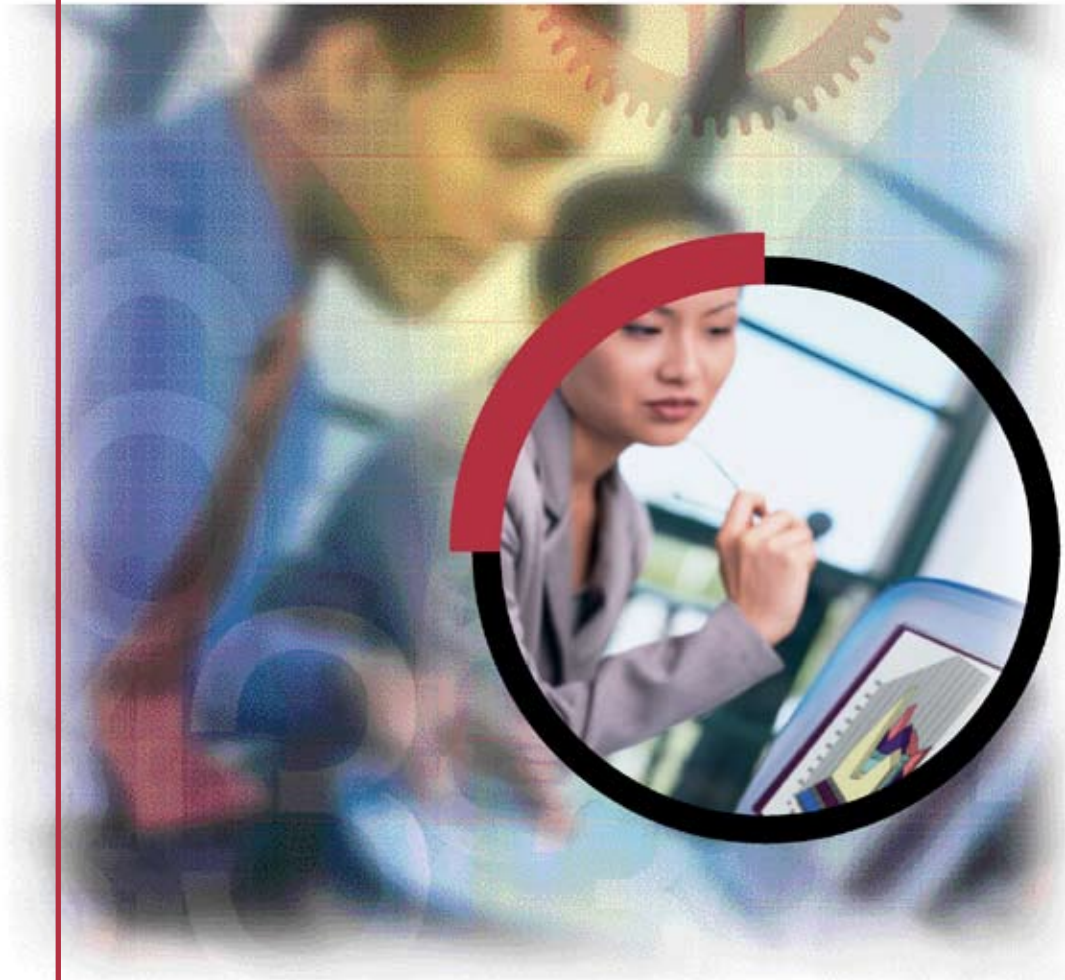


MarketTrends *LIMRA's Factbook*



2009 Trends in the United States

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2009 Trends in the United States

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Preface

LIMRA International is dedicated to helping its members worldwide improve their marketing and distribution effectiveness.

For more than 90 years, LIMRA has been providing its member companies with a wealth of research information on distribution, products, markets, retirement, and technology. MarketTrends *LIMRA's Factbook* presents key statistics in each of these areas.

MarketTrends is updated periodically to coincide with member companies' strategic planning processes. It provides the most frequently requested trend statistics in a single source — but it does not replace the in-depth reports and studies from which they are extracted. For more information on the tables published here, visit www.limra.com or (call 1-800-235-4672 to register) or contact the appropriate project director. For more general information, call LIMRA's InfoCenter. A telephone and email directory appears on page 60.

Notes on Interpreting Tables

Several common definitions connect the tables presented in MarketTrends. Dollars, annualized premiums, years, and growth ratios are treated the same in the majority of the tables and are defined as follows.

Dollars

Unless otherwise noted, current dollars are reported for each table.

Annualized Premiums

This is the total first-year premium that would be paid if all policies remained in force for the first policy year. It is the modal premium times the mode of premium payments.

Years

Each table provides the actual data year, not the year the data were published.

Growth Rates

In most instances, growth rates are used instead of actual amounts to show trends over time and to address the sampling changes that occur in each study. Percentage changes represent annual compounded rates of growth over prior years.

Due to changes in participation from year to year, growth rates for each time period are based on companies supplying both the current year's and the prior year's data. Unless otherwise noted, growth rates for each time period are treated independently. The table footnotes provide further clarification.

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MARKETS RESEARCH

GENERAL MARKET

CONSUMER OPINION OF CURRENT ECONOMIC CONDITIONS IN THE U.S.

CONSUMER OPINION OF CURRENT ECONOMIC CONDITIONS IN THE U.S.

| | March '08 | October '08 | January '09 | April '09 |
|----------------------------------|-----------|-------------|-------------|-----------|
| Very favorable | 1% | 0 | 1% | 1% |
| Somewhat favorable | 4 | 2% | 3 | 2 |
| Neither favorable or unfavorable | 13 | 6 | 7 | 12 |
| Somewhat unfavorable | 33 | 24 | 28 | 34 |
| Very unfavorable | 48 | 66 | 60 | 50 |
| Not sure / no opinion | 1 | 2 | 1 | 1 |

CONSUMER PREDICTIONS FOR A RETURN TO ECONOMIC STABILITY

| | October '08 | January '09 | April '09 |
|--------------------|-------------|-------------|-----------|
| Less than 6 months | 3% | 2% | 2% |
| 6 to 12 months | 20 | 14 | 18 |
| 1 to 2 years | 36 | 41 | 39 |
| More than 2 years | 30 | 34 | 31 |
| Not sure | 11 | 9 | 10 |

CONSUMER CONFIDENCE IN THE FINANCIAL SERVICES INDUSTRY

PERCENT OF CONSUMERS WITH "AN EXTREME AMOUNT" OR "QUITE A BIT" OF CONFIDENCE IN...

| | July '08* | October '08 | January '09 | April '09 |
|-----------------------------------|-----------|-------------|-------------|-----------|
| Community banks & credit unions | 59% | 32% | 45% | 43% |
| National & regional banks | 46 | 12 | 22 | 21 |
| Insurance companies | 32 | 12 | 18 | 15 |
| Mutual fund companies | 31 | 9 | 12 | 12 |
| Financial advisors | 24 | 11 | 10 | 10 |
| Insurance agents & brokers | 23 | 9 | 12 | 10 |
| Federal government & regulators | 18 | 8 | 9 | 8 |
| Mortgage lenders | 17 | 3 | 6 | 7 |
| Stockbrokerage & investment firms | 19 | 4 | 7 | 6 |
| Financial rating agencies | 17 | 4 | 6 | 4 |

Source: *Consumer Views on The Fall of 2008* and 2009 Consumer Updates
Contact: Jennifer Douglas (jdouglas@limra.com)

The 2008 research series, *Views on The Fall of 2008*, explored the impact of the economy on the insurance industry. LIMRA continues to monitor consumer sentiment throughout 2009.

* "July '08" represents October surveyed consumer responses regarding "3 months ago"

U.S. BUYERS AND NONBUYERS OF LIFE INSURANCE

REASON WHY PURCHASED THE POLICY

| | Percent of buyers |
|--|-------------------|
| Income replacement | 64% |
| Burial and final expenses | 60 |
| Guarantee mortgage paid | 34 |
| Transfer wealth to family | 23 |
| Funds for college education | 20 |
| Tax-advantaged way to save/invest | 7 |
| Pay estate taxes/create estate liquidity | 4 |
| Business purposes | 2 |
| Make a charitable gift | 1 |

REASON FOR NOT BUYING LIFE INSURANCE

| | Percent of nonbuyers |
|---|----------------------|
| Policy was too expensive, could not afford the premium | 56% |
| Could not decide on policy type or coverage amount | 37 |
| Afraid of making the wrong decision | 26 |
| Do not know enough about life insurance | 23 |
| Have not finished shopping yet | 22 |
| Decided do not need more (or any) life insurance | 19 |
| Did not trust the insurance company, sales representative, or financial advisor | 14 |
| Financial advisor recommended not to buy | 13 |
| Did not qualify for coverage | 12 |
| Decided that another financial product would better suit needs | 10 |
| Risk of dying did not seem that great | 10 |

Source: U.S. Buyers and Nonbuyers of Life Insurance (www.limra.com/abstracts/4442.asp)
Contacts: James O. Mitchel (jmitchel@limra.com), Nilufer R. Ahmed (nahmed@limra.com)

OPPORTUNITY TO BUY

| | 1980 | 1984 | 1990 | 1997 | 2003+ |
|---|------|------|------|------|-------|
| Percent of all households with the opportunity to buy in the past year | | | | | |
| Any contact* | 65% | 73% | — | 80% | — |
| Any agent contact | 35 | 35 | 33% | 23 | — |
| Agent-initiated contact | 31 | 32 | 30 | 21 | — |
| Prospect-initiated contact | 10 | 8 | 10 | 4 | — |
| Direct contact | 50 | 64 | — | 77 | — |
| Worksite contact** | — | 5 | — | 13 | — |
| Percent of households approached about life insurance | — | — | — | — | 11% |
| Percent of households with an agent contact that bought life insurance in the past year*** | | | | | |
| Any agent purchase | 31% | 30% | 24% | 25% | — |
| Agent-initiated purchase | 22 | 25 | 20 | 18 | — |
| Prospect-initiated purchase | 66 | 52 | 44 | 60 | — |
| Percent of all households that bought life insurance in the past year*** | | | | | |
| Any purchase* | 14% | 13% | — | 12% | 11% |
| Any agent purchase | 11 | 10 | 8% | 6 | — |
| Agent-initiated purchase | 7 | 8 | 6 | 4 | — |
| Prospect-initiated purchase | 7 | 4 | 4 | 2 | — |
| Direct purchase | 4 | 4 | — | 6 | — |
| Worksite purchase | — | — | — | 3 | — |

Source: *Opportunity to Buy Study* (www.limra.com/abstracts/1233.asp)

Contact: Cheryl D. Retzloff (cretzloff@limra.com)

+ From *Buyers and Nonbuyers Report*. Percentage adjusted by 0.75 to convert "past 24 months" to "past year".

* "Any" indicates either agent, direct, or worksite opportunities.

— Data not available

** Measured as a type of direct opportunity in 1984. Measured separately in 1997 and includes both face-to-face and non-face-to-face opportunities at the worksite.

