

Report of the Society of Actuaries Joint and Last Survivor Survey Subcommittee

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Introduction

Single-life term and permanent life insurance products have been well studied; however, relatively little research has been performed on Joint and Last Survivor (JLS) products, especially with respect to the product structure, underwriting, and administration of these products.

This Survey, which was conducted by the JLS Survey Subcommittee of the Society of Actuaries' Committee on Life Insurance Mortality and Underwriting Surveys, is designed to provide a detailed review of product features, underwriting and various other practices for JLS policies, and to identify those aspects which are unique to JLS product forms. This Survey is not designed to evaluate the validity of any specific methods, product design, or suggest a common set of assumptions or tools for JLS products within the insurance industry.

Survey Scope

We approached direct insurance companies domiciled in the United States or Canada with JLS policies in force as of December 31, 2013 to participate in this Survey. It was not necessary for a company that met this criterion to be currently marketing JLS products. In order to avoid possible duplicate responses, reinsurance companies were not asked to participate in the Survey. The Survey was conducted between March and May of 2014. The information submitted by respondents concerned the state of their JLS business as of the end of 2013. For context regarding the sample size and composition, in LIMRA's Individual Life Sales Survey, which captures approximately 90% of industry sales of individual life insurance, 34 companies reported sales of a JLS product in 2013. In terms of face amount, the 23.1 billion of new JLS sales reported in this Survey corresponds to the 101.4 billion of 2013 face amount sold that was reported in the LIMRA survey; capturing information on roughly 23% of the JLS market by new business face amount.

For purposes of this Survey, a JLS Policy is defined as a "life insurance policy where death benefits are payable upon the last death of two or more lives insured under one life insurance policy."

For clarification, the following multi-life product types are NOT considered within the scope of this Survey:

- First-to-Die product forms where the entire policy benefit is payable upon first death of underlying insured lives.
- Single Life Policies with an "other insured," "child" or "family" rider attached.
- Two single life risks insured under one policy to save multiple policy fees.
- Those product forms where death benefits are payable only upon death(s) by accidental means.
- Group Life risks, unless the individual certificates under the group situs are fully underwritten (where non-med, paramedical or medical examinations, collected bodily fluids, etc., are routinely required at same age and amount limits as similar individual life policies).

JLS Survey Definitions

For the purpose of completing this Survey, the following definitions pertaining to life insurance policies shall apply:

Accelerated Death Benefit: When a portion of the policy death benefit is advanced upon the underlying insured life being diagnosed with a terminal illness.

Accidental Death Benefit: When death benefits are provided in excess of the base policy face amount upon death of the underlying insured life due to accidental means.

Chronic Illness Benefit: When a policy benefit is paid out, or a portion of the policy death benefit is accelerated, upon the underlying insured life incurring a qualifying “chronic illness” as certified by a qualifying physician. It is common to define a chronic illness as an event that results in the insured being unable to perform a number of Activities of Daily Living over a defined period of time.

Critical Illness Benefit: When a policy benefit is paid out, or a portion of the policy death benefit accelerated, upon the underlying insured life incurring a specified medical condition as certified by a qualifying physician.

Estate Protection Rider (EPR): When additional term life-type death benefits are provided in addition to the base policy face amount upon the last death of the underlying insured JLS lives occurring over the first n-years of the policy. The term is often set at four years and is meant to protect the total death benefit that goes into the estate after a reduction in benefit from taxes when the deaths occur within four years of original issue. This falls under the “contemplation of death” rules in the Internal Revenue Service code in the US.

Exact Age Basis: When JLS policy values (e.g., premium or COI charges) are determined based upon the exact issue age and underwriting class of each underlying joint insured life.

Extended Maturity Option (EMO): When the underlying policy becomes paid-up upon the younger insured’s attainment of a given age (usually age 100). At such time, policy charges cease and death benefits may be frozen or increased with interest.

Frasier Method: A method of calculating JLS policy values using the exact ages and underwriting class of each insured, as first developed by William Frasier.

Joint Equal Age (JEA): A method of determining policy values (e.g., premiums, COI rates, etc.) where the issue age and underwriting class of each joint insured are reformulated into a single life table with a common issue age.

Jump In Cash Value: A type of JLS policy where a significant policy benefit is credited to the JLS policy cash value upon the first death of the underlying policy’s insured lives.

Long-Term-Care Benefit: When a policy benefit is paid out, or a portion of the policy death benefit accelerated, upon the underlying insured live incurring a qualifying illness

similar to that covered in a Long-Term-Care insurance policy. It is common to define qualifying Long-Term-Care benefit triggers as an event that results in the insured being unable to perform a number of Activities of Daily Living or having a serious cognitive deficiency over a defined period of time.

No Lapse Protection: A provision that allows policy coverage to continue over a defined period of time even if the policy account value becomes negative. This provision usually requires the policyholder to satisfy a minimum premium test or have a positive *secondary account fund value* (e.g., an alternate fund calculated under different fees, loads, charges and interest credits than those used in the current policy values, often referred to as a shadow fund).

Policy Exchange Option: A provision that allows for the exchange of an existing insured life for a new applicant. This is often allowed in a business setting where a new partner replaces one that has left the business. An adjustment to the joint policy values is made going forward based on the new insured life.

Policy Split Option: Allows for a JLS policy to be split into multiple single life policies applicable to each underlying insured life upon the occurrence of a qualifying event (e.g., divorce). Usually, the single life policies are based on the issue age and underwriting class of each insured life at the time of split and may be offered with or without additional underwriting.

Secondary Market: Also known as the life settlement market; this is a market where an existing life insurance policy is assigned (or “sold”) to a third party for more than its current cash surrender value, but less than its net death benefit.

Waiver of Premium: When periodic policy premiums or charges are waived upon the insured becoming disabled before a specified attained age (usually age 65).

The JLS Survey Subcommittee would like to thank all of the respondents who participated in the Survey. We also thank those who helped us review this document and offered helpful suggestions and thoughtful comments. Finally, the JLS Survey Subcommittee thanks the Society of Actuaries staff for their help in completing this project, especially Jack Luff and Korrel Rosenberg, without whose help this could not have been completed. The JLS Survey Subcommittee also wishes to thank Marianne Purushotham, FSA, MAAA of LIMRA for her assistance with data from LIMRA’s Individual Life Sales Survey.

Comments about this report and suggestions for future surveys are welcome and can be addressed to the Committee on Life Insurance Mortality and Underwriting Surveys c/o The Society of Actuaries.

Joint and Last Survivor Survey Subcommittee

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Executive Summary

The SOA's Committee on Life Insurance Mortality and Underwriting Surveys conducted a survey of actuarial and underwriting practices regarding joint and last survivor life insurance (JLS) policies. The Survey was conducted between March and May, 2014. Respondents were asked to submit information on their company's JLS business as of the end of 2013.

There were 18 respondents; however, four indicated their company did not have any JLS in force at year-end 2013. Thus, there were 14 respondents providing information on JLS practices. The 14 responding companies represented approximately one-fourth of the JLS market share with approximately \$475 billion in face amount in force and \$23.1 billion of new JLS sales in 2013.

All respondents indicated their companies had been selling JLS since at least 1995 with some having sold it as far back as the 1950's. All 14 respondents offered JLS policies for sale in 2013. On average, JLS represented 8% of the respondents in force life portfolio, with universal life being the most popular design (averaging 59% of face amount in force); VUL was the second most common design indicated, representing 21% of the face amount in force.

For new sales, JLS represented a smaller and decreasing percentage of the respondents' life insurance issued at 6.1% and 4.1% in 2012 and 2013, respectively. Universal life continued to be the primary product chassis averaging 67.6% of the new JLS sales for 2013.

The most common risk class structure, indicated by nine respondents, for the JLS products was a 3 nonsmoker/2 smoker structure. All respondents indicated the medical underwriting philosophy and preferred criteria were generally the same as for their single life policies. However, seven of 13 respondents indicated the age and amount requirements for the JLS applications differ from those used for single life applications, with five indicating the age and amount limits were double those used for single life and two indicating the medical requirements were on half the face amount.

Among the respondents, a variety of riders and supplemental benefits were offered. The most common riders respondents indicated were available were the Policy Split Option (12 respondents), No Lapse Guarantee (12 respondents) and Estate Preservation (11 respondents). No respondents indicated offering a Long Term Care, Critical Illness or Accidental Death Benefit rider. Companies were mixed in terms of whether the additional benefits were included in the base plan or as a separate rider, other than the Estate Protection, which was offered only as a separate rider by all 11 respondents.

All 14 respondents indicated using the Frasier method for determining the underlying premium or policy charges. None indicated having a product that uses the JEA method. Nine of 14 respondents indicated there was no minimum annual COI charge applied on their universal life/VUL policies as a result of the Frasier method.

Nine of 14 respondents indicated that 95% or more of their JLS business was written where both lives were insurable. The definition of "uninsurable life" differed among the respondents. Six of the 14 respondents defined an uninsurable life using a table-based definition, six others defined

uninsurable based on life expectancy, and four defined it as any decline by routine underwriting standards. Practices were mixed on the maximum substandard rating allowed on the insurable life when the second life is "uninsurable," with Table 6 being the most common response across all issue age groups. For the application of medical substandard ratings under the Frasier method, all respondents indicated their companies apply the full amount of the substandard table ratings prior to Frasierizing; for flat extra ratings, nearly all (12) do so.

The most common rating structure (eight companies) uses youngest insured attained age 120 for determining paid-up status for their JLS policies.

Although nearly half (six) of the companies require the reporting of the death of the first insured, only one company provides a product feature (a 4-year term rider) to incentivize that reporting.

The most prevalent basis (13 of 14 companies) for determining JLS pricing mortality assumptions was their single life experience. None of the companies apply a specific adjustment factor to the JLS assumptions relative to single lives.

Twelve of the 14 respondents indicated they monitor first deaths on their JLS policies. Sweeps of the Social Security Death Master File and Notification Requirements within the policy contract language were the two most common methods used to monitor first deaths. Ten respondents indicated they would investigate first deaths occurring within the contestable period. About half the respondents indicated their company routinely notifies its reinsurers when it learns of a first death.

Most of the reinsurance practices about which questions were asked show considerable variation between companies, with just a few general patterns emerging from the responses. Three exceptions worth mentioning here are:

- The most common method of determining the underlying reinsurance premium charges within their JLS reinsurance treaties is the Frasier Method (all 14 respondents use this method, and it is the most common for 13 of them).
- Ten of the 14 companies use a minimum annual reinsurance premium override of \$0.12 per \$1,000.00 in their most recent JLS reinsurance treaties.
- During facultative underwriting submissions, 11 of 13 companies submit underwriting papers for all JLS applicants regardless of whether both individuals on the application appear to require a facultative assessment.

Section 1 – New Business and In Force Life Insurance Amounts

1.1: In what year did your company begin selling JLS products?

Year JLS Sales First Began	# of Respondents
1953-79	2
1980-89	7
1990-95	5
Total # of Respondents	14

Among the 14 respondents, sales of JLS policies began as early as 1953; 1995 was the latest year in which a respondent indicated their company entered the JLS market. Many companies likely entered the JLS marketplace in the 1980's due to changes in the tax code; with seven respondents entered the JLS marketplace in the 1980's and five others entered in the early 1990's.

1.2: If your company no longer sells JLS life insurance, in what year did it stop?

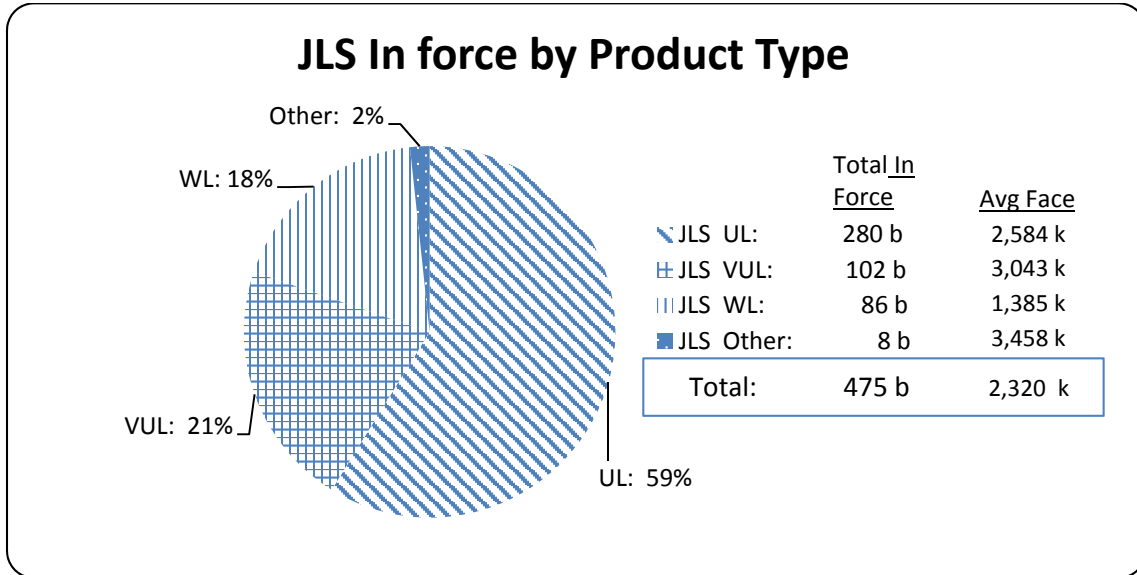
All 14 respondents indicated they were still actively selling JLS life insurance.

