Break Pt. Rate		2012 Actual Interest Rates		
Duration	Val*	NFF**	Lower	Higher	Duration	Val	NFF**
10 or Less	3.75	4.75	2.808	5.808	10 or Less	4.50	5.75
10+ - 20	3.75	4.75	2.975	6.308	10+ - 20	4.25	5.25
More than 20	3.50	4.50	2.023	6.308	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

2011 Actual Valuation Interest Rate: 5.00%

Projected 2012 Valuation Interest Rate: 4.25% Low Break Point: 4.121 High Break Point: 4.746

SINGLE PREMIUM or ANNUAL PREMIUM DEFERRED ANNUITY : Issue Year Basis

Issue Year Basis: 2012 Projected				Cash Settlement	Future Int. Guar.	Type A Break Pt.		Type C Break Pt.	
Duration	A	B	C			Lower	Higher	Lower	Higher
5 or Less	4.25	4.00	3.75			4.121	4.746	3.808	4.808
5+ - 10	4.25	4.00	3.75	Yes	Yes	4.308	4.975	3.808	4.808
10+ - 20	4.00	3.75	3.75			4.001	4.770	4.086	5.197
More than 20	3.75	3.50	3.50			4.086	5.197	3.451	4.880
5 or Less	4.25	4.00	3.75			3.955	4.544	3.581	4.490
5+ - 10	4.25	4.00	3.75	Yes	No	4.121	4.746	3.581	4.490
10+ - 20	4.00	3.75	3.75			3.808	4.523	3.808	4.808
More than 20	3.75	3.75	3.75			3.808	4.808	4.433	5.683
5 or Less	4.25					4.121	4.746		
5+ - 10	4.25	N/A	N/A	No	Yes/No	4.308	4.975	N/A	N/A
10+ - 20	4.00					4.001	4.770		
More than 20	3.75					4.086	5.197		

SINGLE PREMIUM or ANNUAL PREMIUM DEFERRED ANNUITY : Change in Fund Basis

Change in Fund Basis: 2012 Projected				Cash Settlement	Future Int. Guar.	Type A Break Pt.		Type C Break Pt.	
Duration	A	B	C			Lower	Higher	Lower	Higher
5 or Less	4.50	4.25	3.75			4.203	4.729	3.581	4.490
5+ - 10	4.50	4.25	3.75	Yes	Yes	4.364	4.919	3.581	4.490
10+ - 20	4.25	4.25	3.75			4.121	4.746	3.808	4.808
More than 20	4.00	4.00	3.75			4.225	5.058	4.433	5.683
5 or Less	4.50	4.50	4.00			4.058	4.558	4.225	5.058
5+ - 10	4.50	4.50	4.00	Yes	No	4.203	4.729	4.225	5.058
10+ - 20	4.25	4.25	3.75			3.955	4.544	3.581	4.490
More than 20	4.00	4.00	3.75			4.001	4.770	4.086	5.197

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 2011: 1.66% For the Indicated Periods Ending Dec 2011: 12 Month - 1.53% 3 Month - 0.96% 1 Month - 0.89%

If one of the above rates is your basis, then the Minimum Nonforfeiture Interest Rate would be:

12 Month Average Ending Sep 2011: 1.00% For the Indicated Periods Ending Dec 2011: 12 Month - 1.00% 3 Month - 1.00% 1 Month - 1.00%

HISTORICAL TAX INTEREST RATES

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6.00%	5.71%	5.27%	4.82%	4.44%	3.98%	3.97%	4.06%	4.06%	3.81%	3.46%

ACTUAL 2012 APPLICABLE FEDERAL INTEREST RATE: 2.89%