*** Buying rates are calculated without regard to the number of opportunities to buy each household receives.

LIFE INSURANCE OWNERSHIP

TRENDS IN OWNERSHIP FOR ALL HOUSEHOLDS

| | Percent of households owning life insurance | | | | |
|--------------------------------|---|------|------|------|------|
| | 1976 | 1984 | 1992 | 1998 | 2004 |
| Any life insurance | 83% | 81% | 78% | 76% | 78% |
| Sold face-to-face ⁺ | 65 | 56 | 47 | 42 | 41 |
| Individual life insurance* | — | 62 | 55 | 50 | 50 |
| Group life insurance | 46 | 54 | 53 | 52 | 52 |

TRENDS IN AMOUNT OF COVERAGE FOR INSURED HOUSEHOLDS**

| | Average coverage | | |
|--------------------------------|------------------|-----------|-----------|
| | 1992 | 1998 | 2004 |
| Any life insurance | \$141,500 | \$187,400 | \$269,700 |
| Sold face-to-face ⁺ | 112,400 | 155,300 | 263,900 |
| Individual life insurance* | 116,200 | 150,000 | 255,100 |
| Group life insurance | 75,400 | 104,400 | 153,900 |

| | Median coverage | | |
|--------------------------------|-----------------|-----------|-----------|
| | 1992 | 1998 | 2004 |
| Any life insurance | \$80,900 | \$100,000 | \$130,500 |
| Sold face-to-face ⁺ | 58,100 | 80,000 | 125,000 |
| Individual life insurance* | 58,100 | 75,000 | 119,200 |
| Group life insurance | 46,500 | 55,000 | 86,100 |

Source: Trends in Life Insurance Ownership Among U.S. Households
 (<http://www.limra.com/abstracts/abstract.aspx?fid=4981>)
 Contact: Cheryl D. Retzloff (cretzloff@limra.com)

+ Previously agent-sold life insurance

* Includes life insurance sold face-to-face and through direct means

— Data not available

** In 2004 dollars

LIFE INSURANCE OWNERSHIP

TRENDS IN OWNERSHIP FOR ALL PERSONS

| | Percent of persons owning life insurance | | | | | |
|----------------------------|--|------|------|------|------|------|
| | 1960 | 1976 | 1984 | 1992 | 1998 | 2004 |
| Any life insurance | 64% | 67% | 63% | 60% | 53% | 62% |
| Individual life insurance* | — | — | 48 | 38 | 36 | 37 |
| Group life insurance | 16 | 25 | 30 | 33 | 34 | 37 |

OWNERSHIP BY MEN, WOMEN, AND CHILDREN

| | Percent of persons owning life insurance | | | | | | | | |
|----------------------------|--|------|------|-------|------|------|----------|------|------|
| | Men | | | Women | | | Children | | |
| | 1992 | 1998 | 2004 | 1992 | 1998 | 2004 | 1992 | 1998 | 2004 |
| Any life insurance | 71% | 64% | 72% | 64% | 59% | 66% | 40% | 34% | 43% |
| Individual life insurance* | 46 | 44 | 43 | 40 | 39 | 40 | 26 | 23 | 24 |
| Group life insurance | 45 | 45 | 45 | 35 | 36 | 36 | 15 | 18 | 26 |

Source: Trends in Life Insurance Ownership Among U.S. Individuals (<http://www.limra.com/abstracts/abstract.aspx?fid=5202>)
 Contact: Cheryl D. Retzloff (cretzloff@limra.com)

* Includes life insurance sold face-to-face and through direct means. Was called "agent-sold life insurance" in 1976 and 1960.
 — Data not available

TRENDS IN MEAN AMOUNT OF COVERAGE OF ADULTS**

| | Insured Men | | | Insured Women | | |
|----------------------------|-------------|-----------|-----------|---------------|----------|-----------|
| | 1992 | 1998 | 2004 | 1992 | 1998 | 2004 |
| Any life insurance | \$165,000 | \$166,000 | \$206,600 | \$82,600 | \$88,200 | \$129,400 |
| Individual life insurance* | 128,100 | 138,200 | 190,000 | 69,400 | 74,500 | 118,600 |
| Group life insurance | 102,900 | 99,600 | 120,000 | 57,000 | 63,300 | 88,800 |

Source: Trends in Life Insurance Ownership Among U.S. Individuals (www.limra.com/members/abstracts/5202.aspx)
 Contact: Cheryl D. Retzloff (cretzloff@limra.com)

*Includes life insurance sold face-to-face and through direct means. Was called "agent-sold" life insurance: in 1976 and 1960.
 ** In 2004 dollars

CORPORATE MARKET

BENEFITS OFFERED BY SMALL BUSINESSES

SMALL BUSINESSES

PREVALENCE RATES

| | Group medical | | | Group dental | | | Group life | | |
|---|-----------------------|------|------|----------------------|------|------|------------------------------|------|------|
| | 1994 | 2000 | 2005 | 1994 | 2000 | 2005 | 1994 | 2000 | 2005 |
| Size of firm (number of employees) | | | | | | | | | |
| 2-9 | 44% | 64% | 43% | 10% | 30% | 22% | 29% | 28% | 18% |
| 10-24 | 72 | 92 | 63 | 29 | 62 | 23 | 57 | 76 | 42 |
| 25-49 | 90 | 97 | 81 | 40 | 72 | 61 | 72 | 83 | 67 |
| 50-99 | 94 | 97 | 92 | 64 | 80 | 74 | 88 | 87 | 71 |
| All firms (2-99) | 52% | 71% | 50% | 16% | 38% | 26% | 37% | 39% | 26% |
| | Short-term disability | | | Long-term disability | | | Defined benefit pension plan | | |
| | 1994* | 2000 | 2005 | 1994* | 2000 | 2005 | 1994 | 2000 | 2005 |
| Size of firm (number of employees) | | | | | | | | | |
| 2-9 | 24% | 27% | 17% | 24% | 26% | 14% | 2% | 6% | 8% |
| 10-24 | 40 | 59 | 30 | 40 | 50 | 32 | 6 | 12 | 8 |
| 25-49 | 45 | 57 | 44 | 45 | 52 | 47 | 9 | 18 | 25 |
| 50-99 | 48 | 58 | 66 | 48 | 67 | 58 | 5 | 13 | 16 |
| All firms (2-99) | 28% | 34% | 22% | 28% | 32% | 21% | 4% | 7% | 9% |

Source: Serving Up Small Businesses
 Contact: Anita Potter (apotter@limra.com)

*Disability benefits were not reported separately in 1994.

GROUP BENEFITS OFFERED BY PRIVATE SECTOR BUSINESSES, 2009

PERCENT OF EMPLOYERS OFFERING

| | 10–19 | 20–99 | 100–499 | 500–999 | 1,000– 4,999 | 5,000+* | All Firms |
|-----------------------------|-------|-------|---------|---------|-----------------|---------|-----------|
| Medical | 81% | 90% | 98% | 99% | 100% | 100% | 86% |
| Prescription drug | 73 | 85 | 94 | 95 | 100 | 100 | 80 |
| Dental | 47 | 74 | 95 | 97 | 100 | 100 | 62 |
| Life** | 47 | 72 | 93 | 98 | 100 | 100 | 61 |
| Vision | 42 | 57 | 71 | 84 | 90 | 93 | 51 |
| Short-term disability | 32 | 60 | 69 | 82 | 73 | 85 | 47 |
| Long-term disability*** | 26 | 52 | 77 | 88 | 94 | 94 | 41 |
| AD&D | 26 | 50 | 82 | 90 | 90 | 100 | 40 |
| Cancer insurance | 23 | 41 | 42 | 39 | 34 | 18 | 32 |
| Accident insurance | 19 | 33 | 34 | 45 | 38 | 19 | 26 |
| Critical illness | 13 | 29 | 26 | 26 | 35 | 26 | 21 |
| Supplemental medical | 14 | 24 | 17 | 14 | 12 | 2 | 18 |
| Long-term care insurance | 11 | 20 | 22 | 32 | 33 | 41 | 15 |
| Limited-benefit medical | 4 | 7 | 7 | 6 | 3 | 11 | 6 |

Source: *A Subtle Shift: Examining Employee Benefits in the Midst of Economic Uncertainty*
 Contact: Jennifer Parmelee Witt (jparmelee_witt@limra.com)

RETIREMENT & SAVINGS PLANS OFFERED BY PRIVATE SECTOR BUSINESSES, 2009

PERCENT OF EMPLOYERS OFFERING

| | 10–19 | 20–99 | 100–499 | 500–999 | 1,000– 4,999 | 5,000+* | All Firms |
|--|-------|-------|---------|---------|-----------------|---------|-----------|
| Traditional pension plan | 11% | 11% | 18% | 23% | 25% | 59% | 12% |
| 401(k) | 36 | 62 | 72 | 78 | 83 | 71 | 50 |
| An SEP or SIMPLE IRA | 22 | 13 | 2 | 3 | + | 1 | 17 |
| Other defined contribution plan | 11 | 13 | 17 | 21 | 20 | 17 | 12 |
| 403(b) | 3 | 9 | 18 | 23 | 22 | 44 | 7 |
| A non-qualified pension plan | 2 | 2 | 8 | 9 | 34 | 56 | 3 |
| A stock bonus plan or employee stock option plan | 1 | 4 | 11 | 13 | 23 | 18 | 3 |

Source: *A Subtle Shift: Examining Employee Benefits in the Midst of Economic Uncertainty*
 Contact: Jennifer Parmelee Witt (jparmelee_witt@limra.com)

*Based on small sample (less than 50 employers)

+ Less than half of one percent

CHANGES IN MARKET PENETRATION, 2002 TO 2009 BY SIZE OF FIRM

| | 10-19 | | 20-99 | | 100-499 | | 500-999 | | 1,000-4,999 | | 5,000+* | |
|--------------------------|-------|------|-------|------|---------|------|---------|------|-------------|------|---------|------|
| | 2002 | 2009 | 2002 | 2009 | 2002 | 2009 | 2002 | 2009 | 2002 | 2009 | 2002 | 2009 |
| Medical | 92% | 81% | 91% | 90% | 97% | 98% | 99% | 99% | 99% | 100% | 99% | 100% |
| Prescription drug | 90 | 73 | 87 | 85 | 95 | 94 | 97 | 95 | 100 | 100 | 99 | 100 |
| Life** | 55 | 47 | 74 | 72 | 92 | 93 | 94 | 98 | 98 | 100 | 99 | 100 |
| Dental | 51 | 47 | 69 | 74 | 87 | 95 | 97 | 97 | 100 | 100 | 98 | 100 |
| Vision | 42 | 42 | 45 | 57 | 54 | 71 | 65 | 84 | 78 | 90 | 78 | 93 |
| Short-term disability | 38 | 32 | 43 | 60 | 61 | 69 | 65 | 82 | 70 | 73 | 77 | 85 |
| Long-term disability*** | 32 | 26 | 42 | 52 | 73 | 77 | 85 | 88 | 87 | 94 | 93 | 94 |
| AD&D | 34 | 26 | 50 | 50 | 73 | 82 | 85 | 90 | 93 | 90 | 91 | 100 |
| Cancer insurance | 16 | 23 | 30 | 41 | 26 | 42 | 20 | 39 | 24 | 34 | 24 | 18 |
| Accident insurance | 15 | 19 | 24 | 33 | 21 | 34 | 13 | 45 | 16 | 38 | 16 | 19 |
| Critical illness | 10 | 13 | 13 | 29 | 13 | 26 | 10 | 26 | 11 | 35 | 12 | 26 |
| Supplemental medical | NA | 14 | NA | 24 | NA | 17 | NA | 14 | NA | 12 | NA | 2 |
| Long-term care insurance | NA | 11 | NA | 20 | NA | 22 | NA | 32 | NA | 33 | NA | 41 |
| Limited-benefit medical | NA | 4 | NA | 7 | NA | 7 | NA | 6 | NA | 3 | NA | 11 |

Source: *A Subtle Shift: Examining Employee Benefits in the Midst of Economic Uncertainty*
Contact: Jennifer Parmelee Witt (jparmelee_witt@limra.com)

*Based on small sample (less than 50 employers)

**Includes supplemental life plans

***Includes buy-up options

NA Data not available

+ Less than half of one percent

BENEFITS OFFERINGS BY FUNDING METHOD 2009

| | Employer-paid | Contributory | Voluntary |
|-------------------------------|---------------|--------------|-----------|
| Medical | 31% | 65% | 4% |
| Prescription drug | 29 | 63 | 8 |
| Dental | 22 | 47 | 31 |
| Life* | 43 | 8 | 49 |
| Vision | 28 | 48 | 24 |
| Short-term disability | 46 | 13 | 41 |
| Long-term disability** | 42 | 6 | 53 |
| AD&D | 44 | 16 | 40 |
| Critical illness | 5 | 8 | 87 |
| Supplemental medical | 4 | 8 | 88 |
| Cancer | 3 | 5 | 93 |
| Accident | 13 | 8 | 79 |
| Limited Medical Benefit Plans | 16 | 24 | 61 |

Source: *A Subtle Shift: Examining Employee Benefits in the Midst of Economic Uncertainty*
Contact: Jennifer Parmelee Witt (jparmelee_witt@limra.com)

KEY CHALLENGES THAT EMPLOYERS FACE, 2008 BY SIZE OF FIRM

(TOP TWO CHOICES ON A 5-POINT SCALE WHERE 5 IS "CRITICAL")

| | 10-19 | 20-49 | 50-99 | 100-499 | 500-999 | 1,000-4,999 | 5,000+* | All Firms |
|---|-------|-------|-------|---------|---------|-------------|---------|-----------|
| Controlling cost of health care | 83% | 88% | 96% | 89% | 85% | 91% | 87% | 87% |
| Recruiting and retaining employees | 66 | 73 | 82 | 76 | 79 | 81 | 78 | 72 |
| Increasing employee productivity | 68 | 75 | 71 | 78 | 66 | 71 | 74 | 71 |
| Complying with regulations | 64 | 72 | 78 | 82 | 79 | 87 | 80 | 70 |
| Reducing benefits administration costs | 61 | 57 | 72 | 65 | 66 | 64 | 65 | 62 |
| Improving benefit education and communication | 48 | 56 | 59 | 66 | 63 | 71 | 67 | 54 |
| Offering employees voluntary benefits | 32 | 42 | 43 | 48 | 38 | 43 | 35 | 38 |
| Offering self-service benefit technology | 36 | 33 | 36 | 40 | 44 | 48 | 46 | 35 |

Source: *The Employee Benefits Balancing Act: Caught Between What Employees Want and What Employers Can Afford*

AFFLUENT MARKET

REASONS FOR OWNING LIFE INSURANCE BY TOTAL AMOUNT OF LIFE INSURANCE OWNED

| Reason | Percent Indicating Top or Major Reason | | | | |
|--------------------|--|---------|-------------------|-------------------|-----------------|
| | Total Affluent | <\$100k | \$100 - \$500k | \$500 - \$999k | \$1 million+ |
| Financial Security | 62% | 36% | 68% | 83% | 76% |
| Wealth Transfer | 44 | 29 | 54 | 50 | 47 |
| Final Expenses | 41 | 61 | 43 | 28 | 22 |
| Retirement | 21 | 16 | 22 | 17 | 29 |
| Mortgage | 14 | 4 | 17 | 15 | 16 |
| Estate Tax | 14 | 9 | 14 | 11 | 20 |
| Investment | 8 | 1 | 8 | 15 | 16 |
| Charity | 4 | 1 | 5 | 7 | 2 |
| Business | 1 | 0 | 1 | 2 | 2 |

Source: Marketing Life Insurance to the Affluent (<http://www.limra.com/abstracts/abstract.aspx?fid=5831>)

Contact: James O. Mitchel (jmitchel@limra.com)

Affluent households — households with at least \$250,000 in investable assets and age 50 or older.