1.3: Provide your company's total in force life insurance as of year-end 2013 by face amount and policy count for each product type listed below.

2013 In Force (\$ billions – by Company)	#of Respondents	Total Face Amount (\$ billions – Aggregate)	Percentage of In Force			Average Face Amount (\$000)	
			JLS	Single Life	Other	JLS	Single Life
< 200	4	616	5%	88%	7%	2,593	408
200 - 499	4	1,605	7%	93%	0%	2,817	234
500 and over	5	4,105	8%	92%	0%	1,964	231
	13	6,326	8%	92%	1%	2,320	245

JLS represented 5-8% of all in force, depending on company size. Overall, the average face amount for JLS is about 10 times that of single life; however, for the smallest company, the average face amount for JLS is only about six times that of single life.

1.4: Provide your company’s total in force life insurance as of year-end 2013 by each JLS product type below, by both face amount and policy count.



Fifty-nine percent of the JLS face amount in force was issued on a universal life chassis; VUL was the second most common chassis indicated by 21% of the respondents.

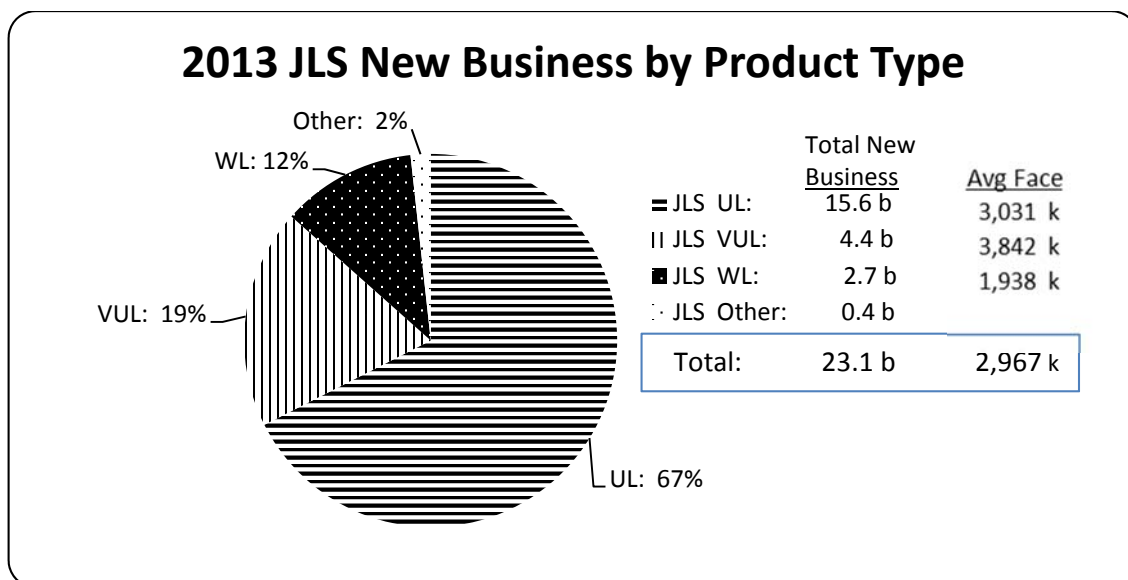
1.5: Provide your company’s total new life insurance issued in 2012 and 2013, by both face amount and policy count for each product type listed below.

2012 New Business (\$ billions – by Company)	#of Respondents	Total Face Amount (\$ billions – Aggregate)	Percentage of New Business			Average Face Amount (\$000)	
			JLS	Single Life	Other	JLS	Single Life
< 20	4	48	16%	84%	-	3,434	435
20 - 39	7	243	8%	92%	-	3,606	528
40 and over	3	256	2%	97%	1%	2,593	261
	14	546	6%	94%	-	3,376	348

2013 New Business (\$ billions – by Company)	#of Respondents	Total Face Amount (\$ billions – Aggregate)	Percentage of New Business			Average Face Amount (\$000)	
			JLS	Single Life	Other	JLS	Single Life
< 20	4	43	11%	86%	3%	3,160	425
20 - 39	5	163	5%	95%	-	3,533	509
40 and over	5	355	3%	97%	-	2,407	275
	14	561	4%	96%	-	2,967	339

New business and average face for both JLS and single life declined from 2012 to 2013. JLS as a proportion of new business sold declined from 6% in 2012 to 4% in 2013. The average face amount for JLS policies remains close to 10 times that of the single life policies.

1.6: Provide the amount of new JLS life insurance issued in 2013 for each JLS product type listed below, by both face amount and policy count.



Similar to the JLS in force results, respondents indicated the universal life chassis continues to be the most common at 67% for new JLS sales, followed by VUL at 19%. The proportion of JLS on a whole life chassis was only 12% for new sales versus 18% for in force. The average face amount for JLS is around \$3 million, being the highest on VUL policies at closer to \$3.8 million.

1.7: Rank your company’s top three producing distribution channels by 2013 face amount of new life insurance issued. If known, also provide the rank by type of JLS sale (business versus spousal). (Use 1 to represent the most prevalent and 3 as the third most prevalent.)

2013 Top Distribution Channel (All Business - JLS & Single Life)	# of Respondents by Rank			
	#1	#2	#3	Total
Brokerage / Independent Agent	7	3	1	11
Career or Multi-Line	4	4	3	11
Broker-Dealer	1	4	2	7
Personal Producing General Agent	1	1	0	2
Financial Planner	1	0	1	2
Other*	0	0	2	2
Total # of Respondents	14			

*Third Party Distribution
Direct Marketing

For all business, Brokerage / Independent Agent had the most #1 responses at seven, followed by Career or Multi-Line at four. Both of these had 11 total responses. The next most widely used distribution channel was Broker-Dealer with seven total responses.

Comments included:

- *Only have two channels.*
- *We own a captive agency sales force. We have a very minimal percentage of sales going through brokers/dealers. Even if there were other channels, the percentage of sales associated with them would be negligible.*
- *We have an exclusive distribution system and all of our products are sold by our career agents and only our career agents. There are no other forms of distribution. A few of the options sounded like they could refer to a career agency distribution system so if we chose the wrong one, please let me know.*

We asked respondents to rank their company’s top three distribution channels related to JLS only, separated by business and spousal. However, only answers related to spousal JLS were provided.

2013 Top Distribution Channel (JLS Only)	# of Respondents by Rank			
	#1	#2	#3	Total
Career or Multi-Line	6	2	1	9
Brokerage / Independent Agent	2	2	1	5
Broker-Dealer	2	2	0	4
Financial Planner	1	0	1	2
Personal Producing General Agent	0	0	1	1
Other*	0	0	1	1
Total # of Respondents	11			

*Third Party Distribution

For spousal JLS, Career or Multi-Line had six #1 responses, as well as the most responses at nine. The next most widely used distribution channels were Brokerage / Independent Agent at five responses and Broker-Dealer at four.

Comments included:

- *We do not readily have the JLS business split by business and spouse.*
- *JLS business is not tracked as Business vs. Spousal. Response to Question 1.7 ranking reflects total JLS.*
- *Minimal use of brokerage channel, limited almost exclusively to the BOLI/COLI type products.*
- *We typically do not track JLS sale type.*
- *We sell JLS exclusively through our branded more or less captive network of financial advisors.*
- *For JLS, the top channel has 95% of the sales by face amount in 2013. / We did not have any business JLS sales in 2013.*

1.8: Provide any additional comments to help clarify your responses provided in this section.

All comments were incorporated into the questions above.

Section 2 – Product Structure, Features and Riders

For the questions in this section, respondents were asked to base their responses on the JLS product most commonly sold by the respondent’s company; however on occasion, a few respondents provided answers specific to more than one product, e.g. UL and VUL.

2.1: Which of the following Death Benefit Options are included in your company's JLS product? (Choose all that apply.)

Available JLS Death Benefit Option	# of Respondents
Level Death Benefit	14
Level Death Benefit plus Cash Value	9
Level Death Benefit plus Return of Premium	7
Indexed Death Benefit (e.g., Consumer Price Index)	0
Other*	1
Total # of Respondents	14

**Level Death Benefit plus Cash Value of a Specified Premium Account*

All 14 respondents offer a level death benefit option. Nine also offer a level death benefit plus cash value option and seven also offer a level death benefit plus return of premium option. No respondents indicated offering an indexed death benefit option.

2.2a: Which of the following methods does your company use to determine the JLS product’s underlying premium charges, where “premium charges” are Cost of Insurance rates for UL-type products and Premium rates for fixed products? (Choose one.)

JLS Premium Calculation	# of Respondents
Frasier Method	14
Joint Equivalent Age (JEA)	0
Total # of Respondents	14

All 14 respondents indicated using the Frasier method as their technique for determining underlying premium charges.

2.2b: Based on your answer from 2.2a, which option best describes when the JLS product's premium charges are deemed to be paid-up? (Choose one.)

JLS Premiums “Paid-Up”	# of Respondents
At youngest insured attained age 100	3
At youngest insured attained age 110	1
At youngest insured attained age 120	8
At JEA attained age 100	0
At JEA attained age 120	0
Other*	2
Total # of Respondents	14

**100-120, based on product*

Most products have face amount equal policy value at age 100 and charges cease, recent UL goes to age 120

Eight of 14 use youngest insured attained age 120 as the age when charges are paid-up. The next most common paid-up point was youngest insured attained age 100, which was used by three respondents.

2.2c: Which option best describes the JLS product's minimum annual Cost of Insurance (COI) charge, if any? (Choose one.)

Minimum Annual JLS COI Charge	# of Respondents
Minimum COI charge not imposed	9
\$0.07 / unit	1
\$0.10 / unit	0
\$0.15 / unit	0
\$0.16 / unit	1
\$0.20 / unit	0
Other*	1
Not applicable	2
Total # of Respondents	14

**We do not have an explicit minimum COI charge, however, our additive contagion factor ensures that frasierized COIs are never less than \$0.03 per thousand of NAR.*

Nine of the 12 respondents that use COI charges do not have a minimum annual COI charge. Of the three that do have one, the minimum charge ranges from \$0.03 to \$0.16 per thousand.

2.3: What is the maximum number of lives your company will issue on one JLS policy?
(Choose one.)

Maximum Number of JLS Lives	# of Respondents
Two lives	14
More than two lives, but limited	0
Unlimited	0
Total # of Respondents	14

All 14 respondents limit their JLS business to exactly two lives.

2.4: Indicate the percentage of the JLS product face amount that falls into each of the following categories: (Total must add up to 100%)

The choices were two lives both insurable, two lives with one uninsurable and more than two lives. No respondents indicated having more than two lives. Therefore, in the table below, we are showing the results for two lives both insurable only.

Percentage of JLS Business Written (with Two Lives Both Insurable)	# of Respondents
85%	1
Greater than 85% up to 90%	1
Greater than 90% up to 95%	3
Greater than 95% up to 100%	9
Total # of Respondents	14

Nine of 14 respondents indicated over 95% of their JLS business was written with two lives – both insurable. The percentages ranged from 85% to over 99% (two companies).

The remainder of the business was written with two lives – one uninsurable. The company with the most one uninsurable business had 15% of their business written this way.

2.5: Indicate the percentage of the JLS product face amount that falls into each of the following categories: (Total must add up to 100%)

The choices were spousal, business or other. Four respondents indicated keeping track of JLS face amount between spousal and business markets. The percentage of spousal face amount is shown in the table below.

Percentage of Spousal JLS	# of Respondents
50%	1
99%	1
100%	2
Do not keep track of	9
Total # of Respondents	13

Of the four respondents, three wrote 99-100% of the JLS face amount on spouses. The other company wrote JLS policies split about 50/50 between the spouse and business markets. No other types of JLS were indicated being written.

2.6: What is the JLS product minimum face amount? (Choose one)

JLS Minimum Face Amount	# of Respondents
\$100,000	5*
\$200,000	2
\$250,000	8*
\$500,000	0
\$1,000,000	0
Total # of Respondents	14

*Note: One company indicated their minimum was \$100,000 for VUL and \$250,000 for UL. These are both reflected in the table so the sum total of the choices is 15; however, the Total # of Respondents is correctly stated as 14.

\$250,000 was the most common minimum face amount for JLS business, as indicated by eight respondents, and \$100,000 was next most common with five.

2.7: Does your company require the reporting of the first insured death on the policy form?

Require Reporting of First Insured Death	# of Respondents
Yes	6
No	8
Total # of Respondents	14

Six respondents indicated requiring the reporting of the first death on the policy form and eight did not require this.

