Introduction to Source of Earnings - Corrections

Page 3

$+ \quad (l_x \times ((V_t + NP) \times (1 + i^g)))$ *Tabular Interest Added to Reserve*

Should be

$+ \quad (l_x \times ((V_t + NP - ME) \times (1 + i^g)))$ *Tabular Interest Added to Reserve*

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$+ \quad (l_x \times ((V_t + NP^B + NP^{ME}) \times (1 + i^g)))$ *Actual Tabular Interest Added to Reserve*

Should be

$+ \quad (l_x \times ((V_t + NP^B + NP^{ME} - ME) \times (1 + i^g)))$ *Actual Tabular Interest Added to Reserve*

$+ \text{ Actual Net Investment Income} \quad - (l_x \times ((V_t + NP) \times (1 + i^g)))$ *Inv. Income Experience*

Should be

$+ \text{ Actual Net Investment Income} \quad - (l_x \times ((V_t + NP - ME) \times (1 + i^g)))$ *Inv. Income Experience*

$\text{Actual Net Investment Income} = \quad (l_x \times ((V_t + NP) \times (1 + I')))$

Should be

$\text{Actual Net Investment Income} = \quad (l_x \times ((V_t + NP - ME) \times (1 + I')))$

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$+ (l_x \times ((V_t + NP) \times (1 + i''))) \qquad - (l_x \times ((V_t + NP) \times (1 + i^g)))$ *Plan Inv. Income Experience*

Should be

$+ (l_x \times ((V_t + NP - ME) \times (1 + i''))) \qquad - (l_x \times ((V_t + NP - ME) \times (1 + i^g)))$ *Plan Inv. Income Experience*

$= [\text{Actual Net Investment Income} - (l_x ((V_t + NP)(1 + i^g)))] \quad - \quad [(l_x ((V_t + NP) (1 + i'')) - (l_x ((V_t + NP) (1 + i^g)))]$

$= [l_x (V_t + NP)(1 + I') - l_x (V_t + NP)(1 + i^g)] \quad - \quad [l_x (V_t + NP)(1 + i'') - l_x (V_t + NP)(1 + i^g)]$

$= [l_x (V_t + NP) (1 + I')] - [l_x (V_t + NP) (1 + i'')]$

$= l_x (V_t + NP) (I' - i'')$

Should be

$= [\text{Actual Net Investment Income} - (l_x ((V_t + NP - ME)(1 + i^g)))] \quad - \quad [(l_x ((V_t + NP - ME) (1 + i'')) - (l_x ((V_t + NP - ME) (1 + i^g)))]$

$= [l_x (V_t + NP - ME)(1 + I') - l_x (V_t + NP - ME)(1 + i^g)] \quad - \quad [l_x (V_t + NP - ME)(1 + i'') - l_x (V_t + NP - ME)(1 + i^g)]$

$= [l_x (V_t + NP - ME) (1 + I')] - [l_x (V_t + NP - ME) (1 + i'')]$

$= l_x (V_t + NP - ME) (I' - i'')$