FAMILIARITY AND INTEREST IN LIFE INSURANCE SALES CONCEPTS

| Concept* | Awareness | Interest |
|---|-----------|----------|
| Business Continuation | 77% | 10% |
| Retirement Income | 66 | 22 |
| Charitable Contributions | 63 | 23 |
| 2nd –to-Die to Pay Estate Taxes | 43 | 13 |
| Disposition of Non-financial Assets | 42 | 15 |
| Long-term Care and Life Insurance Combination | 27 | 28 |
| Life Settlement** | 39 | 10 |

Source: Marketing Life Insurance to the Affluent

(<http://www.limra.com/abstracts/abstract.aspx?fid=5831>)

Contact: James O. Mitchel (jmitchel@limra.com)

Affluent households — households with at least \$250,000 in investable assets and age 50 or older.

* The concepts were only presented to individuals whose financial situation was appropriate. "

** Life Settlements" was presented to all.

Selected Markets

IMPORTANCE OF FINANCIAL OBJECTIVES*

PERCENT RATING EACH OBJECTIVE AS “EXTREMELY IMPORTANT” OR “VERY IMPORTANT”

| | Gen Y | Gen X | Baby Boomers |
|-----------------------------|-------|-------|--------------|
| Saving for | | | |
| Retirement | 51% | 67% | 68% |
| Emergency funds | 50 | 58 | 57 |
| House or condo | 47 | 29 | 27 |
| Children's college expenses | 26 | 35 | 58 |
| Paying down | | | |
| Credit card debt | 50% | 56% | 56% |
| Student loans | 29 | 22 | 20 |

HOUSEHOLD OWNERSHIP OF LIFE INSURANCE*

| | Gen Y | Gen X | Baby Boomers |
|---------------------------------|-------|-------|--------------|
| All Households | | | |
| Individual life insurance | 26% | 47% | 62% |
| Group life insurance | 52 | 70 | 72 |
| Households with Children | | | |
| Individual life insurance | 34% | 55% | 62% |
| Group life insurance | 55 | 73 | 81 |

ATTITUDES ABOUT LIFE INSURANCE*

| | Gen Y | Gen X | Baby Boomers |
|--|-------|-------|--------------|
| Most people need life insurance | | | |
| Strongly agree | 26% | 40% | 41% |
| Somewhat agree | 37 | 35 | 32 |
| Total agreeing | 63% | 75% | 73% |
| Life insurance is the best protection | | | |
| Strongly agree | 26% | 32% | 34% |
| Somewhat agree | 34 | 39 | 37 |
| Total agreeing | 60% | 71% | 71% |

*Source: *Protecting the Futures: Life Insurance and Generations X and Y*, 2008

<http://www.limra.com/abstracts/abstract.aspx?fid=8084>

Contact: Nilufer Ahmed nahmed@limra.com

Definitions of the generations in these studies:

Gen Y — born between 1981 and 1986

Gen X — born between 1965 and 1980

Baby boomers — born between 1946 and 1964

SINGLE MOST VALUABLE SOURCE OF INFORMATION FOR LIFE INSURANCE**

| | Gen Y | Gen X | Baby Boomers |
|---------------------------------|--------------|--------------|---------------------|
| Financial professionals | 23% | 31% | 32% |
| Friends, relatives, parents | 20 | 15 | 18 |
| Employer | 17 | 11 | 9 |
| Internet sources | 15 | 24 | 16 |
| Other sources: banks, books etc | 9 | 6 | 3 |
| None | 16 | 13 | 22 |

****Source:** *Building Connections: Reaching Out to Gen X and Gen Y Online*, 2008

<http://www.limra.com/abstracts/abstract.aspx?fid=7006>

Contact: Nilufer Ahmed nahmed@limra.com

Definitions of the generations in these studies:

Gen Y — born between 1981 and 1986

Gen X — born between 1965 and 1980

Baby boomers — born between 1946 and 1964

FINANCIAL GOALS — MIDDLE MARKET

BY DEMOGRAPHICS: 2008

| | Adequate Life Insurance | | Adequate Resources to Replace Lost Income | | Adequate Resources for Long-term Care Expenses | | Enough Money for Comfortable Retirement | |
|----------------------------|-------------------------|-------------------|---|-------------------|--|-------------------|---|-------------------|
| | Financial Goal* | Have Not Achieved | Financial Goal* | Have Not Achieved | Financial Goal* | Have Not Achieved | Financial Goal* | Have Not Achieved |
| Total | 89% | 34% | 93% | 77% | 77% | 70% | 98% | 91% |
| Age | | | | | | | | |
| 25 – 34 | 88 | 38 | 92 | 78 | 65 | 61 | 97 | 93 |
| 35 – 44 | 90 | 32 | 94 | 79 | 77 | 71 | 99 | 93 |
| 45 – 54 | 89 | 32 | 95 | 75 | 83 | 72 | 99 | 90 |
| 55 – 64 | 86 | 34 | 94 | 74 | 89 | 78 | 100 | 85 |
| Household Income | | | | | | | | |
| \$35 – \$49.9k | 85 | 42 | 93 | 84 | 75 | 69 | 97 | 94 |
| \$50 – \$74.9k | 91 | 37 | 92 | 79 | 75 | 69 | 99 | 93 |
| \$75 – \$99.9k | 89 | 27 | 93 | 69 | 80 | 69 | 100 | 89 |
| \$100 – \$124.9k | 89 | 27 | 97 | 75 | 82 | 74 | 100 | 89 |
| Household Type | | | | | | | | |
| Couple w/ child <18 | 94 | 36 | 97 | 82 | 75 | 69 | 99 | 93 |
| Couple w/out child <18 | 88 | 33 | 95 | 77 | 78 | 70 | 100 | 89 |
| Single parent w/ child <18 | 91 | 40 | 89 | 73 | 86 | 74 | 98 | 93 |
| Single w/out child <18 | 79 | 30 | 86 | 69 | 77 | 69 | 99 | 93 |

Source: Is There Magic in the Middle Market?

Contact: Cheryl D. Retzloff (cretzloff@limra.com)

*Financial Goal which may or may not have been achieved yet.

LIFE INSURANCE DISTRIBUTION PREFERENCE — MIDDLE MARKET

BY DEMOGRAPHICS: 2008

| | Face-to-Face | Non Face-to-Face Distribution Methods | | |
|----------------------------|--------------|---------------------------------------|--------------|------------------------|
| | | On Internet | At Workplace | Direct (mail/phone) |
| Total | 56% | 18% | 14% | 13% |
| Age | | | | |
| 25 – 34 | 50 | 22 | 17 | 11 |
| 35 – 44 | 55 | 18 | 14 | 13 |
| 45 – 54 | 59 | 15 | 14 | 12 |
| 55 – 64 | 60 | 15 | 8 | 18 |
| Household Income | | | | |
| \$35 – \$49.9k | 57 | 21 | 16 | 6 |
| \$50 – \$74.9k | 60 | 13 | 14 | 14 |
| \$75 – \$99.9k | 48 | 22 | 13 | 17 |
| \$100 – \$124.9k | 56 | 17 | 13 | 14 |
| Household Type | | | | |
| Couple w/ child <18 | 59 | 15 | 15 | 11 |
| Couple w/out child <18 | 58 | 17 | 11 | 13 |
| Single parent w/ child <18 | 53 | 17 | 17 | 13 |
| Single w/out child <18 | 45 | 24 | 16 | 15 |

Source: *Is There Magic in the Middle Market?*
 Contact: Shawn P. Flynn (sflynn@limra.com)

PRODUCTS RESEARCH

GROUP

GROUP LIFE INSURANCE SALES AND IN FORCE

| Growth rates | 2004* | 2005* | 2006* | 2007* | 2008* | Total (dollars are in millions) 2008* |
|-------------------------|-------|-------|-------|-------|-------|--|
| Sales | | | | | | |
| Master contracts | 9% | 3% | 2% | 2% | -4% | 105,895 |
| Certificates | 3 | 5 | -11 | 8 | 12 | 16,906,007 |
| Face amount | 9 | 4 | 3 | -4 | 12 | \$778,564 |
| Annualized premiums | 2 | 4 | 1 | -6 | 17 | \$2,898 |
| In force | | | | | | |
| Master contracts | -3% | 0 | 1% | 1% | -1% | 604,687 |
| Certificates | 4 | -1% | 8 | -2 | 3 | 109,659,914 |
| Face amount | 11 | 8 | 14 | 4 | 8 | \$6,999,647 |
| Total premium collected | 6 | 7 | 3 | 4 | 7 | \$20,636 |

Source: U.S. Group Life Insurance Sales and In Force
Contact: Kimberly Landry (klandry@limra.com)

* Data excludes specialty products

This annual survey monitors group life sales and in force for approximately 32 companies. Annualized premium includes single premium at 10 percent of value. New sales include the life portion of group plans only, policy additions, reinsurance ceded, company share of directed insurance case business, and policies involving cumulative purchase of single premium insurance with complementary term insurance. Total premium collected includes first-year and renewal premium collected during the year. In-force face amount includes the death benefit as of December 31.

GROUP DISABILITY INSURANCE SALES AND IN FORCE

| Growth rates | 2005* | 2006* | 2007* | 2008* | Total (\$ in millions) 2008* |
|------------------------------|-------|-------|-------|-------|------------------------------------|
| Sales | | | | | |
| Short-term disability | | | | | |
| Master contracts | 7% | 10% | -2% | 2% | 37,277 |
| Certificates | 10 | -5 | 1 | 5 | 4,474,268 |
| Annualized premium | 8 | 1 | + | 6 | \$1,139 |
| Long-term disability | | | | | |
| Master contracts | 6% | 5% | 6% | -3% | 45,913 |
| Certificates | 10 | 1 | 9 | -7 | 5,708,309 |
| Annualized premium | 9 | 4 | 12 | -6 | \$1,675 |
| In force | | | | | |
| Short-term disability | | | | | |
| Master contracts | 3% | 3% | 2% | 2% | 221,984 |
| Certificates | + | 7 | 5 | 5 | 27,882,489 |
| Total premium collected | 4 | 7 | 6 | 5 | \$6,227 |
| Long-term disability | | | | | |
| Master contracts | 1% | 2% | 4% | 1% | 266,008 |
| Certificates | 2 | 5 | 6 | 2 | 42,755,091 |
| Total premium collected | 7 | 4 | 7 | 3 | \$10,831 |

Source: U.S. Group Disability Sales and In Force

Contact: Anita Potter (apotter@limra.com)

+ Less than 1/2 of 1 percent

* Excludes reserve buyouts

This study tracks group disability insurance sales and in-force data for approximately 32 companies. The sales information is based on new group master contracts, certificates, and annualized premium written. The in-force information is based on master contracts and certificates in force at year-end and total premium collected during the year.