2.8: Does your company include any product features to incent the reporting of the first insured death? (Choose all that apply)

Incentives to Report First Insured Death	# of Responses
First-to-die death benefit	1
Jump in cash value on first death	0
Other*	1
The JLS has no such features	12
Total # of Respondents	14

*4-year term rider

Only one respondent indicated having a product feature to incent the reporting of the first insured death and that feature was a 4-year term rider. A second respondent indicated elsewhere in the survey (Question 4.1) that they had a first-to-die benefit to monitor first deaths, and that response was incorporated into this table.

2.9: How many underwriting classes does your company offer?

Number of Underwriting Classes		# of Respondents	
Nonsmoker	Smoker	JLS	Single Life
2	1	3	0
2	2	1	0
3	1	0	1
3	2	9	7
4	2	1	6
Total # of Respondents		14	14

Seven respondents had the same preferred risk class structure for single life and JLS. All other respondents had a smaller number of risk classes for JLS than for single life.

The most prevalent preferred risk class structure for both JLS (9 of 14 respondents) and single life (7 of 14 respondents) was three nonsmoker and two smoker risk classes. The second most prevalent structure was two nonsmoker and one smoker risk classes for JLS (3 respondents) and four nonsmoker and two smoker risk classes for single life (6 respondents).

2.10: Did the number of JLS underwriting classes your company offers change in 2013 from that offered in 2012? (Choose one for each set of classes.)

Number of JLS UW Classes in 2012 versus 2013	# of Respondents
Did not change	14
More classes in 2012	0
Less classes in 2012	0
Not applicable	0
Total # of Respondents	14

No respondents indicated making any changes in the number of JLS underwriting classes between 2012 and 2013.

2.11: Use the following table to identify any additional benefits that your company provides on its JLS policy form, whether inherent in the base plan or available through a specific rider. For each “additional” JLS benefit, please indicate:

- a. If the benefit is offered as part of the base plan.
- b. If the benefit is offered through an explicit rider only.
- c. If there is an explicit periodic premium charge for the rider.
- d. If there is an explicit administrative charge when the rider is exercised.
- e. The attained age at which the rider expires, if applicable.
- f. The duration at which the rider expires, if applicable.

(If you do not offer a rider, leave the row blank.)

Benefit	Additional JLS Benefits - # of Respondents						
	Benefit Offered as			Explicit Charge		Expiry	
	Did Not Respond / Does Not Offer	a. Part Base Plan	b. Rider	c. Periodic	d. When Exercised	e. Attained Age	f. Duration
Accelerated Death Benefit	5	3	6	0	6	2	0
Accidental Death Benefit	14	0	0	0	0	0	0
Chronic Illness Benefit	12	1	1	0	1	0	0
Critical Illness Benefit	14	0	0	0	0	0	0
Estate Protection	3	0	11	7	2	2	11
Extended Maturity Option	9	4	1	0	0	0	0
Long-Term Care Benefit	14	0	0	0	0	0	0
No Lapse Protection	3	8	4	5	0	5	2
Policy Exchange	11	1	2	0	1	2	0
Policy Split Option	2	4	8	3	2	5	0
Waiver of Premium (or Waiver of Policy Charges)	10	0	4	4	0	4	0

The most common JLS benefits offered were the policy split option (12 respondents), the estate protection and no lapse protection (11 respondents each) and the accelerated death benefit (9 respondents). Note that one of the respondents offered no lapse protection on the base policy and then an additional layer of no lapse protection available as a rider. For this reason, we have included them in both the rider and base policy summaries. The accidental death benefit, critical illness benefit and long-term care benefit were not offered by any of the respondents on their JLS products. No lapse protection was the benefit most offered through the base plan (8 respondents), and the estate protection (11 respondents) and policy split option (8 respondents) were most offered through a rider.

We note that the instructions said to leave the choice blank if a respondent did not have a particular benefit. This is why we included “did not respond” in the first column of the table above. For this question, it is more likely the respondent did not have the benefit rather than just not responding due to the instructions. This was the only question we allowed this “no response” due to its complexity.

The following are some observations regarding the explicit charges from the table above:

- Accelerated Death Benefit – The six respondents to this question offer this benefit with a one-time charge when exercised.
- Chronic Illness Benefit and Policy Exchange – For both of these benefits, the only respondent indicated they used a one-time charge when the benefit was exercised.
- Estate Protection – Of the 11 respondents offering the estate protection as a rider, seven use a periodic charge, two have a one-time charge when exercised, and two either did not respond or do not have a charge.
- Policy Split Option – Similarly, for the policy split option, of the eight offering it as a rider, three use a periodic charge, two have a one-time charge when exercised, and three either did not respond or do not have a charge.
- No Lapse Protection – The five respondents indicated they charge a periodic premium for this benefit.
- Waiver of Premium – All four respondents offer this as a rider and charge a periodic premium for the rider.

The following are observations from the table above and the underlying data regarding expiry:

- It was clear from the answers that some related to the expiry of the benefit itself and some related to when the benefit was no longer offered or available for exercise.
- Where some indicated an age (or duration) of 121, this likely meant no expiry, but since the respondent provided an answer, we included it in our total in the table. Also, if the respondent indicated the benefit lasted until duration 121, we converted that from duration to age 121.
- Accelerated Death Benefit – The expiry for the two respondents was 121. This implies that the accelerated death benefit is always available for these JLS policies.
- Estate Protection – We received two types of answers on this. The two attained age answers, which were 75 and 121, likely indicate the maximum age this rider benefit can be added to the base policy. Attained age 121 implies the rider can always be added while attained age 75 implies a limit. The duration responses were either four (10 respondents) or five years (1 respondent) and this indicates the length of the benefit.
- No Lapse Protection – Five respondents provided an expiry, which ranged from attained age 90 to 121. Two indicated that the age was variable. Again, we believe 120 or 121 to mean the life of the policy. Two respondents provided an expiry by duration. One that indicated it was variable also indicated the age at expiry was variable. The other indicated the expiry was the “*lesser of 20 years or age to 70, but at least 5yr.*”
- Policy Exchange – One respondent indicated an expiry of attained age 74 and another indicated the “*new life must be less than 85.*” In both of these cases, this refers to the latest age a policy exchange can take place rather than when a policy that has been exchanged terminates.
- Policy Split Option – Similarly, the five respondents to this question indicated the attained age at which the policy split option was no longer available. The answers ranged from attained age 80 to 121. All but one of the responses was in the 80’s. The answer of 121 seems to imply that the policy split option would always be available.
- Waiver of Premium – All four respondents indicated the waiver of premium benefit expired at age 65.

2.12: If applicable, which best describes the JLS product’s Accidental Death Benefits, whether made through the base policy or with a rider? (Choose one)

How ADB Payable	# of Respondents
On each accidental death (offered on a single life basis to each insured)	0
Only if both deaths are from the same accident	0
At second death, if second death is accidental	0
Not applicable	14
Total # of Respondents	14

No respondents offer an accidental death benefit on their JLS products.

2.13a: If applicable, which best describes the JLS product’s longest available “No Lapse Protection” benefit period, whether made available through the base policy or with a rider? (Choose one)

No Lapse Benefit Period	# of Respondents
10 years	0
20 years	1
Lifetime protection	10
Other*	1
Not applicable	2
Total # of Respondents	14

**Attained age 85 for issue ages 50 and below and attained age 90 for issue ages above 50.*

Ten of 14 respondents indicated the no lapse protection was provided for the lifetime of the policy, while one company provided it for 20 years and another based the length of time on issue age.

2.13b: Which best describes the JLS product’s means of determining qualification for the No Lapse Period benefit? (Choose one)

Means for No-Lapse Qualification	# of Respondents
Shadow Account above zero	6
Cumulative Minimum Premium test	2
Minimum Periodic Premium paid each year	2
Other*	2
Not applicable	2
Total # of Respondents	14

**One company indicated that they use Cumulative Minimum Premium for VUL and Shadow Account for UL.*

One company indicated Other, but didn’t provide the means.

The shadow account above zero was the most common means used to qualify for the no lapse protection. Seven respondents, including one from Other, used this approach. The next most common approach was the cumulative minimum premium test, used by three respondents, including one from Other.

2.14a: If applicable, which best describes the JLS product’s underwriting on the new insured when the Policy Exchange Option is exercised? (Choose one)

Underwriting Required for Exchanged Insured	# of Respondents
Insured is subject to Full Underwriting	2
Insured is subject to Limited Underwriting	0
Unknown*	1
Not applicable	11
Total # of Respondents	14

*This respondent provided an answer to Q2.14b, but left 2.14a blank. Therefore, it is unknown what level of underwriting to which the insured is subject.

Of the three respondents that offered the policy exchange option, two use full underwriting on the new insured when the policy exchange option is exercised and the other did not answer the question.

2.14b: Which best describes the JLS product’s revised premiums when the Policy Exchange Option is exercised? (Choose one)

Methodology for Determining Revised Premiums	# of Respondents
Recalculated as if policy reissued on date of exchange	2
Recalculated from original policy issue date, then charged “point-in-scale”	1
Not applicable	11
Total # of Respondents	14

Of the three respondents that offered the policy exchange option, two recalculated premiums upon the exchange as if the policy was reissued on the date of the exchange, while the other recalculated premiums from the original policy issue date and then charged “point-in-scale” rates.

2.15: If applicable, which best describes the JLS product’s maximum death benefit allowed when the Policy Split Option is exercised? (Choose one)

Maximum Death Benefit after Policy Split	# of Respondents
Equal to 50% of the JLS policy face amount	8
Equal to 100% of the JLS policy face amount	3
Other*	1
Not applicable	2
Total # of Respondents	14

**Based on client request, reinsurance, and underwriting limits.*

Eight of the 12 respondents who have a policy split option allow 50% of the original JLS policy face amount to be the resulting face amount for each insured after the split is exercised. Three of the 12 respondents allow each of the insureds to have a face amount equal to 100% of the original JLS face amount after the split.

2.16: If applicable, which best describes the availability of covered lives applicable to JLS product’s Waiver of Premium benefit? (Choose one)

Waiver of Premium Availability	# of Respondents
On any of the joint insured lives	4
On policy owner (if other than joint insured life)	0
On at most one of the joint insured lives	0
Not applicable	9
Total # of Respondents	13

Of the four respondents that offer a waiver of premium benefit, all allow it on one or both of the joint insured lives.

2.17: Describe other additional JLS Policy benefits or riders your company offers, if any, that were not previously identified in questions 2.11 through 2.16 above.

Seven companies provided the following responses:

- Additional Insurance Rider – *Provides additional insurance coverage payable on the second death.*
- Cash Value Enhancement Rider – *Waives a portion of the surrender charge upon full surrender in the first five years. There is a one-time charge for the rider at issue.*
- Death Waiver of Premium – *Premium waived until the 10th or 15th anniversary or for the life of the policy after the death of a particular covered insured. Can be on either or both insureds. Editor note: This was included in the table in Question 2.16 above.*
- Enhanced Surrender Value Endorsement – *Can surrender at durations 15, 20, 25+ and surrender value is the minimum of the cumulative premiums and 33% of the face amount. There is no expiry if premium qualifications are met.*
- Estate Liquidity Rider – *Allows for return of premium for 60 days following the 15th anniversary.*
- First-to-Die Rider – *Death benefit payable on the first death. (2 companies) Editor note: This was not included in Question 2.8 above.*
- Full Policy Surrender Penalty Waived Endorsement – *Surrender charge is waived in durations 1-5. There is no charge, but there is a commission chargeback. Expiry is in five years.*
- Option to Purchase Paid-Up Additions / Dividend Option Term – *Combines a decreasing term rider with the paid-up additions dividend option*
- Surrender Value Rider – *If the policy is fully surrendered for its net cash surrender value during the first eight policy years, the applicable surrender charges will be reduced by a specified percentage and there will be a premium charge returned in the first three years.*

In summary, we were provided with ten additional riders / benefits. Four were related to reduction or waiving of surrender charges, two provided first-to-die death benefits, one provided additional second-to-die death benefits, two provided a paid-up additions benefit and one provided waiver benefits.

2.18: Provide any additional comments to help clarify your responses provided in this section.

The main type of comment received from the respondents was that their answers could vary considerably between product types. Some of these differences are reflected in the results, however, we may not have received all of the differences in the survey.

Section 3 – Underwriting

3.1: Which of your company's underwriters are designated to underwrite your company's JLS applications? (Choose one)

Underwriters Designated to Underwrite Company's JLS	# of Respondents
Regular underwriting staff	11
More experienced underwriters only, but not a special JLS Underwriting Team	3
A specially designed JLS Underwriting Team	0
Total # of Respondents	14

Eleven respondents had their regular underwriting staff underwrite JLS. Three respondents had only their more experienced underwriters underwrite their company's JLS.

3.2: How do your company's Preferred Underwriting Criteria for its most common JLS product compare to the Preferred Underwriting Criteria for your company's most common permanent single life product?

Comparison of JLS to Single Life Preferred Underwriting Criteria	# of Respondents
Generally the same as single life underwriting	14
JLS is generally more liberal	0
JLS is generally more conservative	0
Total # of Respondents	14

All 14 respondents indicated their company's preferred underwriting criteria for their most common JLS products were generally the same as their single life product preferred underwriting criteria. We note that, despite this answer, in Question 2.9 seven respondents reported having different underwriting risk class structures between JLS and single life.

3.3: How does your company's philosophy regarding underwriting JLS applicants compare to your company's philosophy for underwriting single life applicants from a medical perspective?

Comparison of JLS to Single Life Medical Underwriting Philosophy	# of Respondents
Generally the same as single life underwriting	13
JLS is generally more liberal	0
JLS is generally more conservative	0
Total # of Respondents	13

All 13 respondents indicated their company's philosophy regarding underwriting JLS applicants from a medical perspective was generally the same as that of underwriting single life applicants.

3.4: How does your company's philosophy regarding underwriting JLS applicants compare to your company's philosophy for underwriting single life applicants from a financial perspective?

Comparison of JLS to Single Life Financial Underwriting Philosophy	# of Respondents
Generally the same as single life underwriting	13
JLS is generally more liberal	0
JLS is generally more conservative	0
Total # of Respondents	13

All 13 respondents indicated their company's philosophy regarding underwriting JLS applicants from a financial perspective was generally the same as that of underwriting single life applicants.

3.5: How do your company's Age & Amount Underwriting Requirements for its JLS applications compare to your company's single life underwriting requirements?
(Choose one)

Comparison of JLS to Single Life Age and Amount Requirements	# of Respondents
Identical to single life requirements	6
Amounts are double the single life requirements	5
Other*	2
Total # of Respondents	13

**Medical Requirement are on half the face amount, Financial Requirements on full Face amount*

Med requirements are based on half the face amount; non-med requirements are based on the full face amount; if one life is uninsurable, med requirements for the other life are based on the full face amount.

Six of the respondents indicated their age and amount requirements were identical to their single life requirements. Five respondents noted amounts for JLS are double the single life requirements.

3.6: How does your company determine its Age & Amount Underwriting Requirements on JLS applications where there is an Estate Protection Rider (EPR) attached? (Choose one)

Determine Age and Amount Underwriting Requirements with EPR	# of Respondents
Requirements identical as if no EPR is attached	7
Requirements based on base face + EPR amount	4
We do not offer EPR-life riders on our JLS policies	2
Total # of Respondents	13

Seven of the respondents treated requirements the same as if no EPR was attached. Four respondents based requirements on base face and the EPR amount. Two respondents noted that they do not offer EPR-life riders on their JLS policies.

3.7: How does your company incorporate medical substandard ratings (other than uninsurable lives) in your JLS premiums / COI charges? (Choose one each for “Table Rating” and “Flat Extra Rating” columns.)

For Exact Age Frasier COI Charges		
Incorporate Medical Substandard Ratings	Table Rating	Flat Extra Rating
Full amount of rating applied prior to Frasier calculation	14	12
Less than full amount of rating applied prior to Frasier calculation	0	0
Full amount of rating applied after Frasier calculation	0	0
Less than full amount of rating applied after Frasier calculation	0	0
Other*	0	2
Total # of Respondents	14	14

**For Whole Life for Exact Age Frasier Premiums - Flat Extra Rating, less than the full amount of ratings is applied prior to Frasier calculation. For Universal Life for Exact Age Frasier Premiums - Flat Extra Rating, the full amount of the rating is applied prior to Frasier calculation.
Flat extra incorporated into the gross premium.*

For exact age Frasier COI charges, all 14 respondents indicated they apply the full amount of rating prior to the Frasier calculation on table rating and 12 respondents indicated they apply the full amount of rating prior to the Frasier calculation on flat extras.

For Joint Equal Age Premiums		
Incorporate Medical Substandard Ratings	Table Rating	Flat Extra Rating
Full amount of rating applied within JEA calculation	1	1
Less than full amount of rating applied within JEA calculation	1	0
Full amount of rating applied after JEA calculation	0	0
Less than full amount of rating applied after JEA calculation	0	1
Total # of Respondents	2	2

One company indicated they apply the full amount for table and flat extra ratings within the JEA calculation. The other respondent indicated they use less than the full amount for both table and flat extra ratings.

Note that in question 2.2a, no companies indicated using the JEA approach in their premium calculation for their most prevalent JLS product.

3.8: How does your company handle aviation exclusions when applicable to just one of the insured JLS applicants? (Choose one)

Aviation Exclusions on JLS Applicants	# of Respondents
We do not allow the JLS policy to be issued	5
We allow the JLS policy to be issued with an aviation exclusion on both lives	4
We allow the JLS policy to be issued with an aviation exclusion on the applicable life	3
Other*	2
Total # of Respondents	14

**Offer with table rating*

We generally don't use aviation exclusion riders in this case but rather apply an appropriate flat extra to the aviation life (if insurable).

Responses to how aviation exclusions are handled when applicable to just one applicant were mixed. Not allowing the JLS policy to be issued was the most common response (5 respondents), followed by allowing the JLS policy to be issued with an aviation exclusion on the applicable life (4) and allowing the JLS policy to be issued with an aviation exclusion on both lives (3).

3.9: Does your company have specific question(s) on its JLS application which attempts to identify policies with intent to sell to the secondary market? (Choose one)

Specific Questions on JLS Application regarding Secondary Market	# of Respondents
Yes	11
No	2
Total # of Respondents	13

Eleven of the 13 respondents noted that their company does have specific question(s) on its JLS application to attempt to identify policies with intent to sell to the secondary market. Only two respondents indicated their company does not have any such questions on JLS.

3.10a: Which best describes how your company defines an "uninsurable life" for its JLS policies? (Choose all that apply)

JLS Uninsurable Definition	# of Responses
A. Underwritten as higher than a specific table rating (e.g., Table 16 or Table P)	6
B. Any "Decline" by routine underwriting standards	4
C. An insured afflicted with one or more of a pre-defined list of "uninsurable" impairments	1
D. Life expectancy based (e.g., life expectancy of no more than two years)	6
E. Other*	1
Total # of Respondents	14

**Two uninsurable classes distinguished by life expectancy.*

There are a number of ways in which companies define an “uninsurable” life. The three most common methods were underwritten as higher than a specific table rating (6 respondents), life expectancy based (6) and any “decline” by routine underwriting standards (4). Four respondents elected more than one choice (B and D; A and E; A and D; and A, C and D).

3.10b: Regarding 3.10 above, “If you selected (A) and/or (D) above, please provide an explanation for each”.

Nine respondents added the following further explanations:

- *Assume life expectancy of 1 year.*
- *Life expectancy <3 years*
- *Life expectancy of no more than two years would be the explanation of our positive response regarding life-expectancy based measure for defining uninsurable lives. Also, we would like to amend our response to 3.10a, such that we include a 1 in columns IF and IH of your spreadsheet, which are positive answers for 3.10a-b. Any "Decline" by routine underwriting standards and 3.10a-d. Life expectancy based (e.g., life expectancy of no more than two years) respectively.*
- *Uninsurable rates are administered as a Table 20.*
- *We have 7 uninsurable classes for JLS policies: / U1 - 600% of standard mortality / U2 - 850% of standard mortality / U3 - 1,500% of standard mortality / U4 - 3,000% of standard mortality / U5 - 5,000% of standard mortality / U6 - 7,500% of standard mortality / U7 - 9,900% of standard mortality*
- *Maximum "insurable" rating varies by age, for example, up to Table P if age 75 or under. "Acceptable uninsurable" if life expectancy at least 1 year. We then assign a very high table rating (e.g. 6 to 700 times standard) corresponding to life expectancy*
- *Over T-8 or \$20.00 FE. / (d) Life expectancy must be at least 6 months.*
- *Table 16 (grades down at older ages). Plus there is a requirement of a one year life expectancy.*
- *Rated higher than table 16 minimum life expectancy of 18 months.*

3.11: How does your company issue a two-life JLS application if one of the underlying lives is assessed as uninsurable? (Choose one)

Issuance of JLS Application with one Uninsurable Life	# of Respondents
We include the uninsurable life within the JLS policy	14
We don't include the uninsurable life with the JLS policy; rather, the insurable life is issued as a single life policy	0
Total # of Respondents	14

All 14 respondents indicated when one life is uninsurable, they include the uninsurable life within the JLS policy; rather, the insurable life is issued as a single life policy.

3.12: If your company does allow an uninsurable life within a two-person JLS policy, what is the maximum substandard rating allowed on the insurable life?

Maximum Substandard Rating Allowed on Insurable Life	Under Age 70	Ages 70-79	Ages 80 and higher
Must be rated standard or better	0	0	2
Substandard of no more than Table 4 (Table D) or 200%	2	3	4
Substandard of no more than Table 6 (Table F) or 250%	3	4	4
Substandard of no more than Table 8 (Table H) or 300%	2	2	0
Substandard of no more than Table 12 (Table L) or 400%	0	0	0
Substandard of no more than Table 16 (Table P) or 500%	3	1	0
Identical to single life ratings (no limits)	2	2	2
Other*	1	1	1
We do not allow uninsurable life on a JLS policy	0	0	0
Total # of Respondents	13	13	13

**We have 7 uninsurable classes for JLS policies: / U1 - 600% of standard mortality / U2 - 850% of standard mortality / U3 - 1,500% of standard mortality / U4 - 3,000% of standard mortality / U5 - 5,000% of standard mortality / U6 - 7,500% of standard mortality / U7 - 9,900% of standard mortality*

The responses to the maximum substandard rating allowed on the insurable life when the other life is uninsurable were mixed, ranging from Table 4 to no limit for ages up to or under 70 and 70-79, and ranging from standard or better to no limit for ages 80 and higher. The most common response across all three age groups was Table 6, although Table 16 for ages 70 and under and Table 4 for ages 80 and higher also had the most responses for their respective age groups.

In addition, respondents offered the following general comments:

- *STD or better - max age 75, and Table 4 - max age 65*
- *Age breaks are actually <76; 76-80; 81+*

3.13: Indicate the maximum issue age on your JLS policies when issued on two lives.

Maximum Issue Age on JLS	Both Lives Insurable	One Life Uninsurable
80	1	3
85	5	6
89	1	0
90	7	5*
Total # of Respondents	14	14

*Note: Two respondents added the following qualifiers to the choice of age 90:

- *90 on the insurable*
- *90, if 1st life is 85 or less*

Eighty-five and 90 were the most common maximum issue ages on JLS. The most common maximum issue age when both lives were insurable was 90, with seven respondents, while the most common maximum issue age for one life uninsurable was 85 (6 respondents). Nine respondents did not change their maximum issue age when moving between both lives insurable and one life uninsurable, while five decreased the maximum issue age; the decreases ranged from four to ten years.

3.14a: Does your company offer a formal Substandard Improvement Program (i.e., Table Shave program) on JLS applicants.

Formal Substandard Improvement Program (i.e., Table Shave program) on JLS	# of Respondents
Yes	4
No	9
Total # of Respondents	13

Four of the 13 respondents offer a formal substandard improvement program (i.e., table shave program) on JLS applicants.

3.14b: What is your company's maximum Issue Age and Face Amount allowed on the Substandard Improvement Program?

All four respondents that offer a substandard improvement program indicated a maximum issue age of 70. Three responded to the question regarding a maximum face amount limit, with answers ranging from \$5,000,000 to no specified limit.

3.15: Provide any additional comments to help clarify your responses provided in this section.

The following comments were offered:

- *Only one life may be age 86-90. The other must be < 86.*
- *JEA must be between 20-90 to qualify for the product*
- *Program only available up to Table 3.*
- *Acceptable rating combinations are more complicated than can be easily described here.*

Section 4 – Administration

4.1: Identify the ways in which your company attempts to monitor first deaths on JLS policies. (Choose all that apply)

Identify the ways you company monitors first deaths on JLS policies	# of Responses
Notification requirement within policy contract language	7
Sweeps of Social Security Death Master File	7
Include "first-to-die" type benefit in JLS policy	2*
Inquiries within the premium billing statements	0
Inquiries within the annual policy statement	0
Research other sources of death notices	0
Other**	5
We do not actively attempt to monitor first JLS deaths	2
Total # of Respondents	14

*Based on company responses, we assume one of these is a 4-year term rider.

**Periodic policyholder communications.

Request but do not require notification.

Send letter at end of 2nd policy year on some contracts.

Review of single life policy deaths reported (many joint life insureds also have individual policies).

We make note of it in our claims database if we become aware of 1st death, and similarly put on reinsurance statements.

Twelve respondents indicated they monitor first deaths and they provided 21 responses to this question. The two most common ways of monitoring first deaths on JLS policies were “Sweeps of Social Security Death Master File” and “Notification requirement within policy contract language” (both with 7 respondents).

4.2: If a first death is reported or discovered on a JLS policy, does your company reflect the change in the joint life status in its valuation and cash flow projection systems?