GROUP DENTAL PLAN SALES AND IN FORCE

SUBSCRIBER GROWTH AND TOTAL PREMIUMS

| Growth rates | 2005 | 2006 | 2007 | 2008 | Total Premium (\$ in millions) 2008 |
|------------------|-------|--------|--------|--------|---|
| Sales | | | | | |
| Dental Indemnity | -9.1% | -17.3% | -10.7% | -18.6% | 336,531 |
| DPPO | -4.7 | 6.3 | 7.2 | 9.5 | 3,028,700 |
| DHMO | 7.9 | -35.1 | 1.5 | -17.2 | 108,224 |
| Total Dental* | -5.5 | -2.6 | 9.7 | -0.3 | \$3,454,020 |
| In force | | | | | |
| Dental Indemnity | -11.0 | -11.2 | -11.3 | -9.3 | 5,630,433 |
| DPPO | 14.3 | 7.5 | 5.8 | 11.3 | 25,853,292 |
| DHMO | -0.4 | 7.0 | 6.4 | -7.7 | 1,764,440 |
| Total Dental* | 4.7 | 1.4 | 3.1 | 6.2 | \$32,516,458 |

Source: LIMRA and NADP U.S. Group Dental Sales and In Force

Contacts: Yuliya Babushkina (ybabushk@limra.com); NADP members can contact Jerry Berggren at jberggren@nadp.org.

*Includes Referral Plans

This report provides group dental plan sales data for a group of U.S. companies, which contributed to LIMRA and NADP's U.S. Group Dental Plans survey. Data collected include employer groups, subscribers, members, annualized new premium, and collected premium. This survey is a sample of the group dental industry and can be used for trending purposes. It is not intended as an estimate of the total dental industry.

LONG-TERM CARE INSURANCE

GROUP LONG-TERM CARE INSURANCE

EMPLOYER-SPONSORED LTCI SALES AND IN FORCE TRENDS*

| | Growth rates | | | | Total |
|----------------------------------|--------------|-----------------|------|------|-------------|
| | 2005 | 2006 | 2007 | 2008 | 2008 |
| Sales | | | | | |
| Number of employer groups | 2% | 10% | 19% | -17% | 1,162 |
| Number of participants | 4 | 6 | 20 | -5 | 113,560 |
| Annualized premium (\$000) | 12 | 0 | 16 | 4 | \$63,127 |
| In force | | | | | |
| Number of employer groups | 11% | 11% | 13% | 10% | 10,100 |
| Number of participants | 6 | 5 | 2 | 5 | 2,200,000 |
| Total premium (\$000) | 9 | 9 | 10 | 6 | \$1,700,000 |
| 2008 averages | | | | | |
| | Sales | In force | | | |
| Number of participants per group | 98 | 218 | | | |
| Premium per group | \$54,326 | \$168,317 | | | |
| Premium per participant | \$556 | \$773 | | | |

Source: U.S. Group Long-Term Care Insurance
Contact: Karen Fisherkeller (kfisherkeller@limra.com)

*Excludes new business on existing group and association group long-term care business

This annual study monitors group long-term care insurance sales and in-force business for approximately 10 participating entities, representing U.S. organizations that insure, self-insure, or administer employer-sponsored group long-term care insurance plans.

2007 GROUP LTCI BUYERS

| | Age | | | | | |
|----------|-----|-------|-------|-------|-------|-----|
| | <30 | 30-39 | 40-49 | 50-59 | 60-64 | 65+ |
| Insureds | 10% | 18% | 27% | 31% | 9% | 5% |
| Premium | 2% | 6% | 19% | 40% | 17% | 16% |

Source: U.S. Group Long-Term Care Insurance: 2007 Supplement
Contact: Karen Fisherkeller (kfisherkeller@limra.com)

This study is a supplement to the annual U.S. Group Long-Term Care Insurance survey. The 2007 supplement includes buyer demographics, new business and in-force insureds by state, and benefit elections.

INDIVIDUAL LONG-TERM CARE INSURANCE

INDIVIDUAL LTCI SALES AND IN FORCE

| | 2005 | 2006 | 2007 | 2008 | Total sales (000) 2008 |
|---------------------|---------|---------|---------|---------|------------------------------|
| ISSUES | | | | | |
| Policy growth rate | -8% | -10% | -1% | -9% | 277 |
| Premium growth rate | -5% | -8% | 3% | -7% | \$603,985 |
| Premium per policy | \$1,984 | \$2,043 | \$2,155 | \$2,184 | NA |
| IN FORCE | | | | | |
| Policy growth rate | 4% | 3% | 2% | 2% | 4,800 |
| Premium growth rate | 6% | 6% | 5% | 5% | \$8,600,000 |
| Premium per policy | \$1,659 | \$1,711 | \$1,750 | \$1,797 | NA |

Source: U.S. Individual Long-term Care Insurance
 Contact: Karen Fisherkeller (kfisherkeller@limra.com)

NA Not applicable

This annual report provides individual long-term care insurance sales and in-force data for 34 U.S. companies.

INDIVIDUAL LTCI SALES BY DISTRIBUTION CHANNEL

| Distributor | 2007 new premium (000) | Growth rate |
|-----------------------|---------------------------|----------------|
| Independent agents | \$333,123 | 7% |
| Career/captive agents | 242,573 | 1 |
| Stockbrokers | 53,188 | 9 |
| Home office direct | 1,788 | 26 |

MARKET SHARE BY DISTRIBUTION CHANNEL

| Distributor | 2006 | 2007 |
|-----------------------|------|------|
| Independent agents | 51% | 53% |
| Career/captive agents | 40 | 39 |
| Stockbrokers | 9 | 8 |
| Home office direct | 0 | + |

2007 INDIVIDUAL LTCI BUYERS BY AGE

| | Age | | | | | | |
|----------|-----|-------|-------|-------|-------|-------|-----|
| | <30 | 30-39 | 40-49 | 50-59 | 60-64 | 65-69 | 70+ |
| Insureds | 1% | 3% | 12% | 41% | 23% | 12% | 8% |
| Premium | + | 2% | 10% | 38% | 24% | 14% | 12% |

Source: U.S. Individual Long-Term Care Insurance: 2007 Supplement
 Contact: Karen Fisherkeller (kfisherkeller@limra.com)

+ less than 1/2 of one percent

This study is a supplement to the annual U.S. Individual Long-Term Care Insurance survey. The 2007 supplement includes sales by distribution channel; buyer demographics; sales and in-force data by state; partnership sales and in-force data; underwriting classes; and the sale of various benefit amounts, product features, and riders.

INDIVIDUAL

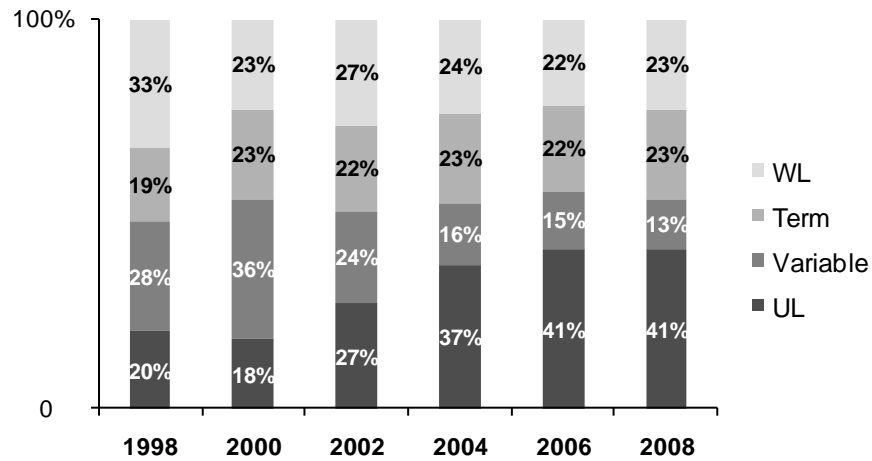
LIFE

INDIVIDUAL LIFE INSURANCE SALES

| | 2004 | 2005 | 2006 | 2007 | 2008 |
|-----------------------------------|----------|----------|----------|----------|----------|
| Annualized new premium (millions) | \$12,500 | \$12,600 | \$13,400 | \$14,300 | \$13,500 |
| New policies (000s) | 10,550 | 10,025 | 10,020 | 9,620 | 9,425 |
| New face amount (billions) | \$1,740 | \$1,720 | \$1,775 | \$1,875 | \$1,825 |

INDIVIDUAL LIFE PRODUCT MARKET SHARE

ANNUALIZED NEW PREMIUM



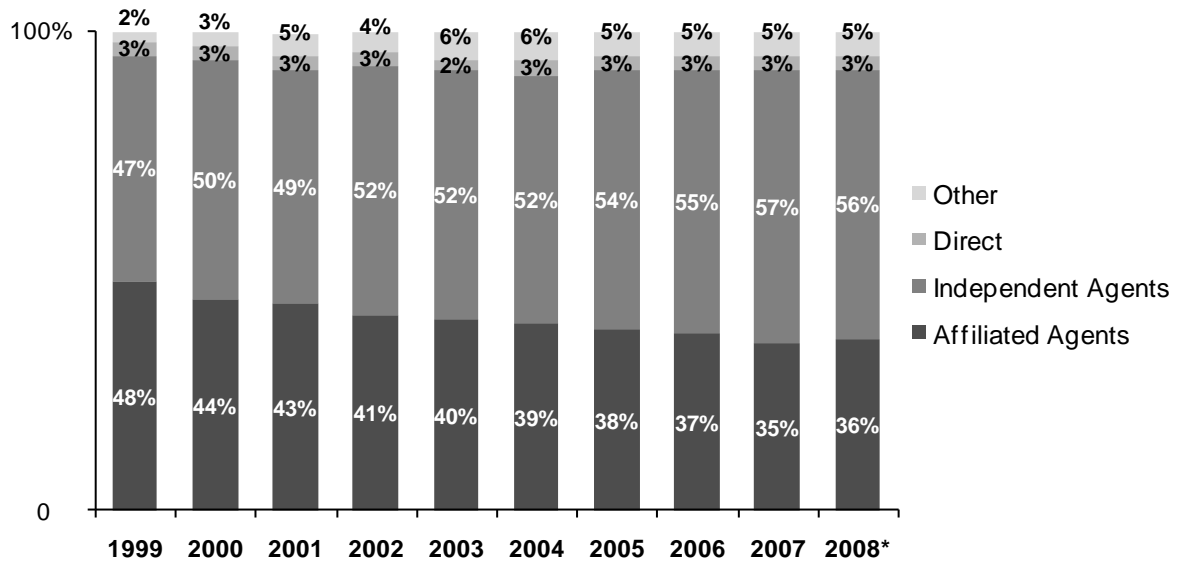
Source: LIMRA's U.S. Individual Life Insurance Sales Survey (www.limra.com/abstracts/4460.asp) and LIMRA estimates.

Contacts: Ashley Durham (adurham@limra.com), Ken Isenberg (kisenberg@limra.com)

In the tables above, annualized premiums are planned recurring premiums plus 10 percent of single premiums. Excess (dump-in) premiums are excluded. Premiums also exclude large-case (over 200 lives) COLI/BOLI. Single premiums exclude dividend additions. Survey results are based on 76 companies representing approximately 85% of the industry.

INDIVIDUAL LIFE MARKET SHARE BY CHANNEL

ANNUALIZED NEW PREMIUM



PRODUCT MARKET SHARE BY CHANNEL*

ANNUALIZED NEW PREMIUMS

| | 2003 | 2005 | 2007 | 2008 |
|-------------------------|------|------|------|------|
| Affiliated | | | | |
| Term | 22% | 22% | 22% | 24% |
| Whole life | 23% | 20% | 35% | 38% |
| Universal life | 35% | 38% | 25% | 24% |
| Variable universal life | 20% | 20% | 18% | 14% |
| Independent | | | | |
| Term | 44% | 40% | 20% | 21% |
| Whole life | 28% | 30% | 3% | 3% |
| Universal life | 22% | 23% | 59% | 58% |
| Variable universal life | 6% | 7% | 18% | 18% |
| Direct | | | | |
| Term | 19% | 21% | 35% | 41% |
| Whole life | 76% | 74% | 60% | 55% |
| Universal life | 5% | 5% | 3% | 3% |
| Variable universal life | 0% | 0% | 2% | 1% |

Source: LIMRA's U.S. Individual Life Insurance Sales Survey (www.limra.com/abstracts/4460.asp) and LIMRA estimates.
 Contacts: Ashley Durham (adurham@limra.com), Ken Isenberg (kisenberg@limra.com)

*Product market share by channel reflects the sales survey only.