None of the 13 respondents indicated their company would change their policy's joint life status in its valuation and cash flow projection systems upon reporting or discovery of the first death.

One of the 13 respondents added the following comment:

- *We actually have the ability to modify valuation for first death on some of our smaller, older blocks of in force business, but do not have that ability consistently across our systems.*

4.3: Does your company perform any claim investigation upon notification of first death on its JLS policies? (Choose one)

Claim investigation upon notification of first death	# of Respondents
Yes, but only if the first death is within the contestable period	10
Yes, regardless of the policy duration of the first death	0
We do not routinely investigate first deaths	3
Total # of Respondents	13

Ten of the 13 respondents indicated they do perform a claim investigation upon notification of first death on a JLS policy, but only if the first death is within the contestable period. Three of the respondents indicated they do not routinely investigate first deaths on a JLS policy upon notification.

4.4: Does your company notify its reinsurers when it learns of a first death on a reinsured JLS policy? (Choose one)

Notification to Reinsurers upon First Death	# of Respondents
Yes, at any time we learn of the first death	6
Yes, but only if the first death is within the contestable period	0
We do not routinely notify our reinsurers of first deaths	6
Other*	1
We do not reinsure our JLS risks	0
Total # of Respondents	13

**We don't notify directly, but there is an indicator on reinsurance billing statement.*

An equal number of respondents, at six each, either notified their reinsurers when they learned of first death on a reinsured JLS policy or they did not routinely notify reinsurers. One other respondent indicated they indirectly notify their reinsurers on the billing statement.

4.5: Where permitted by law, does your company knowingly allow JLS policies to be issued under a premium financing arrangement?

Knowingly Allow JLS Policies to be Issued under a Premium Financing Arrangement?	# of Respondents
Yes	7
No	5
Total # of Respondents	12

Of the 12 respondents, seven knowingly allow JLS policies to be issued under a premium financing arrangement and five do not.

4.6: Indicate the percentage of your company's JLS in force known to be in the secondary market as of year-end 2013.

Percentage of JLS Known to be Secondary Market	# of Respondents
Amount of secondary market business as a percentage of total JLS in force as of year-end 2013 by face amount was:	3
We do not track secondary market usage on JLS in force	10
Total # of Respondents	13

The three respondents indicating they track secondary market usage provided the following percentages (by face amount):

- 0% (2 respondents)
- 4.20%

The ten remaining respondents indicated they do not track secondary market usage on JLS in force.

4.7: Provide any additional comments to help clarify your responses provided in this section.

There were two comments and they were incorporated into the questions above.

Section 5 – Pricing Decrements

For the questions in Section 5, participants answered based on the JLS product most commonly sold by their company. If no longer selling JLS products, their answers were based on the product with the largest share of their company’s JLS in force by face amount.

5.1: Indicate those sources of information your company uses in determining its baseline JLS pricing mortality assumptions? (Choose all that apply in the first column, then indicate the one source that is most prevalent in the second column.)

Basis for JLS Mortality Assumption	All That Apply	Most Prevalent
Based on own single life experience	14	13
Based on own joint life experience	5	0
Based on industry experience (single or joint)	5	0
Based on input from our Reinsurers	5	0
Based on input from Consultants	5	0
Other*	0	1
Total # of Respondents	14	14

**Both single and joint life experience are factored in*

All 14 respondents use their own single life experience as one of their bases for determining their JLS pricing assumption. Other indicated sources included their own JLS experience, industry experience, and input from their reinsurers, each chosen by five respondents.

The most prevalent source was based on own single life experience - with the lone Other company response stating that their most prevalent source was based on “*both single and joint life experience are factored in.*”

5.2: Provide the adjustment factor your company applies to your single life pricing mortality assumption to determine it's starting JLS pricing mortality assumption. (Choose one in each column.)

JLS Starting Mortality Relative to Single Life	Younger Ages	Older Ages
95% of Single Life Assumption	0	0
90% of Single Life Assumption	0	0
85% of Single Life Assumption	0	0
We don't apply an adjustment factor	14	14

All 14 respondents indicated they do not include an adjustment factor to their single life pricing mortality assumption in determining their starting JLS starting pricing mortality assumption. One of the 14 respondents further added that *"we apply heartbreak and contagion adjustments but otherwise use single life mortality."*

5.3: Indicate which of the following minimum overrides your company uses in its JLS annual mortality decrement assumption? (Choose one under each category.)

JLS Minimum Annual Decrement Rate	Pricing Mortality	Qx Dividend Scale	Statutory Reserves
\$0.05 per 1,000	1	0	1
\$0.07 per 1,000	1	0	1
We don't incorporate a minimum	12	9	10
Total # of Respondents	14	9	12

For JLS pricing mortality, 12 of the 14 respondents indicated they do not use a minimum override, while one indicated they use a minimum of \$0.05 per thousand and another indicating they use a factor of \$0.07.

For Qx dividend scales, all nine respondents indicated they do not use a minimum override.

For statutory reserves, only two respondents indicated they use an override and, in each case, it was equal to their pricing mortality override.

5.4: Which best describes your company’s pricing mortality adjustment for “Contagion Risk” for simultaneous death on JLS risks. (Choose one.)

Contagion Risk Annual Mortality Adjustment	# of Respondents
\$0.01 per \$1,000	1
\$0.02 per \$1,000	1
\$0.03 per \$1,000	1
\$0.04 per \$1,000	1
\$0.05 per \$1,000	1
\$0.06 per \$1,000	0
\$0.07 per \$1,000	1
Other*	4
We do not use a Contagion Risk adjustment	4
Total # of Respondents	14

**\$0.035 per 1000 plus 120% in Dur1 Grading to 100% by AA 100.
6% charge is used to incorporate any additional mortality associated with JLS (contagion, heartbreak, etc.).
10% of the Frasierized experience mortality plus \$0.03 per \$1,000 of face amount.
A %, which varies by younger insured's age, of the probability that lives die in the same year.*

Ten of the 14 respondents incorporate a pricing load to account for mortality contagion risk, while four do not. Six responses varied from \$0.01 to \$0.07 per thousand and four indicated hybrid formulas as described in the footnotes above.

5.5: Complete the table indicating how your company adjusts its initial pricing mortality to account for “Heartbreak Risk” on the surviving life of JLS risks? (State the “Initial Load” as a percentage of the base mortality and “How long?” in months.)

Four respondents indicated using a load for the heartbreak risk with the load varying considerably among each respondent (for proprietary reasons the details have been omitted from this report).

5.6: Indicate those sources of information your company considers when setting its “Contagion Risk” and “Heartbreak Risk” pricing loads? (Choose all that apply for each column.)

Source of Information Regarding Pricing Loads	Contagion Assumption	Heartbreak Assumption
Consultant’s recommendation	4	1
Research on public data sources	3	2
Reinsurer’s recommendation	2	2
Follow other companies’ assumptions	1	1
Research on company’s own data	1	0
Other*	3	3
Not applicable / Don’t use	4	5
Total # of Respondents	14	11

*Four respondents checked “Other” for either contagion or heartbreak or both and one of the four didn’t provide a comment. It is not clear whether the comments applied to contagion assumption, heartbreak assumption or both. The three other responses were:

- *Historical methodology*
- *Industry research models, reinsurer data*
- *Best guess*

For the contagion assumption, the most common resources indicated were consultant’s recommendation (4 respondents) and research on public data sources (3 respondents).

For the heartbreak assumption, the most common sources were research on public data sources and reinsurer’s recommendation, both with two respondents.

5.7: Which best describes how your company’s JLS mortality improvement compares to your Single Life mortality improvement assumptions? (Choose one for each column.)

JLS versus Single Life Mortality Improvement Assumptions	Male	Female
The assumptions are the same	13	13
JLS assumptions are greater than Single Life’s	0	0
JLS assumptions are less than Single Life’s	0	0
We do not use a mortality improvement assumption in JLS pricing	1	1
Total # of Respondents	14	14

Thirteen of the respondents indicated using JLS mortality improvement assumptions identical to their single life mortality improvement assumptions. One respondent indicated they do not use mortality improvement in their JLS pricing.

5.8: Describe any additional pricing mortality loads or adjustments your company incorporates into your JLS pricing that have not previously been identified in questions 5.2 through 5.7.

One respondent included the following comment regarding additional mortality loads or adjustments to their JLS pricing:

- *We also adjust mortality to account for the Table Shaving program.*

5.9: Which best describes how often your company conducts mortality studies? (Choose one for each JLS and Single Life.)

Frequency of Mortality Studies	JLS	Single Life
Once per year	5	11
Once every two years	1	1
On an ad-hoc basis as needed or requested	2	0
Other*	2	2
We do not conduct mortality studies	4	0
Total # of Respondents	14	14

**Mortality experience is monitored quarterly; full mortality studies are completed every 3 years.
Once per year, plus more often if needed.*

Six respondents indicated conducting JLS mortality studies at least once per year. One indicated conducting studies once every two years and two indicated conducting them on an ad-hoc or as needed basis. Four respondents indicated they do not conduct JLS mortality studies.

This compares to 12 of the 14 respondents who indicated they conduct Single Life mortality studies on at least an annual basis, with one indicating they conduct them every two years. Another respondent indicated their “...mortality experience is monitored quarterly; full mortality studies are completed every 3 years.”

5.10: Does your company track the mortality experience specific to its JLS policyholders issued as an “uninsurable” risk? (Choose one.)

JLS - Uninsurable Risks	# of Respondents
Yes	5
No	9
We do not allow uninsurable risks	0
Total # of Respondents	14

Five of the 14 respondents indicated they monitor the mortality experience of JLS “uninsurable” risks, with the remaining nine not doing so.

5.11: Which best describes how often your company conducts lapse studies? (Choose one for JLS and one for Single Life.)

Frequency of Lapse Studies	JLS	Single Life
Once per year	9	9
Once every two years	0	0
On an ad-hoc basis as needed or requested	2	1
Other*	3	4
We do not conduct lapse studies	0	0
Total # of Respondents	14	14

*Full lapse study completed every 3 years.
 Certain data quarterly, full study annually.
 Once per year, plus more often if needed.
 Monthly (this applies to Single Life only)

Eight respondents indicated they conduct both JLS and single life lapse studies annually. Another respondent indicated it conducts JLS lapse studies annually, and single life studies monthly. One respondent indicated they perform single life studies annually, but JLS on an ad-hoc basis or as needed or requested.

5.12 Indicate those sources of information your company considers when setting its starting baseline JLS pricing lapse assumption? (Choose all that apply in the first column. Choose the one most prevalent in the second column.)

Basis for JLS Lapse Assumption	All that Apply	Most Prevalent
Based on own experience	14	12
Based on industry experience	5	2
Based on input from our Reinsurers	1	0
Based on input from Consultants	1	0
Total # of Respondents	14	14

All 14 respondents indicated they use their own experience when setting the starting baseline JLS pricing lapse assumption, with 12 of the 14 reporting it as the most prevalent source. Industry experience was selected by five respondents as a source of information with two of the 14 reporting it was their most prevalent source.

5.13: Which best describes your company’s annual lapse experience on JLS policies after the first insured death has occurred? (Choose one.)

JLS - Survivor Lapse Rate	# of Respondents
Less or equal to 1%	0
Greater than 1%, but less than or equal to 2%	0
Greater than 2%, but less than 5%	1
Greater than 5%	0
We do not track lapse experience specific to surviving JLS insureds	12
Total # of Respondents	13

Of the 13 respondents, 12 indicated they do not track JLS lapse experience after the occurrence of the first death. The one respondent indicated it tracks the experience specific to the survival status of the JLS insureds indicated a lapse rate between 2% and 5% after the first death.

5.14: Provide any additional comments to help clarify your responses provided in this section.

No additional comments were provided.

Section 6 – Reinsurance

6.1: Did your company have in force JLS risks reinsured as of year-end 2013?

All 14 respondents indicated having reinsurance on JLS in force at year-end 2013.

6.2: Indicate the percentage by amount of your company's total JLS in force that was reinsured in 2013.

Percentage In Force JLS Reinsured	# of Respondents
Reinsured Percent Less than 25%	3
25% ≤ Reinsured % < 50%	3
50% ≤ Reinsured % < 75%	3
Reinsured Percent ≥ 75%	2
Other*	2
Total # of Respondents	13

*50%+
90% UL, maybe 25% VUL

The percentages of JLS business reinsured by the respondents varied widely with fairly even distributions among the groups.

6.3: If your company wrote new JLS business in 2013, indicate the percentage by amount of your company's 2013 new JLS business that was reinsured.

Percentage 2013 New Business JLS Reinsured	# of Respondents
Reinsured Percent Less than 25%	6
25% ≤ Reinsured % < 50%	2
50% ≤ Reinsured % < 75%	1
Reinsured Percent ≥ 75%	2
Other*	2
Total # of Respondents	13

*40% to 54%
90% UL, maybe 25% VUL

Six of the 13 respondents reinsured less than 25% of their new 2013 business. The rest of the respondents were fairly evenly spread between the other groups.

6.4: Which best describes how your company determines its JLS reinsurance pool members relative to your permanent single life reinsurance pool members? (Choose all that apply in the first column. Choose the one most prevalent in the second column.)

JLS Pool Members vs Single Life Pools	All that Apply	Most Prevalent
Same pool participants and same share percentages	8	6
Same pool participants with different pool shares	4	2
Different pool participants	5	4
Other*	1	0
We retain 100% of our new business JLS production	1	1
Total # of Respondents	13	13

**Subset of single life pool participants with different shares*

The most prevalent approach to JLS reinsurance pools was to use the same pool with the same share percentages as for the single life pool (6 of 13 respondents). The next most prevalent approach was to use different pool participants followed by the same participants but with different shares (4 respondents).

6.5: Which best describes the minimum Recapture Period in your company's most recent Single Life and JLS treaties? (Choose one under each type)

Reinsurance Treaty Recapture Period	JLS	Single Life
10 years	2	2
15 years	2	2
20 years	6	6
25 years	0	0
30 years	1	1
Other*	2	2
The treaty has no explicit recapture period.	1	1
Total # of Respondents	14	14

**Some reinsurers have a min of 15 to 20 years for both Single and Joint Life. One reinsurer has a min of 10 years on Single and 20 years on Joint. Varies by reinsurer, from 20 years to 30 years to "never"*

Each of the 14 respondents indicated identical recapture periods between their single life and JLS treaties. The most common recapture period was 20 years (6 respondents).

6.6: Indicate the method(s) your company uses in determining its underlying reinsurance premium charges within your JLS reinsurance treaties? (Choose all that apply in the first column. Choose the one most prevalent in the second column.)

JLS Reinsurance Calculation Method	All that Apply	Most Prevalent
Joint Equivalent Age (JEA)	3	1
Frasier Method	14	13
Total # of Respondents	14	14

All 14 respondents use the Frasier method in determining underlying reinsurance premium charges and all but one considered it the most prevalent method. Three respondents also use the JEA method.

6.7: Which best describes the minimum annual reinsurance premium override contained in your most recent JLS reinsurance treaty? (Choose one.)

JLS Minimum Annual Reinsurance Premium Rate	# of Respondents
\$0.05 per \$1,000	0
\$0.10 per \$1,000	1
\$0.12 per \$1,000	10
\$0.13 per \$1,000	0
\$0.14 per \$1,000	1
\$0.15 per \$1,000	1
Other*	1
Total # of Respondents	14

**Varies by reinsurer*

Each of the 14 respondents indicated they have a minimum JLS premium charge in their reinsurance treaties; the most common charge was \$0.12 per \$1,000 (10 respondents).

6.8: Which best describes how your company determines its current retention level on JLS policies? (Choose one.)

JLS Retention Formula	# of Respondents
The lowest of the single life retentions for each underlying JLS applicant	2
The highest of the single life retentions for each underlying JLS applicant	3
Sum of the single life retentions for each underlying JLS applicant	0
Average of the single life retentions for each underlying JLS applicant	1
Other*	7
Total # of Respondents	13

*2nd choice (highest of the single life retentions for each underlying JLS applicant) in most cases, sometime an additional \$5M is available

A 2-D matrix based on the parameters of the 2 applicants; usually sum of the single life retentions, but capped based on age and risk class.

Retention is based on the younger life

Separate limits for JLS. If a combination of JLS and Single, use the minimum of JLS and Single.

Percentage of the sum of the single life retentions

\$20 million (higher than Single (\$12))

Joint policies have same retention as single life under age 80; 150% of oldest age retention if over 80

There was a wide variation in JLS retention formula used by the respondents.

6.9: Complete the following table indicating your company’s highest current domestic Auto-bind and Jumbo Limits applicable to your most recent permanent Single Life and JLS treaties, at the listed issue ages? (Answer in millions.)

Issue Age	Joint Life Treaty		Single Life Treaty	
	Auto-Bind Min / Max / Median (\$M)	Jumbo Min / Max / Median (\$M)	Auto-Bind Min / Max / Median (\$M)	Jumbo Min / Max / Median (\$M)
45	15 / 60 / 45	30 / 65 / 65	10 / 60 / 45	20 / 65 / 65
65	15 / 60 / 45	30 / 65 / 65	10 / 60 / 45	20 / 65 / 65
75	15 / 60 / 30	30 / 65 / 65	10 / 60 / 30	20 / 65 / 65
85	2.5 / 40 / 10	6 / 65 / 50	2.5 / 40 / 10	4 / 65 / 50
Total # of Respondents	13	13	13	13

Eight of the 13 respondents indicated single life auto-bind limits identical to their joint life auto-bind treaty limits in the requested cells. Of the remaining respondents, four had higher auto-bind limits for their joint life versus single life, and one was mixed with higher joint auto-bind limits at the two older age cells and lower at the two younger age cells.

Twelve of the 13 respondents indicated single life jumbo limits identical to their joint life treaty jumbo limits in the requested cells. The other respondent indicated higher jumbo limits for their joint treaties for each age cell.

For JLS issue ages 45-75, auto-bind limits ranged from \$15 million to \$60 million and jumbo limits ranged from \$30 million to \$65 million, although for jumbo limits, the median was also \$65 million.

For single life issue ages 45-75, auto-bind limits ranged from \$10 million to \$60 million and jumbo limits ranged from \$20 million to \$65 million, again with a jumbo limit median of \$65 million.

For both JLS and single life, issue age 85 had lower auto-bind limits than the other age groups for all respondents. Four respondents indicated \$65 million jumbo limits across all issue ages for both JLS and single life issues. The remaining respondents indicated lower jumbo limits at issue age 85 versus the younger issues ages for both their JLS and single life issues.

6.10: Which best describes how your company incorporates additional Estate Protection Rider (EPR) death benefit amounts when determining the Retention, Automatic Binding, and Jumbo values on a JLS policy? (Choose one for each column.)

	# of Respondents		
	Retention	Auto-bind	Jumbo
Calculation includes EPR	10	9	9
Calculation excludes EPR	0	1	1
We do not offer EPR on our JLS policies	3	3	3
Total # of Respondents	13		

Of the 10 respondents that have EPR, all 10 included it when calculating retention and nine included it when calculating their auto-bind and jumbo limits.

6.11: Which best describes your reinsurance premiums applicable to the Estate Protection Rider versus that of the base plan's? (Choose one.)

EPR Reinsurance Premium Rates	# of Respondents
Zero in all years in which EPR is effective	0
Zero first year and non-zero thereafter*	4
Non-zero in all years*	6
We do not reinsure an EPR	1
We do not offer an EPR	3
Total # of Respondents	13

*For one company, non-zero in all years for UL. For VUL, they use zero first year and then pay in renewal years. Both responses are included in the table above.

Six of the nine respondents reinsuring the EPR pay EPR reinsurance premiums in all years the rider is in effect, four pay EPR reinsurance premiums only after the first year and one varies the EPR reinsurance premiums by product.

6.12: For your company’s most recent JLS reinsurance treaty, which best describes the comparison of your renewal reinsurance premiums for the Estate Protection Rider versus those of the base plan’s? (Choose one.)

Renewal EPR Reinsurance Premium Rates	# of Respondents
Renewal EPR rates equal to Base Plan renewal rates	8
Renewal EPR rate > Base Plan rate	0
Renewal EPR rate < Base Plan rate	0
Other*	2
We do not reinsure an EPR	3
Total # of Respondents	13

**Last survivor 4 year term renewal rates.*

One company uses renewal EPR rates equal to base plan renewal rates for UL and varies premium rates by reinsurer for VUL.

Eight of the ten respondents reinsuring EPR indicated their renewal EPR reinsurance rates are equal to the rates applicable to the base plan face amount. One respondent indicated having the same reinsurance rates for EPR on their UL plans but a different structure for their VUL.

6.13: Which best describes your company’s reinsurance submissions on JLS facultative cases? (Choose one.)

Substandard Facultative Submission	# of Respondents
We submit underwriting papers for all JLS applicants, regardless of rating on non-impaired applicant	11
We submit underwriting papers only on the impaired applicant	2
We do not utilize facultative capacity on JLS	0
Total # of Respondents	13

Of the 13 respondents, 11 submit underwriting papers on facultative cases for each of the JLS applicants, regardless of rating on the non-impaired life; two submit underwriting papers only on the impaired life.

6.14: Provide any additional comments to help clarify your responses provided in this section.

All comments were incorporated into the questions above to which they applied.

Appendix A – List of Contributing Companies

Allstate Financial
AXA US
Global Atlantic
John Hancock Life Insurance Co
Lincoln Financial
Mass Mutual
New York Life Insurance Company
North American Company
Northwestern Mutual
Pacific Life
Principal Financial Group
Protective Life Corporation
RiverSource Life Insurance Company
Transamerica Life Insurance Company

Appendix B – Joint-Last Survivor Life Insurance Survey

Introduction

Single-life term and permanent life insurance products have been well studied; however, relatively little research has been performed on Joint and Last Survivor (JLS) products, especially with respect to the product structure, underwriting, and administration of these products.

This Survey, which is being conducted by the Society of Actuaries' Committee on Life Insurance Mortality and Underwriting Surveys, is designed to provide a detailed review of product features, underwriting and various other practices for JLS policies, and to identify those aspects which are unique to JLS product forms. This Survey is not designed to evaluate the validity of any specific methods, product design, or suggest a common set of assumptions or tools for JLS products within the insurance industry.

Survey Scope

For purposes of this Survey, a Joint and Last Survivor (JLS) Policy is defined as a “life insurance policy where death benefits are payable upon the last death of two or more lives insured under one life insurance policy.”

For clarification, the following multi-life product types are NOT considered within the scope of this JLS Survey:

- First-to-Die product forms where the entire policy benefit is payable upon first death of underlying insured lives.
- Single Life Policies with an “other insured”, “child”, or “family” rider attached.
- Two single life risks insured under one policy to save multiple policy fees.
- Those product forms where death benefits are payable only upon death(s) by accidental means.
- Group Life risks, unless the individual certificates under the group situs are fully underwritten (where non-med, paramedical or medical examinations, collected bodily fluids, etc., are routinely required at same age and amount limits as similar individual life policies).

JLS Survey Definitions

For the purpose of completing this JLS Survey, the following definitions pertaining to life insurance policies shall apply:

Accelerated Death Benefit: When a portion of the policy death benefit is advanced upon the underlying insured life being diagnosed with a terminal illness.

Accidental Death Benefit: When death benefits are provided in excess of the base policy face amount upon death of the underlying insured life due to accidental means.

Chronic Illness Benefit: When a policy benefit is paid out, or a portion of the policy death benefit accelerated, upon the underlying insured life incurring a qualifying “chronic illness” as

certified by a qualifying physician. It is common to define a chronic illness as an event that results in the insured being unable to perform a number of Activities of Daily Living over a defined period of time.

Critical Illness Benefit: When a policy benefit is paid out, or a portion of the policy death benefit accelerated, upon the underlying insured life incurring a specified medical condition as certified by a qualifying physician.

Estate Protection Rider (EPR): When additional term life-type death benefits are provided in addition to the base policy face amount upon the last death of the underlying JLS insured lives occurring over the first n-years of the policy. The term is often set at four years and is meant to protect the total death benefit that goes into the estate after a reduction in benefit from taxes when the deaths occur within three years of original issue. This falls under the “contemplation of death” rules in the Internal Revenue Service code in the US.

Exact Age Basis: When JLS policy values (e.g. premium or COI charges) are determined based upon the exact issue age and underwriting class of each underlying joint insured life.

Extended Maturity Option (EMO): When the underlying policy becomes paid-up upon the younger insured’s attainment of a given age, (usually age 100). At such time policy charges cease and death benefits may be frozen or increased with interest.

Frasier Method: A method of calculating JLS policy values using the exact ages and underwriting class of each insured as first developed by William Frasier.

Joint Equal Age (JEA): A method of determining policy values (e.g. premiums, COI rates, etc.) where the issue age and underwriting class of each joint insured is reformulated into a single life table with a common issue age.

Jump In Cash Value: A type of JLS policy where a significant policy benefit is credited to the JLS policy cash value upon the first death of the underlying policy’s insured lives.

Long Term Care Benefit: When a policy benefit is paid out, or a portion of the policy death benefit accelerated, upon the underlying insured live incurring a qualifying illness similar to that covered in a Long Term Care insurance policy. It is common to define qualifying Long Term Care benefit triggers as an event that results in the insured being unable to perform a number of Activities of Daily Living or having a serious cognitive deficiency over a defined period of time.

No Lapse Protection: A provision that allows a policy to continue over a defined period of time even if the policy account value becomes negative. This provision usually requires the policyholder to satisfy a minimum premium test or have a positive *secondary account fund value* (e.g. an alternate fund calculated under different fees, loads, charges and interest credits than those used in the current policy values, often referred to as a shadow fund).