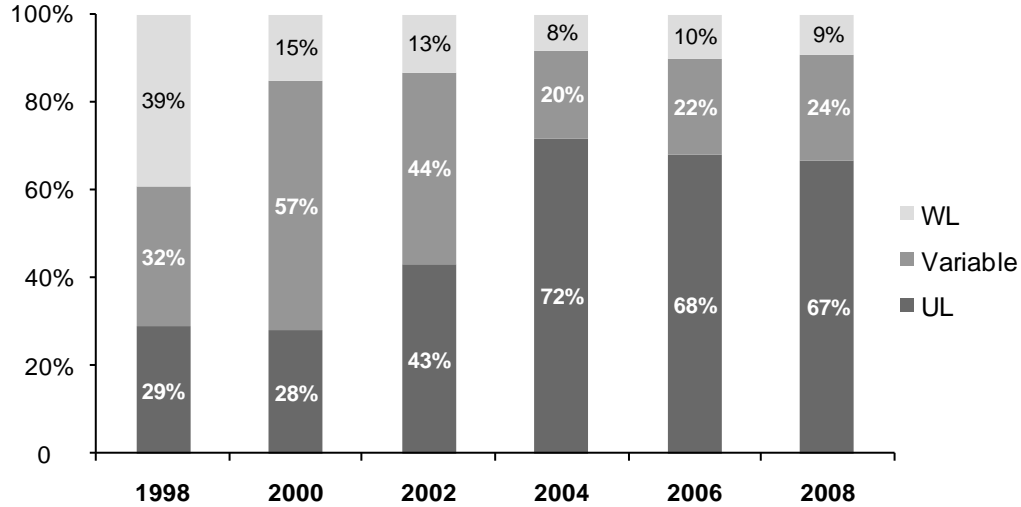
In the tables above, annualized premiums are planned recurring premiums plus 10 percent of single premiums. Excess (dump-in) premiums are excluded. Premiums also exclude large-case (over 200 lives) COLI/BOLI. Single premiums exclude dividend additions. Survey results are based on 76 companies representing approximately 85% of the industry.

SURVIVORSHIP LIFE INSURANCE SALES

| | 2004 | 2005 | 2006 | 2007 | 2008 |
|-----------------------------------|-------|-------|-------|-------|-------|
| Annualized new premium (millions) | \$831 | \$699 | \$690 | \$785 | \$746 |
| New policies (000s) | 22 | 19 | 20 | 20 | 18 |
| New face amount (billions) | \$52 | \$46 | \$51 | \$60 | \$59 |

SURVIVORSHIP LIFE PRODUCT MARKET SHARE

ANNUALIZED NEW PREMIUM



Source: LIMRA's U.S. Individual Life Insurance Sales Survey (www.limra.com/abstracts/4460.asp).
 Contacts: Ashley Durham (adurham@limra.com), Ken Isenberg (kisenberg@limra.com)

In the tables above, annualized premiums are planned recurring premiums plus 10 percent of single premiums. Excess (dump-in) premiums are excluded. Premiums also exclude large-case (over 200 lives) COLI/BOLI. Single premiums exclude dividend additions. The survivorship portion of the U.S. Individual Life Insurance Sales Survey reflects sales results from 38 companies which represent the vast majority of the survivorship industry.

INDIVIDUAL LIFE LONG-TERM LAPSE RATES*

LAPSE RATES BY POLICY YEAR

| Year | Whole Life | | Term | |
|------------|--------------|-------------|--------------|-------------|
| | Policy Count | Face Amount | Policy Count | Face Amount |
| 1 | 12.7 | 9.2 | 6.6 | 5.2 |
| 2 | 8.1 | 5.8 | 6.5 | 5.6 |
| 3 | 5.5 | 4.7 | 6.3 | 5.7 |
| 4 | 4.7 | 4.4 | 5.4 | 5.2 |
| 5 | 4.5 | 4.3 | 5.3 | 5.0 |
| 6-10 | 4.1 | 4.8 | 7.4 | 7.3 |
| 11-20 | 3.4 | 3.7 | 9.0 | 10.6 |
| 21 or more | 2.9 | 3.0 | 9.0 | 8.5 |

| Year | UL | | VUL | |
|------------|--------------|-------------|--------------|-------------|
| | Policy Count | Face Amount | Policy Count | Face Amount |
| 1 | 8.2 | 4.3 | 4.9 | 3.3 |
| 2 | 7.3 | 5.2 | 7.4 | 6.2 |
| 3 | 6.9 | 5.1 | 7.3 | 7.5 |
| 4 | 6.4 | 5.8 | 7.1 | 7.6 |
| 5 | 5.8 | 4.9 | 6.5 | 7.3 |
| 6-10 | 4.6 | 4.7 | 6.0 | 7.0 |
| 11-20 | 3.7 | 4.0 | 4.7 | 5.2 |
| 21 or more | 2.9 | 3.2 | 3.6 | 4.2 |

Source: U.S. Individual Life Persistency Study Update
 (www.limra.com/members/abstracts/reports/5996.pdf)
 Contact: Cathy Ho (cho@limra.com)

*A policy is considered a lapse if the first premium for the current policy year is paid but not all of the premium that comes due on or before the next anniversary is paid before the end of the grace period.

This study monitors long-term lapse experience by product type and includes whole life, term, universal life, and variable universal life plans. Results are based on the experience of 43 companies during policy years 2003 and 2004.

LONG-TERM CARE INSURANCE LAPSE RATES

VOLUNTARY LAPSE RATES

| Policy year | Voluntary lapse rates for individual plans* | Voluntary lapse rates for group plans* |
|--------------|---|--|
| 1 | 7.6% | 13.7% |
| 2 | 5.4 | 10.4 |
| 3 | 4.1 | 8.2 |
| 4 | 3.3 | 6.6 |
| 5 | 2.7 | 5.7 |
| 6 | 2.6 | 5.8 |
| 7 | 2.6 | 6.1 |
| 8 | 2.6 | 4.3 |
| 9 | 2.7 | 3.5 |
| 10 | 2.9 | 3.7 |
| 11 | 2.8 | 2.1 |
| 12 | 3.0 | 1.7 |
| 13 | 2.9 | 1.0 |
| 14 | 2.9 | 1.8 |
| Total | 4.3% | 7.5% |

*Lapses include terminations for any reason other than death.
Total terminations include lapses as well as deaths.

LONG-TERM CARE INSURANCE LAPSE RATES

TOTAL TERMINATIONS

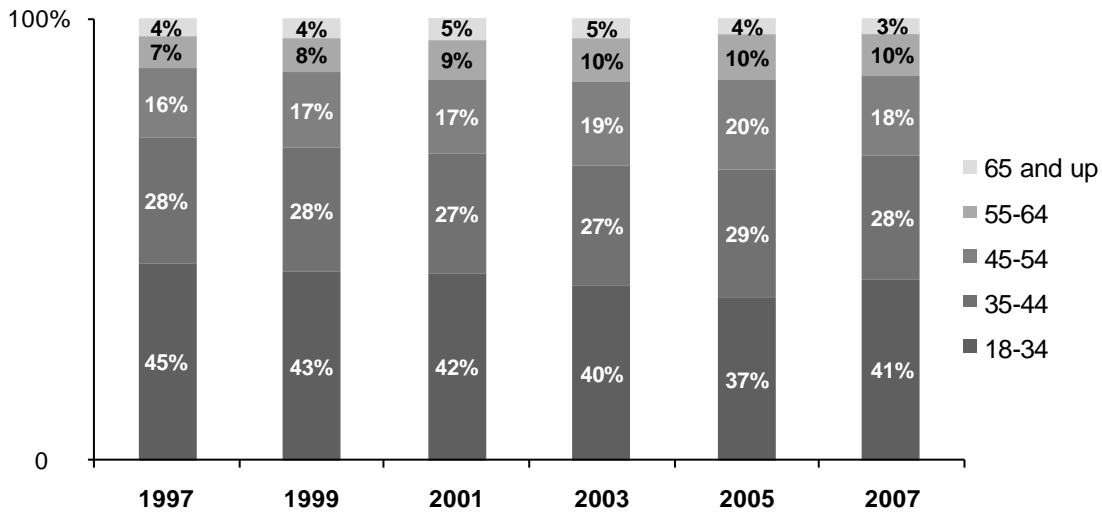
| Policy year | Total terminations for individual plans | Total terminations for group plans |
|--------------|---|------------------------------------|
| 1 | 7.9% | 13.8% |
| 2 | 5.7 | 10.6 |
| 3 | 4.6 | 8.4 |
| 4 | 4.1 | 6.8 |
| 5 | 3.6 | 5.9 |
| 6 | 3.7 | 6.0 |
| 7 | 4.1 | 6.4 |
| 8 | 4.4 | 4.7 |
| 9 | 4.6 | 3.9 |
| 10 | 4.9 | 4.3 |
| 11 | 5.1 | 2.7 |
| 12 | 5.3 | 2.3 |
| 13 | 5.9 | 1.6 |
| 14 | 6.7 | 2.3 |
| Total | 5.4% | 7.8%* |

Source: Long-Term Care Insurance Persistency Study (www.limra.com/members/abstracts/reports/5633.pdf). Jointly sponsored by the Society of Actuaries, the study examines voluntary lapse and total termination activity for both individual and group products.
Contact: Cathy Ho (cho@limra.com)

*Three additional companies were included in the total termination analysis that could not be included in the voluntary lapse analysis.

INDIVIDUAL LIFE BUYERS

NEWLY PURCHASED POLICIES



SENIOR (AGE 65+) MARKET SHARE BY PRODUCT

| | 2003 | 2005 | 2007 |
|-----------------------|------|------|------|
| Total | | | |
| Policies | 4% | 3% | 2% |
| Premium | 12% | 17% | 28% |
| Whole life | | | |
| Policies | 8% | 3% | 2% |
| Premium | 11% | 6% | 6% |
| Universal life | | | |
| Policies | 4% | 8% | 11% |
| Premium | 28% | 38% | 64% |

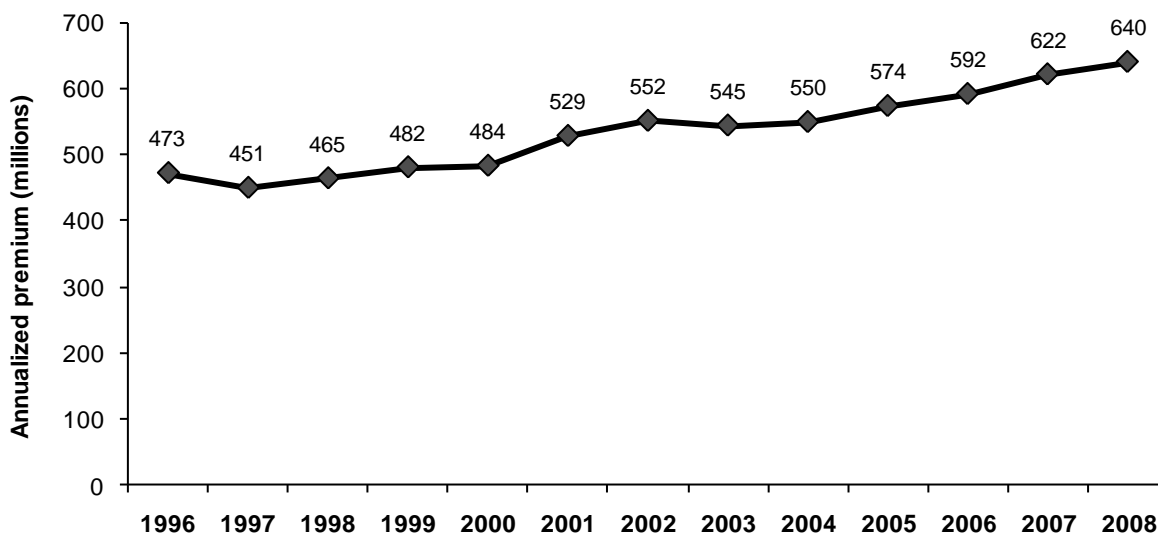
Source: U.S. Life Buyer Study (www.limra.com/abstracts/4136.asp)
 Contacts: Karen R. Terry (kterry@limra.com), Ashley Durham (adurham@limra.com)

This study, conducted biennially, collects demographic information such as age and gender, and product information such as policy type and life insurance coverage purchased, to expose relationships between such variables. In depth Participant Summary and Technical Reports are available to participating companies. An Executive Review is available to all LIMRA members. Survey results are based on a sample of approximately 2.3 million new policies from 29 companies.

DISABILITY INCOME

INDIVIDUAL DISABILITY INCOME

ANNUALIZED NEW PREMIUM



MARKET SHARE BY PRODUCT

ANNUALIZED NEW PREMIUM

| | 2004 | 2005 | 2006 | 2007 |
|----------------------|------|------|------|------|
| Issues | | | | |
| Noncancellable | 63% | 61% | 62% | 62% |
| Guaranteed renewable | 37 | 39 | 38 | 38 |
| In Force | | | | |
| Noncancellable | 81% | 80% | 81% | 80% |
| Guaranteed renewable | 19 | 20 | 19 | 20 |

Source: Individual Disability Income Issues and In Force Survey (www.limra.com/abstracts/4380.asp)
 Contacts: Karen R. Terry (kterry@limra.com), Jackie Liu (jliu@limra.com)

NA Not applicable

*U.S. business only. Canada business is now reported in a separate survey.

This annual study provides both issues and in force for disability income plans. Number of policies and annualized premiums are collected. Survey results are based on 18 companies.

DISTRIBUTION RESEARCH

AFFILIATED

CENSUS OF U.S. SALES PERSONNEL

| Number of Agents by Distribution Channel | 1996 | 1998 | 2001 | 2004 | 2007 |
|---|----------------|----------------|----------------|----------------|----------------|
| Agency-building | 108,800 | 117,420 | 109,499 | 93,802 | 98,822 |
| MLEA | 66,200 | 63,934 | 59,812 | 62,691 | 67,356 |
| Home service | 17,750 | 13,787 | 9,553 | 8,530 | 5,623 |
| Total Affiliated | 192,750 | 195,141 | 178,864 | 165,023 | 171,801 |

| Affiliated Field Management | Number of individuals | | Percent change | Constant group of companies |
|-----------------------------|--------------------------|---------------|-------------------|--------------------------------|
| | 2004 | 2007 | 2007/2004 | 2004 and 2007 |
| Regional directors | 299 | 333 | 11% | 38 |
| Agency heads | 4,263 | 4,397 | 3% | 50 |
| Second-line managers | 6,227 | 6,311 | 1% | 38 |
| Management total | 10,789 | 11,041 | 2% | |

FEMALE AFFILIATED AGENTS

| | 1993 | 1996 | 1998 | 2001 | 2004 | 2007 |
|-------------------------------------|--------|--------|--------|--------|--------|--------|
| Number of female affiliated agents* | 18,589 | 16,879 | 22,514 | 21,680 | 16,823 | 17,430 |
| Females as a percent of total* | 14% | 17% | 19% | 20% | 22% | 23% |

*Based on those companies providing female breaks. 37 companies providing both 2004 and 2007 female data.

PRODUCER AGE

| Age | Affiliated | Independent |
|---------------------|-------------|-------------|
| Under 25 years | 4% | 1% |
| 25 – 34 | 18 | 9 |
| 35 – 44 | 22 | 20 |
| 45 – 54 | 29 | 28 |
| 55 – 64 | 21 | 28 |
| 65 and older | 6 | 14 |
| | 100% | 100% |
| Number of producers | 74,946 | 39,250 |
| Number of companies | 32 | 24 |

Source: Census of U.S. Sales Personnel
 (www.limra.com/abstracts/abstract.aspx?fid=10073)
 Contact: Margaret S. Honan (mhanon@limra.com)

LIMRA periodically conducts the Census to track the types of distribution channels used by U.S. companies and the number of individuals selling financial services products. Results are used to monitor trends in the numbers of producers and managers in affiliated and independent distribution channels. The 2004 and 2007 data is based on 69 unique companies (48 agency-building, 18 MLEA (multiple-line exclusive agent), and seven home service)

PRODUCER ATTITUDES

IMPORTANCE AND EFFECTIVENESS: PRIMARY BUSINESS REQUIREMENTS

| | One of the two most important | Rated carrier excellent or very good |
|-----------------------------------|-------------------------------|--------------------------------------|
| Competitive product line | 39% | 83% |
| Financial strength of the carrier | 16 | 85 |
| Compensation package | 13 | 63 |
| Consistent underwriting | 13 | 63 |
| Timely underwriting | 9 | 54 |

IMPORTANCE AND EFFECTIVENESS: CARRIER SELECTION DRIVERS

| | One of the two most important | Rated carrier excellent or very good |
|---|-------------------------------|--------------------------------------|
| Quality policyowner service | 26% | 57% |
| User-friendly and effective illustration software | 16 | 56 |
| Quality advanced sales support | 15 | 46 |
| Sufficient level of communication with the carrier | 11 | 42 |
| Effective new product development to meet the needs of the market | 10 | 58 |
| Issues policies promptly | 6 | 52 |
| Clearly understands the challenges of managing a practice | 5 | 25 |

Source: What Producers Value From Companies and Independent Intermediaries (www.limra.com/abstract.aspx?fid=10002)
Contact: Denise C. Marvel (dmarvel@limra.com)

The data was provided by approximately 368 members of LIMRA's producer panel.

AGENCY-BUILDING

ACTUAL FOUR-YEAR AGENT RETENTION

| | 2003 | 2004 | 2005 | 2006 | 2007 |
|-----------------|-------------|-------------|-------------|-------------|-------------|
| Mean | 11% | 13% | 14% | 15% | 16% |
| Median | 13% | 19% | 19% | 18% | 25% |
| Constant group* | 12% | 15% | 17% | 16% | 16% |

*Constant group represents data from the same group of 21 companies

The actual four-year agent retention shows the percentage of agents who are still under contract through December of the fourth year after hire. In the average agency-building company, for every 100 agents recruited today, 16 will remain after four years.

RETENTION RATES OF ENTRANTS SURVIVING THE YEAR

| Survival rates by calendar year of service | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|-------------|-------------|-------------|-------------|-------------|
| 1st yr | 63% | 65% | 63% | 67% | 68% |
| 2nd yr | 46% | 48% | 47% | 50% | 49% |
| 3rd yr | 61% | 63% | 61% | 66% | 65% |
| 4th yr | 70% | 72% | 73% | 75% | 75% |
| 5th+ | 87% | 86% | 88% | 88% | 89% |

Source: Agent Production and Retention
Contact: Margaret S. Honan (mhonan@limra.com)

Survival rates by calendar year of service provide separate survival measures for agents with different lengths of service. The rates for each year of service indicate the probability that an agent in that year of service will survive to the end of the year. These rates help pinpoint groups of agents who may be having survival problems.

AVERAGE AGENT PRODUCTION FOR CONSTANT* GROUPS OF COMPANIES

| All lines | Number of companies reporting | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|----------------------------------|----------|----------|----------|----------|----------|
| First-year commissions | 14 | \$34,486 | \$36,758 | \$40,141 | \$41,903 | \$42,138 |
| Number of policies | 11 | 37 | 36 | 36 | 35 | 34 |
| Annualized first-year premiums (excluding annuities) | 10 | \$61,348 | \$59,817 | \$62,508 | \$63,182 | \$64,652 |
| Total earnings | 10 | \$59,870 | \$63,870 | \$68,516 | \$71,897 | \$73,472 |

*Constant group data provides an "apples to apples" comparison for a more definitive picture of the activity that has occurred over a specific period of time.

DISTRIBUTION OF SURVIVORS BY FIRST-YEAR COMMISSIONS

| 18 companies | 2007 Calendar year of service | | | | |
|--------------------|-------------------------------|-------------|-------------|-----------------|---------------|
| | Second | Third | Fourth | Fifth & over | Base force |
| \$100,000 and over | 2% | 4% | 9% | 21% | 15% |
| 75,000 to 99,999 | 2 | 5 | 7 | 11 | 9 |
| 50,000 to 74,999 | 7 | 11 | 15 | 17 | 15 |
| 40,000 to 49,999 | 7 | 9 | 11 | 10 | 10 |
| 30,000 to 39,999 | 12 | 15 | 15 | 12 | 12 |
| 20,000 to 29,999 | 22 | 22 | 18 | 12 | 16 |
| 15,000 to 19,999 | 16 | 10 | 8 | 4 | 7 |
| 10,000 to 14,999 | 13 | 8 | 6 | 3 | 6 |
| Under \$10,000 | 19 | 15 | 13 | 8 | 11 |
| | 100% | 100% | 100% | 100% | 100% |

Source: Agent Production and Retention
Contact: Margaret S. Honan (mhonan@limra.com)

Base force represents agents with two or more calendar years of service at their companies.

AGENCY-BUILDING DISTRIBUTION COSTS

MARKETING/SALES COSTS PER \$100 OF WEIGHTED NEW PREMIUMS (FIGURES IN PARENTHESES INDICATE THE NUMBER OF COMPANIES IN THE AVERAGES.)

| | 2005 | 2006 | 2007 |
|------------------------|-------|-------|-------|
| Average (15) | \$139 | \$139 | \$140 |
| By company size* | | | |
| Small (5) | \$160 | \$164 | \$165 |
| Midsize (6) | \$132 | \$129 | \$130 |
| Large (4) | \$122 | \$122 | \$123 |
| By distribution type** | | | |
| Managerial (8) | \$147 | \$149 | \$151 |
| General agency (7) | \$128 | \$127 | \$127 |

Source: Distribution System Costs, U.S. Agency-Building Companies
Contact: Kathleen E. Krozel (kkrozel@limra.com)

GROWTH IN PREMIUM AND EXPENSES: 2003 TO 2007

| | Percent Change |
|----------------------------------|----------------|
| Producer compensation | 20% |
| Agency head compensation | 16 |
| Second-line manager compensation | 8 |
| Field operating expenses | 7 |
| Field meetings | 0 |
| Field benefits | 17 |
| Home office marketing | 14 |
| Total marketing expenses | 16 |
| Weighted new premiums | 18 |

Source: Distribution System Costs, U.S. Agency-Building Companies
Contact: Kathleen E. Krozel (kkrozel@limra.com)

AGENCY CHARACTERISTICS*

| | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------------|---------|---------|---------|---------|---------|
| FYCs per agency (000) | \$1,700 | \$1,900 | \$2,000 | \$2,200 | \$2,400 |
| Agents per agency | 38 | 39 | 39 | 40 | 41 |
| Second-line managers per agency | 2.9 | 3.0 | 3.0 | 3.1 | 3.3 |

Source: Distribution System Costs, U.S. Agency-Building Companies
 Contact: Kathleen E. Krozel (kkrozel@limra.com)

*Based on a constant group of 14 companies

AGENCY MANAGER COMPENSATION

AGENCY MANAGER INCOME BY AGENCY FYCS

| Agency Size (FYCs) | 2003 | | 2005 | |
|-----------------------|--------------------|-------------------------------|--------------------|-------------------------------|
| | Number of agencies | Average Agency manager income | Number of agencies | Average Agency manager income |
| Less than \$375,000 | 55 | \$93,160 | 24 | \$95,367 |
| 375,000 – 999,999 | 65 | 165,359 | 60 | 192,564 |
| 1,000,000 – 1,499,999 | 50 | 226,597 | 39 | 284,939 |
| 1,500,000 – 1,999,999 | 42 | 255,541 | 53 | 283,382 |
| 2,000,000 – 2,999,999 | 53 | 375,618 | 77 | 404,930 |
| 3,000,000 – 3,999,999 | 12 | 463,633 | 36 | 469,869 |
| \$4,000,000 or more | 9 | 710,084 | 24 | 959,356 |
| All agencies | 286 | \$244,045 | 313 | \$354,933 |

Source: Compensation of U.S. Agency Managers
 Contact: Kathleen E. Krozel (kkrozel@limra.com)

MANAGERIAL AGENCY EXPENSES

EXPENSES PER \$100 OF FIRST-YEAR COMMISSIONS BY AGENCY SIZE*

| Agency size (FYCs) | 2003 | 2005 |
|--------------------------|--------------|-------------|
| Under \$700,000 | \$131 | \$134 |
| \$ 700,000 – \$1,499,000 | 108 | 102 |
| 1,500,000 – \$1,999,000 | 93 | 91 |
| 2,000,000 – \$2,999,000 | 101 | 96 |
| \$3,000,000 or more | 99 | 87 |
| All agencies | \$100 | \$93 |

Source: Agency Expense and Performance Study — U.S. Managerial Companies
 Contact: Kathleen E. Krozel (kkrozel@limra.com)

HOME SERVICE COMPANIES

RECRUITING SOURCE, INEXPERIENCED CANDIDATES

| | Percentage from each source* | | | Quality candidate ratio** |
|---------------------------|------------------------------|--------------|---------------|---------------------------|
| | 2006 | 2007 | 2008*** | 2008 |
| Personal sources | | | | |
| Agency head | 4% | 3% | 4% | 64% |
| Assistant agency head | 20 | 21 | 22 | 69 |
| Sales representative | 21 | 20 | 18 | 58 |
| Other office person | 10 | 10 | 9 | 42 |
| Third-party referral | 6 | 6 | 6 | 40 |
| Impersonal sources | | | | |
| Advertisement | 5% | 5% | 5% | 28% |
| School placement | + | + | + | 19 |
| Employment agency | 6 | 8 | 9 | 18 |
| Career/job fair | 7 | 5 | 4 | 32 |
| Company Web page | 1 | 1 | 1 | 35 |
| Other Internet source | 6 | 4 | 5 | 25 |
| Other sources | | | | |
| Walk-in | 5% | 6% | 6% | 49% |
| Other | 9 | 11 | 11 | 31 |
| Total | 9,979 | 9,601 | 11,675 | |

Source: The Career Profile System

Contact: Nancy A. Murphy (nmurphy@limra.com)

*The percentage of all candidates who came from each recruiting source, according to their Career Profile responses.