Policy Exchange Option: A provision that allows for the exchange of an existing insured life for a new applicant. This is often allowed in a business setting where a new partner replaces one

that has left the business. An adjustment to the joint policy values is made going forward based on the new insured life.

Policy Split Option: Allows for a JLS policy to be split into multiple single life policies applicable to each underlying insured life upon the occurrence of a qualifying event (e.g. divorce). Usually the single life policies are based on the issue age and underwriting class of each insured life at the time of split and may be offered with or without additional underwriting.

Secondary Market: Also known as the life settlement market; this is a market where an existing life insurance policy is assigned (or “sold”) to a third party for more than its current cash surrender value but less than its net death benefit.

Waiver of Premium: When periodic policy premiums or charges are waived upon the insured becoming disabled before a specified attained age (usually age 65).

Preface to Survey Questions

1. Did your company issue Joint Last Survivor (JLS) life insurance in 2013?

- Yes
- No

2. Did your company have in force Joint Last Survivor (JLS) life insurance as of year-end 2013?

- Yes
- No

Section 1 - New Business and In Force Life Insurance Amounts

1.1: In what year did your company begin selling JLS products?

1.2: If your company no longer sells JLS life insurance, in what year did it stop? (Choose one)

- Stopped selling (please indicate year)
- Still selling JLS

1.3: Provide your company's total in force life insurance as of year-end 2013 by face amount and policy count for each product type listed below. (If your company did not have any in force life insurance for a particular category, respond with zeros as appropriate. If "Other" is chosen, indicate the product type.)

	Face Amount (in \$millions)	Policy Count
Single Life		
Joint-Last Survivor		
Other		

1.4: Provide your company's total in force life insurance as of year-end 2013 by each JLS product type listed below, by both face amount and policy count. (If your company did not have any in force life insurance for a particular category, respond with zeros as appropriate. If "Other" is chosen, indicate the product type.) *Total 2013 JLS In force should equal row two of the table in question 1.3.

	Face Amount (in \$millions)	Policy Count
Universal Life		
Variable Life / VUL		
Whole Life		
Term		
Other (please describe)		

1.5: Provide your company's total new life insurance issued in 2012 and 2013 by both face amount and policy count for each product type listed below. (If your company did not issue any new life insurance for a particular category, respond with zeros as appropriate. If "Other" is chosen, indicate the product type.)

	2012 - Face Amount (in \$millions)	2012 - Policy Count	2013 - Face Amount (in \$millions)	2013 - Policy Count
Single Life				
Joint-Last Survivor				
Other				

1.6: Provide the amount of new JLS life insurance issued in 2013 for each JLS product type listed below, by both face amount and policy count. (If your company did not issue any new life insurance for a particular JLS product type, respond with zeros as appropriate. If "Other" is chosen, indicate the JLS product type.) *Total 2013 JLS Production should equal row two of the table in question 1.5.

	Face Amount (in \$millions)	Policy Count
Universal Life		
Variable Life / VUL		
Whole Life		
Term		
Other (please describe)		

1.7: Rank your company's top three producing distribution channels by 2013 face amount of new life insurance issued. If known, also provide the rank by type of JLS sale (business versus spousal). (Use 1 to represent the most prevalent and 3 the third most prevalent.)

	Top Three Channels	Type of JLS Sale	
		Business	Spouse
Broker-Dealer			
Brokerage / Independent Agent			
Career or Multi-Line			
Financial Planner			
Personal Producing General Agent			
Other (please describe)			

1.8: Provide any additional comments to help clarify your responses provided in this section.

Section 2 - Product Structure, Features and Riders

For the questions in this section (2.1 through 2.18), answer based on the JLS product most commonly sold by your company; or, if your company no longer sells JLS products, base your answers on the product with the largest share of your company's JLS in force by face amount.

2.1: Which of the following Death Benefit Options are included in your company's JLS product? (Choose all that apply.)

- Level Death Benefit
- Level Death Benefit plus Cash Value
- Level Death Benefit plus Return of Premium
- Indexed Death Benefit (e.g., Consumer Price Index)
- Other (please describe)

2.2a: Which of the following methods does your company use to determine the JLS product's underlying premium charges, where "premium charges" are Cost of Insurance rates for UL-type products and Premium rates for fixed products? (Choose one.)

- Joint Equivalent Age (JEA)
- Frasier Method
- Other (please describe)

2.2b: Based on your answer from 2.2a, which option best describes when the JLS product's premium charges are deemed to be paid up? (Choose one.)

- At JEA attained age 100
- At JEA attained age 120
- At youngest insured attained age 100
- At youngest insured attained age 120
- Other (please describe)

2.2c: Which option best describes the JLS product's minimum annual Cost of Insurance (COI) charge, if any? (Choose one.)

- Minimum COI charge not imposed
- \$0.10 / unit
- \$0.15 / unit
- \$0.20 / unit
- Other (please describe)
- Not Applicable

2.3a: What is the maximum number of lives your company will issue on one JLS policy?
(Choose one.)

- Two Lives
- More than Two Lives, but limited
- Unlimited

2.3b: If question 2.3a was not answered "Two Lives," indicate the maximum number of lives.

2.4: Indicate the percentage of the JLS product face amount that falls into each of the following categories: (Total must add up to 100%.)

- _____ Two Lives - both insurable
- _____ Two Lives - one uninsurable
- _____ Three Lives
- _____ Four Lives
- _____ More than Four Lives

2.5: Indicate the percentage of the JLS product face amount that falls into each of the following categories: (Total must add up to 100%.)

- _____ Spousal
- _____ Business
- _____ Other (please describe)
- _____ We do not track type of sale

2.6: What is the JLS product's minimum face amount? (Choose one)

- \$100,000
- \$250,000
- \$500,000
- \$1,000,000
- Other (please describe)

2.7: Does your company require the reporting of the first insured death on the policy form?

- Yes
- No

2.8: Does your company include any product features to incent the reporting of the first insured death? (Choose all that apply)

- First-to-die death benefit
- Jump in cash value on first death
- Other (please describe)
- The JLS product has no such product feature incentive

2.9: How many underwriting classes does your company offer?

	Single Life	Joint Life
Non-smoker underwriting classes		
Smoker underwriting classes		

2.10: Did the number of JLS underwriting classes your company offers change in 2013 from that offered in 2012? (Choose one for each set of classes.)

	Did Not Change	More Classes than 2012	Less Classes than 2012	Not Applicable
Non-smoker underwriting classes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Smoker underwriting classes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2.11: Use the following table to identify any additional benefits that your company provides on its JLS policy form, whether inherent in the base plan or available through a specific rider. For each "additional" JLS benefit, please indicate:

- a. If the benefit is offered as part of the base plan.
- b. If the benefit is offered through an explicit rider only.
- c. If there is an explicit periodic premium charge for the rider.
- d. If there is an explicit administrative charge when the rider is exercised.
- e. The attained age at which the rider expires, if applicable.
- f. The duration at which the rider expires, if applicable. (If you do not offer a rider, leave the row blank.)

	a. Part of Base Plan?		b. Available via Rider?		c. Premium Charge		d. Administrative Charge?		e. Age at Expiry?	f. Expiry Duration?
	Yes	No	Yes	No	Yes	No	Yes	No		
Accelerated Death Benefit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
Accidental Death Benefit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
Chronic Illness Benefit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
Critical Illness Benefit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		

Estate Protection	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
Extended Maturity Option	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
Long-Term Care Benefit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
No Lapse Protection	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
Policy Exchange	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
Policy Split Option	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
Waiver of Premium (or Waiver of Policy Charges)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		

2.12a: If applicable, which best describes the JLS product's Accidental Death Benefits, whether made available through the base policy or with a rider? (Choose one)

- ADB payable on each accidental death (offered on a Single Life basis to each insured)
- ADB payable only if both deaths are from the same accident
- ADB payable at second death, if second death is accidental
- Other (please describe)
- The JLS product does not offer any ADB

2.12b: Which best describes the JLS product's method of determining the Accidental Death Benefit amount? (Choose one)

- Additional 1x base policy death benefit amount
- Additional 2x base policy death benefit amount
- ADB amount is elected by policy owner
- Other (please describe)
- The JLS product does not offer any ADB

2.13a: If applicable, which best describes the JLS product's longest available "No Lapse Protection" benefit period, whether made available through the base policy or with a rider? (Choose one)

- 10 Years
- 20 Years
- Lifetime Protection
- Other (please describe)
- The JLS product does not offer a No Lapse Protection benefit

2.13b: Which best describes the JLS product's means of determining qualification for the No Lapse Protection benefit? (Choose one)

- Minimum Periodic Premium paid each year
- Cumulative Minimum Premium test
- Shadow Account above zero
- Other (please describe)
- The JLS product does not offer a No Lapse Protection benefit

2.14a: If applicable, which best describes the JLS product's underwriting on the new insured when the Policy Exchange Option is exercised? (Choose one)

- Insured is subject to Limited Underwriting
- Insured is subject to Full Underwriting
- Other (please describe)
- The JLS product does not offer a Policy Exchange Option

2.14b: Which best describes the JLS product's revised premiums when the Policy Exchange Option is exercised? (Choose one)

- Recalculated from original policy issue date, then charged "point-in-scale"
- Recalculated as if policy reissued on date of exchange
- Other (please describe)
- The JLS product does not offer a Policy Exchange Option

2.15: If applicable, which best describes the JLS product's maximum death benefit allowed when the Policy Split Option is exercised? (Choose one)

- Equal to 50% of the JLS policy face amount
- Equal to 100% of the JLS policy face amount
- Other (please describe)
- The JLS product does not offer a Policy Split Option

2.16: If applicable, which best describes the availability of covered lives applicable to JLS product's Waiver of Premium benefit? (Choose all that apply)

- Available on policy owner (if other than joint insured life)
- Available on at most one of the joint insured lives
- Available on any of the joint insured lives
- Other (please describe)
- The JLS product does not offer a Waiver of Premium benefit

2.17: Describe other additional JLS Policy benefits or riders your company offers, if any, that were not previously identified in questions 2.11 through 2.16 above.

2.18: Provide any additional comments to help clarify your responses provided in this section.

Section 3 - Underwriting

3.1: Which of your company's underwriters are designated to underwrite your company's JLS applications? (Choose one)

- Regular underwriting staff
- A specially designated JLS Underwriting Team
- More experienced underwriters only, but not a special JLS Underwriting Team
- Other (please describe)

3.2: How do your company's Preferred Underwriting Criteria for its most common JLS product compare to the Preferred Underwriting Criteria for your company's most common permanent single life product? (Choose one)

- Generally the same as single life underwriting
- JLS is generally more liberal
- JLS is generally more conservative
- Other (please describe)

3.3: How does your company's philosophy regarding underwriting JLS applicants compare to your company's philosophy for underwriting single life applicants from a medical perspective? (Choose one under each column)

	Generally the same as single life underwriting	JLS is generally more liberal	JLS is generally more conservative
Preferred	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Substandard	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3.4: How does your company's philosophy regarding underwriting JLS applicants compare to your company's philosophy for underwriting single life applicants from a financial perspective? (Choose one)

- Generally the same as single life underwriting
- JLS is generally more liberal
- JLS is generally more conservative

3.5: How do your company's Age & Amount Underwriting Requirements for its JLS applications compare to your company's single life underwriting requirements? (Choose one)

- Identical to single life requirements
- Amounts are double the single life requirements
- Other (please describe)

3.6: How does your company determine its Age & Amount Underwriting Requirements on JLS applications where there is an Estate Protection Rider (EPR) attached? (Choose one)

- Requirements identical as if no EPR is attached
- Requirements based on base face + EPR amount
- Other (please describe)
- We do not offer EPR-life riders on our JLS policies

3.7: How does your company incorporate medical substandard ratings (other than uninsurable lives) in your JLS premiums / COI charges? (Choose one each for "Table Rating" and "Flat Extra Rating" Columns.)

	Full amount of rating applied prior to Frasier calculation	Less than full amount of rating applied prior to Frasier calculation	Full amount of rating applied after Frasier calculation	Less than full amount of rating applied after Frasier calculation	Other (please describe)*
For Exact Age Frasier Premiums - Table Rating	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For Exact Age Frasier Premiums - Flat Extra Rating	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*Please describe "Other":

	Full amount of rating applied within JEA calculation	Less than full amount of rating applied within JEA calculation	Full amount of rating applied after JEA calculation	Less than full amount of rating applied after JEA calculation	Other (please describe)*
For Joint Equal Age Premiums - Table Rating	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For Joint Equal Age Premiums - Flat Extra Rating	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*Please describe "Other":

3.8: How does your company handle aviation exclusions when applicable to just one of the insured JLS applicants? (Choose one)

- We do not allow the JLS policy to be issued
- We allow the JLS policy to be issued with an aviation exclusion on the applicable life
- We allow the JLS policy to be issued with an aviation exclusion on both lives
- Other (please describe)

3.9: Does your company have specific question(s) on its JLS application which attempts to identify policies with intent to sell to the secondary market? (Choose one)

- Yes
- No

3.10a: Which best describes how your company defines an "uninsurable life" for its JLS policies? (Choose all that apply)

- a. Underwritten as higher than a specific table rating (e.g., Table 16 or Table P)
- b. Any "Decline" by routine underwriting standards
- c. An insured afflicted with one or more of a pre-defined list of "uninsurable" impairments
- d. Life expectancy based (e.g., life expectancy of no more than two years)
- e. Other (please describe)

3.10b: If you selected (a) and / or (d) above, please provide an explanation for each:

3.11: How does your company issue a two-life JLS application if one of the underlying lives is assessed as uninsurable? (Choose one)

- We don't include the uninsurable life within the JLS policy; rather the insurable life is issued as a single life policy
- We include the uninsurable life within the JLS policy
- Other (please describe)

3.12: If your company does allow an uninsurable life within a two-person JLS policy, what is the maximum substandard rating allowed on the insurable life? (Choose one for each issue age category.)