**The percentage of candidates from each recruiting source who scored 12 or higher on the Career Profile: a measure of candidate quality. A score of 12 or better indicates a 17 percent or higher probability of succeeding in insurance sales. A successful agent is one who survives 12 months under contract and produces in the top half of the company's first-year survivors.

***Four home service companies are represented for 2008.

+Less than 1/2 of 1 percent

MULTIPLE-LINE

RETENTION AND BENCHMARK MEASURES

| | 2003 | 2004 | 2005 | 2006 | 2007 |
|--|------|------|------|------|------|
| Primarily Property-Casualty Companies | | | | | |
| Actual four-year retention | 53% | 56% | 54% | 64% | 54% |
| Percent change in size of base force | 1 | 2 | 3 | + | + |
| Turnover rate | 7 | 7 | 7 | 9 | 8 |
| Primarily Life Companies | | | | | |
| Actual four-year retention | 36% | 35% | 34% | 30% | 30% |
| Percent change in size of base force | -1 | # | + | 1 | -3 |
| Turnover rate | 19 | 17 | 17 | 16 | 19 |
| Total | | | | | |
| Actual four-year retention | 51% | 51% | 50% | 57% | 48% |
| Percent change in size of base force | 1 | 2 | 3 | + | + |
| Turnover rate | 8 | 7 | 8 | 10 | 9 |

Source: Multiple-Line Exclusive Agents: Compensation, Production, and Retention
Contact: Laura A. Murach (lmurach@limra.com)

*In "primarily property-casualty companies," life and health sales account for less than 25 percent of new and renewal commissions for agents with five or more years' experience; in "primarily life companies," life and health sales account for over 25 percent of these agents' total commissions.

+ Less than ½ of 1 percent

Less than ½ of -1 percent

AVERAGE MLEA COMPENSATION AND PRODUCTION

| | 2005 | 2006 | 2007 |
|--|----------|-----------|-----------|
| Averages for agents with two or more years of service | | | |
| Earnings | \$49,878 | \$170,233 | \$175,520 |
| First-year property and casualty commissions | 24,639 | 23,425 | 22,856 |
| First-year life-related* commissions | 5,305 | 9,679 | 8,935 |
| First-year total commissions | 29,730 | 33,524 | 31,771 |

Source: Compensation, Production, and Survival of Multiple-Line Exclusive Agents
Contact: Laura A. Murach (lmurach@limra.com)

*Life-related includes life, health, disability income, long-term care, and annuities

MULTIPLE-LINE AGENCY MANAGER COMPENSATION

AVERAGE MANAGER INCOME AND AGENCY CHARACTERISTICS

| | 2004* | 2006* |
|---|-----------|-----------|
| Manager's gross income | \$186,485 | \$251,142 |
| Percent of total commissions from life# | — | 18% |
| Agents per manager | 23 | 26 |

Source: Compensation of Multiple-Line Agency Managers
Contact: Laura A. Murach (lmurach@limra.com)

*Averages for each year are calculated independently and do not represent a constant group of companies or agencies.

Does not include managers paid solely by incentive compensation.

This study examines earnings of agency managers in multiple-line exclusive-agent companies. The 2006 results are based on 1,000 agency managers from 12 companies.

CROSS-SELLING ACTIVITY OF MULTIPLE-LINE COMPANIES

2004 DISTRIBUTION OF MLEA HOUSEHOLDS* BY LINE OF BUSINESS

| Line of business | Weighted average |
|----------------------------|------------------|
| Auto only | 29.4% |
| Auto and homeowners | 31.4 |
| Homeowners only | 22.7 |
| Life, auto, and homeowners | 6.2 |
| Life and auto | 3.3 |
| Life and homeowners | 1.4 |
| Life only | 5.6 |
| | 100% |

Source: Covering All the Bases: The Home Office and Field
Perspective On Cross-Selling
Contact: Laura A. Murach (lmurach@limra.com)

*Approximately 44.4 million households are represented

ORDINARY, FINANCIAL SERVICES, MULTIPLE-LINE COMPANIES

RECRUITING SOURCE, INEXPERIENCED CANDIDATES

| | Percentage from each source* | | | Quality candidate ratio** |
|---------------------------|------------------------------|----------------|----------------|---------------------------|
| | 2006 | 2007 | 2008*** | 2008 |
| Personal sources | | | | |
| Agency head | 11% | 10% | 8% | 53% |
| Assistant agency head | 12 | 12 | 11 | 38 |
| Sales representative | 9 | 8 | 8 | 60 |
| Other office person | 11 | 13 | 15 | 41 |
| Third-party referral | 5 | 5 | 5 | 55 |
| Impersonal sources | | | | |
| Advertisement | 3% | 2% | 2% | 31% |
| School placement | 1 | 1 | 1 | 34 |
| Employment agency | 2 | 1 | 1 | 20 |
| Career/job fair | 6 | 6 | 5 | 30 |
| Company Web page | 4 | 5 | 5 | 46 |
| Other Internet source | 22 | 23 | 26 | 33 |
| Other sources | | | | |
| Walk-in | 5% | 5% | 5% | 59% |
| Other | 9 | 9 | 8 | 53 |
| Total | 109,744 | 104,943 | 112,455 | |

Source: The Career Profile System

Contact: Nancy A. Murphy (nmurphy@limra.com)

*The percentage of all candidates who came from each recruiting source, according to their Career Profile responses.

**The percentage of candidates from each recruiting source who scored 12 or higher on the Career Profile: a measure of candidate quality. A score of 12 or better indicates a 23 percent or higher probability of succeeding in insurance sales. A successful agent is one who survives 12 months under contract and produces in the top half of the company's first-year survivors.

***Seventy-two ordinary life and health, financial services, and multiple-line companies are represented for 2008.

U.S. AND CANADIAN AFFILIATED AGENT RECRUITING

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-----------------|--------|--------|--------|--------|--------|--------|
| Agency-building | 29,968 | 25,607 | 27,236 | 24,476 | 25,736 | 30,390 |
| MLEA | 5,067 | 5,448 | 6,370 | 7,040 | 6,916 | 7,031 |
| Canadian | 3,502 | 3,534 | 3,021 | 3,004 | 2,554 | 2,519 |
| Total Recruits | 38,537 | 34,589 | 36,627 | 34,520 | 35,206 | 39,940 |

RECRUITING PROPORTION

| Agency-Building | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-----------------|------|------|------|------|------|------|
| Experienced | 21% | 28% | 30% | 24% | 21% | 20% |
| Inexperienced | 79% | 72% | 70% | 76% | 79% | 80% |

FEMALE RECRUITING

PERCENT CHANGE*

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|-----------------|------|------|------|------|------|------|
| Agency-building | 5% | -10% | 4% | 27% | 8% | 0% |
| MLEA | -18% | 12% | 16% | 10% | 36% | 20% |
| Canadian | -15% | 1% | -8% | 1% | 17% | 1% |

Source: Recruiting Trends (Agency-building and Canada)
Contact: Margaret S. Honan (mhonan@limra.com)

Source: MLEA Recruiting Trends
Contact: Laura A. Murach (lmurach@limra.com)

<http://www.limra.com/abstracts/abstract.aspx?fid=10049>

*The percent change is based on a constant group of companies the year of the study.

INDEPENDENT

CENSUS OF U.S. SALES PERSONNEL

ESTIMATED NUMBER OF INDEPENDENT PRODUCERS

| | 1998 | 2001 | 2004 | 2007 | Percent change 2004-2007 |
|---------------------|---------|---------|---------|---------|-----------------------------|
| Number of producers | 118,685 | 151,977 | 161,955 | 150,765 | -7% |
| Brokers | 95,772 | 119,202 | 140,648 | 129,222 | -8% |
| PPGAs | 17,034 | 25,855 | 19,602 | 19,997 | 2% |
| Subproducers | 5,879 | 6,920 | 1,705 | 1,546 | -9% |

INDEPENDENT FEMALE PRODUCERS

| | 2004 | 2007 | Percent change 2004/2007 | Number of companies |
|------------------|-------|-------|-----------------------------|------------------------|
| Female producers | 4,158 | 4,919 | 18% | 19 |

PRODUCER AGE

| Age | Affiliated | Independent |
|---------------------|-------------|-------------|
| Under 25 years | 4% | 1% |
| 25 – 34 | 18 | 9 |
| 35 – 44 | 22 | 20 |
| 45 – 54 | 29 | 28 |
| 55 – 64 | 21 | 28 |
| 65 and older | 6 | 14 |
| | 100% | 100% |
| Number of producers | 74,946 | 39,250 |
| Number of companies | 32 | 24 |

Source: Census of U.S. Sales Personnel
(www.limra.com/abstracts/abstract.aspx?fid=10073)
Contact: Margaret S. Honan (mhonan@limra.com)

LIMRA periodically conducts the Census to track the types of distribution channels used by U.S. companies and the number of individuals selling financial services products. Results are used to monitor trends in the numbers of producers and managers in affiliated and independent distribution channels. The 2004 and 2007 data is based on 69 unique companies (48 broker, 33 PPGA, and eight subproducers).

REGIONAL OFFICER COMPENSATION

| | 1996 | 1998 | 2000 | 2002 | 2004 | Average earnings 2004* |
|----------------------------|-------|------|------|------|-------|------------------------------|
| Total earnings growth rate | | | | | | |
| PPGA | -1.9% | 7.1% | 3.5% | 8.8% | 16.1% | \$173,264 |

Source: Compensation of Regional Officers for PPGA Companies
Contact: Pat Leary (pleary@limra.com)

* Results are based on 7 companies.

SPECIALTY

WORKSITE MARKETING

U.S. WORKSITE SALES

| | 2008 annualized new premiums (millions) | Growth* | | |
|---------|---|---------|------|------|
| | | 2008 | 2007 | 2006 |
| Life | \$ 773 | 8% | 0 | 2% |
| Health | 1,508 | -3 | 12% | 9 |
| Total** | 2,301 | 0 | 8 | 6 |

Source: U.S. Worksite Sales (www.limra.com/abstracts/10011.asp)

Contact: Ron Neyer (Rneyer@limra.com)

*Percent change in annualized premiums over the prior year. The number of survey participants varies between years.

** In addition to life and health premiums, total voluntary premiums include premiums from the sale of various annuity/investment products and pre-paid legal services.