	Identical to single life ratings (no limits)	Must be rated standard or better	Substandard of no more than Table 4 (Table D) or 200%	Substandard of no more than Table 6 (Table F) or 250%	Substandard of no more than Table 8 (Table H) or 300%	Substandard of no more than Table 12 (Table L) or 400%	Substandard of no more than Table 16 (Table P) or 500%	Other (please describe)*	We do not allow uninsurable life on a JLS policy
70-79	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
80+	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*Please describe "Other":

3.13: Indicate the maximum issue age on your JLS policies when issued on two lives.

Both Lives Insurable:
One Life Uninsurable

3.14a: Does your company offer a formal Substandard Improvement Program (i.e., Table Shave program) on JLS applicants

- Yes
- No

3.14b: If yes, what is your company's maximum Issue Age and Face Amount allowed on the Substandard Improvement Program?

Maximum Issue Age:
Maximum Face Amount:

3.15: Provide any additional comments to help clarify your responses provided in this section.

Section 4 - Administration

4.1: Identify the ways in which your company attempts to monitor first deaths on JLS policies. (Choose all that apply)

- Notification requirement within policy contract language
- Inquiries within the premium billing statements
- Inquiries within the annual policy statement
- Include "first-to-die" type benefit in JLS policy
- Sweeps of Social Security Death Master File
- Research other sources of death notices
- Other (please describe)
- We do not actively attempt to monitor first JLS deaths

4.2: If a first death is reported or discovered on a JLS policy, does your company reflect the change in the joint life status in its valuation and cash flow projection systems? (Choose Yes or No for each projection type.)

	Yes	No
Valuation	<input type="radio"/>	<input type="radio"/>
Cash Flow Projections	<input type="radio"/>	<input type="radio"/>

4.3: Does your company perform any claim investigation upon notification of first death on its JLS policies? (Choose one)

- Yes, but only if the first death is within the contestable period
- Yes, regardless of the policy duration of the first death
- We do not routinely investigate first deaths
- Other (please describe)

4.4: Does your company notify its reinsurers when it learns of a first death on a reinsured JLS policy? (Choose one)

- Yes, at any time we learn of the first death
- Yes, but only if the first death is within the contestable period
- We do not routinely notify our reinsurers of first deaths
- Other (please describe)
- We do not reinsure our JLS risks

4.5: Where permitted by law, does your company knowingly allow JLS policies to be issued under a premium financing arrangement? (Choose one)

- Yes
- No

4.6: Indicate the percentage of your company's JLS in force known to be in the secondary market as of year-end 2013.

- Amount of secondary market business as a percentage of total JLS in force as of year-end 2013 by face amount was:
- We do not track secondary market usage on JLS in force

4.7: Provide any additional comments to help clarify your responses provided in this section.

Section 5 - Pricing Decrements

For the questions in Section 5, answer based on the JLS product most commonly sold by your company. If your company no longer sells JLS products, base your answers on the product with the largest share of your company's JLS in-force by face amount.

5.1a: Indicate those sources of information your company uses in determining its baseline JLS pricing mortality assumptions. (Choose all that apply)

- Based on own single life experience
- Based on own joint life experience
- Based on industry experience (single or joint)
- Based on input from our Reinsurers
- Based on input from Consultants
- Other (please describe)

5.1b: Which one of those sources is the most prevalent at your company? (Choose one)

- Based on own single life experience
- Based on own joint life experience
- Based on industry experience (single or joint)
- Based on input from our Reinsurers
- Based on input from Consultants
- Other (please describe)

5.2: Provide the adjustment factor your company applies to your single life pricing mortality assumption to determine it's starting JLS pricing mortality assumption. (Choose one in each column.)

	95% of Single Life Assumption	90% of Single Life Assumption	85% of Single Life Assumption	Other (please describe)*	We don't apply an adjustment factor
Younger Ages	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Older Ages	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*Please describe "Other":

Provide additional explanation if warranted:

5.3: Indicate which of the following minimum overrides your company uses in its JLS annual mortality decrement assumption. (Choose one under each category.)

	\$0.05 per 1,000	\$0.10 per 1,000	\$0.15 per 1,000	\$0.20 per 1,000	Other (please describe)*	We don't incorporate a minimum
Pricing Mortality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Qx Dividend Scale	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Statutory Reserves	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*Please describe "Other":

5.4: Which best describes your company's pricing mortality adjustment for "Contagion Risk" for simultaneous death on JLS risks? (Choose one)

- \$0.05 per 1,000
- \$0.10 per 1,000
- \$0.15 per 1,000
- Other (please describe)
- We do not use a Contagion Risk adjustment

5.5: If applicable, complete the table indicating how your company adjusts its initial pricing mortality to account for "Heartbreak Risk" on the surviving life of JLS risks. (State the "Initial Load" as a percentage of the base mortality and "How long?" in months.) If your company does not incorporate a Heartbreak adjustment, please leave blank.

	Load to Male Survivor		Load to Female Survivor	
	Percentage Load	How long? (Months)	Percentage Load	How long? (Months)
At attained age 45				
At attained age 65				
At attained age 75				
At attained age 85				

5.6: Indicate those sources of information your company considers when setting its "Contagion Risk" and "Heartbreak Risk" pricing loads? (Choose all that apply for each column.)

	Contagion Assumption	Heartbreak Assumption
Research on company's own data	<input type="checkbox"/>	<input type="checkbox"/>
Research on public data sources	<input type="checkbox"/>	<input type="checkbox"/>
Reinsurer's recommendation	<input type="checkbox"/>	<input type="checkbox"/>
Consultant's recommendation	<input type="checkbox"/>	<input type="checkbox"/>
Follow other companies' assumptions	<input type="checkbox"/>	<input type="checkbox"/>
Other (please describe)	<input type="checkbox"/>	<input type="checkbox"/>
Not applicable / Don't use	<input type="checkbox"/>	<input type="checkbox"/>

5.7: Which best describes how your company's JLS mortality improvements compare to your Single Life mortality improvement assumptions? (Choose one for each column.)

	The assumptions are the same	JLS assumptions are greater than Single Life's	JLS assumptions are less than Single Life's	Other (please describe)*	We do not use a mortality improvement assumption in JLS pricing
Male	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Female	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*Please describe "Other":

5.8: Describe any additional pricing mortality loads or adjustments your company incorporates into your JLS pricing that may have no previously been identified in questions 5.2 through 5.7:

5.9: Which best describes how often your company conducts mortality studies? (Choose one for JLS and one for Single Life.)

	Once per year	Once every two years	On an ad-hoc basis as needed or requested	Other (please describe)*	We do not conduct mortality studies
JLS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Single Life	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*Please describe "Other":

5.10: Does your company track the mortality experience specific to its JLS policyholders issued as an "uninsurable" risk? (Choose one)

- Yes
- No
- We do not allow uninsurable risks

5.11: Which best describes how often your company conducts lapse studies? (Choose one for JLS and one for Single Life.)

	Once per year	Once every two years	On an ad-hoc basis as needed or requested	Other (please describe)*	We do not conduct lapse studies
JLS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Single Life	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*Please describe "Other":

5.12a: Indicate those sources of information your company considers when setting its starting baseline JLS pricing lapse information. (Choose all that apply)

- Based on own experience
- Based on industry experience
- Based on input from our Reinsurers
- Based on input from Consultants
- Other (please describe)

5.12b: Which one of those sources is the most prevalent at your company? (Choose one)

- Based on own experience
- Based on industry experience
- Based on input from our Reinsurers
- Based on input from Consultants
- Other (please describe)

5.13: Which best describes your company's annual lapse experience on JLS policies after the first insured death has occurred? (Choose one)

- Less than or equal to 1%
- Greater than 1%, but less than or equal to 2%
- Greater than 2%, but less than 5%
- Greater than 5%
- Other (please describe)
- We do not track lapse experience specific to surviving JLS insureds

5.14: Provide any additional comments to help clarify your responses provided in this section.

Section 6 - Reinsurance

6.1: Did your company have in force JLS risks reinsured as of year-end 2013?

- Yes
- No

6.2: Indicate the percentage by amount of your company's total JLS in force that was reinsured in 2013. (Round to the nearest whole percentage.)

6.3: If your company wrote new JLS life insurance in 2013, indicate the percentage by amount that was reinsured. (Round to the nearest whole percentage.)

- 2013 New JLS life insurance reinsured percentage:
- We did not write new JLS life insurance in 2013

6.4a: Which best describes how your company determines its JLS reinsurance pool members relative to your permanent single life reinsurance pool members? (Choose all that apply)

- Same pool participants and same share percentages
- Same pool participants with different pool shares
- Different pool participants
- Other (please describe)
- We retain 100% of our new business JLS production

6.4b: Which one is the most prevalent at your company? (Choose one)

- Same pool participants and same share percentages
- Same pool participants with different pool shares
- Different pool participants
- Other (please describe)
- We retain 100% of our new business JLS production

6.5: Which best describes the minimum Recapture Period in your company's most recent permanent Single Life and JLS treaties? (Choose one under each type.)

	20 years	25 years	30 years	Other (please describe)*	The treaty has no explicit recapture period
Single Life	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
JLS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*Please describe "Other":

6.6a: Indicate the method(s) your company uses in determining its underlying reinsurance premium charges within your JLS reinsurance treaties. (Choose all that apply)

- Joint Equivalent Age (JEA)
- Frasier Method
- Other (please describe)

6.6b: Which one of the methods is the most prevalent at your company? (Choose one)

- Joint Equivalent Age (JEA)
- Frasier Method
- Other (please describe)

6.7: Which best describes the minimum annual reinsurance premium override contained in your most recent JLS reinsurance treaty? (Choose one)

- \$0.05 per \$1,000
- \$0.10 per \$1,000
- \$0.12 per \$1,000
- \$0.13 per \$1,000
- \$0.15 per \$1,000
- Other (please describe)
- The treaty does not include a minimum annual premium

6.8: Which best describes how your company determines its current retention level on JLS policies? (Choose one)

- The lowest of the single life retentions for each underlying JLS applicant
- The highest of the single life retentions for each underlying JLS applicant
- Sum of the single life retentions for each underlying JLS applicant
- Average of the single life retentions for each underlying JLS applicant
- Other (please describe)

6.9: Complete the following table indicating your company's highest current domestic Auto-bind and Jumbo Limits applicable to your most recent permanent Single Life and JLS treaties at the listed issue ages. (Answer in millions)

	Single Life Treaty		Joint Life Treaty	
	Auto-Bind	Jumbo	Auto-Bind	Jumbo
At issue age 45				
At issue age 65				
At issue age 75				
At issue age 85				

6.10: Which best describes how your company incorporates additional Estate Protection Rider (EPR) death benefit amounts when determining the Retention, Automatic Binding and Jumbo values on a JLS policy. (Choose one for each column.)

	Calculation includes EPR	Calculation excludes EPR	Other (please describe)*	We do not offer EPR on our JLS policies
Retention	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Auto-Bind	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jumbo	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*Please describe "Other":

6.11: If applicable, which best describes your reinsurance premiums applicable to the Estate Protection Rider versus that of the base plan's? (Choose one)

- Zero in all years in which EPR is effective
- Zero first year and non-zero thereafter
- Non-zero in all years
- We do not reinsure an EPR
- We do not offer EPR on our JLS policies

6.12: For your company's most recent JLS reinsurance treaty, which best describes the comparison of your renewal reinsurance premiums for the Estate Protection Rider versus those of the base plan's? (Choose one)

- Renewal EPR rates equal to Base Plan renewal rates
- Renewal EPR rate > Base Plan rate
- Renewal EPR rate < Base Plan rate
- Other (please describe)
- We do not reinsure an EPR

6.13: Which best describes your company's reinsurance submissions on JLS facultative cases? (Choose one)

- We submit underwriting papers for all JLS applicants, regardless of rating on non-impaired applicant
- We submit underwriting papers only on the impaired applicant
- Other (please describe)
- We do not utilize facultative capacity on JLS

6.14: Provide any additional comments to help clarify your responses provided in this section.