VOLUNTARY BENEFITS OFFERED TO U.S. PRIVATE EMPLOYERS*

| | 2006 | 2002 |
|-----------------------|------|------|
| Cancer | 29% | 22% |
| Accident | 24 | 18 |
| Supplemental medical | 20 | 18 |
| Short-term disability | 20 | 16 |
| Dental | 17 | 16 |
| AD&D | 17 | 12 |
| Critical illness | 17 | 11 |
| Long-term disability | 16 | 12 |
| Supplemental life | 15 | 22 |
| Vision | 9 | 8 |
| Life | 8 | 6 |
| Prescription drug | 5 | 7 |
| LTD buy-up | 4 | 5 |
| Mini-medical | 3 | — |

Source: The Voluntary Benefits Report Card (www.limra.com/abstracts/5692.asp)

Contact: Ron Neyer (Rneyer@limra.com)

* Based on firms with 10 or more employees

— Product not included

DIRECT RESPONSE

CONTACT CENTERS

INTERNAL AND EXTERNAL REP TURNOVER RATES

| | Turnover (all reps) | Internal | External |
|------|------------------------|----------|----------|
| 2006 | 32% | 11% | 22% |
| 2007 | 21% | 7% | 14% |
| 2008 | 17% | 8% | 9% |

TURNOVER RATES BY CENTER SIZE

| Year-end 2008 Turnover Rates | | | | |
|------------------------------|-------------------|--|----------------------------|----------------------------|
| Number of seats | Number of centers | All reps (including internal & external transfers) | Internal transfers only | External transfers only |
| 11 – 29 | 6 | 14.5% | 5.9% | 8.6% |
| 30 – 59 | 8 | 19.0 | 3.1 | 15.9 |
| 60 – 99 | 4 | 14.8 | 6.6 | 8.2 |
| 100 – 199 | 5 | 18.1 | 9.3 | 8.8 |
| 200 and over | 10 | 16.9 | 8.5 | 8.5 |
| | 33 | 17.1% | 8.1% | 9.0% |

Source: Contact Center Rep Turnover
Contact: Margaret S. Honan (mhonan@limra.com)

Internal transfers: reps going to another position within your organization or a non-phone support role in the center
External transfers: reps leaving your company (i.e., going to another organization)

MARKETING INTERMEDIARIES

BANKS' DISTRIBUTION METHODS FOR MARKETING LIFE INSURANCE

| Method | Percent of banks surveyed |
|-----------------------------|----------------------------------|
| Financial consultants | 95% |
| Platform bankers | 54 |
| Direct response | 45 |
| Stand-alone agency | 22 |
| Advanced agents | 10 |
| Referrals to outside agency | 6 |
| Retail agents | 4 |

Source: 2007/2008 Kehrer-LIMRA Bank Life Insurance Sales Study
 (www.limra.com/abstracts/8082.asp)
 Contact: Pat Leary (pleary@limra.com)

SALES REP PRODUCTIVITY: AVERAGE FYC PER AGENT

| | Average First Year Life Commission Revenue | | |
|-----------------------|---|-------------|-------------|
| | 2006 | 2007 | 2008 |
| Advanced agents | \$344,472 | \$320,731 | \$356,924 |
| Financial consultants | 8,078 | 7,574 | \$7,897 |
| Platform bankers | 1,132 | 814 | 982 |

Source: 2007/2008 Kehrer-LIMRA Bank Life Sales Study 2002/2003
 (www.limra.com/abstracts/8082.asp)
 Contact: Pat Leary (pleary@limra.com)

PERCENT OF CONSUMERS AWARE THAT BANKS SELL LIFE INSURANCE

| | 2001 | 2004 | 2007 |
|--|-------------|-------------|-------------|
| Not Aware | 48% | 53% | 61% |
| Aware, Would Not Consider Purchasing at a Bank | 30% | 22% | 25% |
| Aware, Would Consider Purchasing at a Bank | 22% | 25% | 14% |

Source: *Banks Sell Life Insurance: Who Knew? A Consumer Panel Study* (2008)
 (www.limra.com/abstracts/7942.asp)
 Contact: Polly Painter Eggers (ppainter-eggers@limra.com)

FACTORS IN SELECTING AN INTERMEDIARY

| | Critical or very important | Neutral | Not very or Not at all important |
|--|-------------------------------|---------|--|
| Access to competitive products | 94 | 6 | 0 |
| The ability to manage multiple carrier relationships | 89 | 8 | 3 |
| Procedural efficiency (Producers only have to learn one new process for submitting new business) | 76 | 19 | 5 |
| Superior sales support | 76 | 18 | 6 |
| Expertise in a specific product | 72 | 22 | 6 |
| Provide services individual producer can't provide or can't afford to provide on their own | 72 | 23 | 5 |
| Expertise in a specific market | 72 | 22 | 6 |
| Better payouts or commissions | 65 | 29 | 6 |
| Superior technology | 64 | 30 | 6 |

Source: *What Producers Value From Companies and Independent Intermediaries* (www.limra.com/abstract.aspx?fid=10002)
Contact: Denise C. Marvel (dmarvel@limra.com)

The data was provided by approximately 368 members of LIMRA's producer panel.

IMPORTANCE AND EFFECTIVENESS: INTERMEDIARY SERVICE AND SUPPORT

| | Critical or very important | Excellent or very good quality |
|--|-------------------------------|-----------------------------------|
| Administrative support to help with processing sales | 81% | 56% |
| Administrative support to help with servicing clients | 77 | 48 |
| Online or automated access to application status | 77 | 48 |
| Online access to client records | 73 | 40 |
| Sales and marketing material | 69 | 50 |
| Advanced sales support in specific areas such as estate planning | 66 | 45 |
| Product training | 62 | 41 |
| Support from wholesalers or product specialists | 59 | 42 |

Source: *What Producers Value From Companies and Independent Intermediaries* (www.limra.com/abstract.aspx?fid=10002)
Contact: Denise C. Marvel (dmarvel@limra.com)

The data was provided by approximately 368 members of LIMRA's producer panel.

RETIREMENT RESEARCH

ANNUITIES AND OTHER RETAIL PRODUCTS

INDIVIDUAL ANNUITIES

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Considerations in billions | | | | | | |
| Variable | \$129.4 | \$132.9 | \$136.9 | \$160.4 | \$184.0 | \$155.7 |
| Fixed | 89.4 | 87.9 | 79.5 | 78.3 | 72.8 | 109.3 |
| Total | \$218.8 | \$220.8 | \$216.4 | \$238.7 | \$256.8 | \$265.0 |
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Market share | | | | | | |
| Career agents | 19% | 19% | 20% | 20% | 19% | 20% |
| Independent agents | 19 | 21 | 21 | 19 | 17 | 17 |
| Financial planner/ Independent broker-dealer | 11 | 12 | 16 | 19 | 20 | 18 |
| Stockbrokers | 17 | 16 | 14 | 14 | 16 | 14 |
| Banks | 23 | 21 | 18 | 17 | 17 | 20 |
| Direct response | 7 | 7 | 7 | 7 | 7 | 7 |
| Other | 4 | 4 | 4 | 4 | 4 | 4 |
| | 100% | 100% | 100% | 100% | 100% | 100% |

Source: The 2008 Individual Annuity Market — Sales and Assets Report
 Contact: Dan Beatrice (dbeatrice@limra.com)

The annuity sales studies track total cash considerations paid (new and renewal). Considerations are LIMRA's estimates of the total annuity sales market.

ANNUITY PERSISTENCY

ANNUAL SURRENDER RATES BY YEAR, PERCENT OF CONTRACTS

| Contract type | Surrender charge | 2006 | 2007 | 2008 |
|--------------------|----------------------|------|-------|------|
| Overall | All | 8.3% | 9.9% | 9.0% |
| Fixed | All | 9.2% | 11.2% | 8.4% |
| Variable | All | 7.8 | 9.4 | 9.2 |
| Career agents | All | 6.9% | 8.1% | 7.6% |
| Independent agents | All | 8.9 | 11.7 | 11.2 |
| Financial planners | All | 8.9 | 9.6 | 8.6 |
| Wirehouses | All | 8.6 | 10.8 | 8.7 |
| Banks | All | 11.5 | 13.8 | 11.1 |
| Direct | All | 5.8 | 5.4 | 5.1 |
| All | With charge | 4.8% | 6.1% | 5.1% |
| All | Out of charge period | 14.5 | 14.0 | 12.0 |
| All | Never had charge | 8.2 | 7.0 | 6.8 |
| Fixed | With charge | 5.9% | 8.3% | 6.1% |
| | No charge | 14.8 | 15.7 | 11.4 |
| Variable | With charge | 4.0% | 4.9% | 4.5% |
| | No charge | 11.2 | 13.3 | 12.5 |
| Career agents | With charge | 3.8% | 4.2% | 4.2% |
| | No charge | 9.0 | 10.7 | 9.4 |
| Independent agents | With charge | 4.6% | 5.0% | 4.8% |
| | No charge | 13.8 | 18.9 | 16.7 |
| Financial planners | With charge | 5.9% | 7.0% | 5.7% |
| | No charge | 15.0 | 15.0 | 13.9 |
| Wirehouses | With charge | 4.3% | 5.4% | 5.3% |
| | No charge | 18.2 | 10.6 | 14.0 |
| Banks | With charge | 6.2% | 8.4% | 6.9% |
| | No charge | 23.3 | 25.5 | 19.2 |

Source: U.S. Annuity Persistency Survey
 (<http://www.limra.com/abstracts/abstract.aspx?fid=9075>)
 Contact: Matthew Drinkwater (mdrinkwater@limra.com)

Results are based on a constant group of 43 companies.

DEFERRED ANNUITY BUYERS

NEWLY PURCHASED ANNUITY CONTRACTS

| | 1990 | 1993 | 1997 | 2001 | 2004 |
|-------------------|-------------|-------------|-------------|-------------|-------------|
| Median age | | | | | |
| Total sales | 51 | 52 | 53 | 55 | 58 |
| Fixed | 56 | 57 | 58 | 63 | 65 |
| Variable | 46 | 50 | 51 | 48 | 55 |
| 403(b) | 45 | 43 | 42 | 42 | 44 |
| IRA | 50 | 49 | 52 | 51 | 57 |
| Nonqualified | 61 | 61 | 63 | 66 | 65 |
| Sex | | | | | |
| Male | 52% | 50% | 45% | 45% | 47% |
| Female | 48 | 50 | 55 | 55 | 53 |
| | 100% | 100% | 100% | 100% | 100% |

Source: Deferred Annuity Buyers and Owners Profiles (<http://www.limra.com/abstracts/abstract.aspx?fid=5826>).
Contact: Joseph Montminy (jmontminy@limra.com)

VARIABLE ANNUITY GUARANTEED LIVING BENEFIT ELECTION TRACKING DATA

ELECTION PERCENTAGES BY GUARANTEED LIVING BENEFIT TYPE

| Quarter | GLWB | GMIB | GMWB | GMAB | Hybrid |
|---------|------|------|------|------|--------|
| 4Q 2008 | 58% | 36% | 5% | 5% | 10% |
| 3Q 2008 | 55% | 34% | 7% | 5% | 8% |
| 2Q 2008 | 53% | 33% | 7% | 5% | 8% |
| 1Q 2008 | 51% | 32% | 9% | 6% | 9% |
| 4Q 2007 | 48% | 33% | 9% | 6% | 13% |
| 3Q 2007 | 45% | 35% | 11% | 6% | 31% |
| 2Q 2007 | 43% | 34% | 12% | 6% | 33% |
| 1Q 2007 | 41% | 32% | 15% | 8% | 32% |

Sources: Variable Annuity Guaranteed Living Benefit Election Tracking Survey
(www.limra.com/abstracts/abstract.aspx?fid=10018)
Contact: Dan Beatrice (dbeatrice@limra.com)

ELECTED PREMIUM BY GUARANTEED LIVING BENEFIT TYPE

| Quarter | GLWB | GMIB | GMWB | GMAB | Hybrid |
|---------|----------|---------|---------|-------|--------|
| 4Q 2008 | \$12,407 | \$5,254 | \$527 | \$607 | \$523 |
| 3Q 2008 | 13,113 | 5,647 | 832 | 591 | 449 |
| 2Q 2008 | 14,789 | 6,162 | 1,258 | 724 | 552 |
| 1Q 2008 | 13,147 | 5,538 | 1,448 | 809 | 585 |
| 4Q 2007 | 14,527 | 6,682 | 1,981 | 967 | 649 |
| 3Q 2007 | 12,988 | 6,693 | 2,124 | 978 | 723 |
| 2Q 2007 | 11,841 | 6,553 | 2,363 | 958 | 558 |
| 1Q 2007 | \$9,622 | \$5,099 | \$2,443 | \$896 | \$511 |

Sources: Variable Annuity Guaranteed Living Benefit Election Tracking Survey
(www.limra.com/abstracts/abstract.aspx?fid=10018)
Contact: Dan Beatrice (dbeatrice@limra.com)

INDUSTRY DEFERRED ANNUITY ASSET NET FLOWS ESTIMATES

2008 ASSET FLOWS

| | Billions of Dollars | | | |
|-----------------------------|---------------------|------------|---------|---------|
| | Variable | Fixed-Rate | Indexed | Total |
| Beginning Assets (12-31-07) | \$1,517 | \$386 | \$125 | \$2,028 |
| Inflows | 160 | 76 | 27 | 263 |
| Outflows | 131 | 67 | 13 | 211 |
| Full surrenders | 111 | 41 | 7 | 159 |
| Other outflows | 20 | 26 | 6 | 52 |
| Investment Earnings | -388 | 16 | 2 | -369 |
| OTHER | -10 | 6 | -3 | -7 |
| Ending Assets (12-31-08) | \$1,149 | \$417 | \$138 | \$1,704 |

| | Percentage of Assets | | | |
|---------------------|----------------------|------------|---------|--------|
| | Variable | Fixed-Rate | Indexed | Total |
| Inflows | 12.0% | 18.8% | 20.8% | 14.1% |
| Outflows | 9.8% | 16.7% | 10.0% | 11.3% |
| Full surrenders | 8.3% | 10.2% | 5.4% | 8.5% |
| Other outflows | 1.5% | 6.5% | 4.6% | 2.8% |
| Investment Earnings | -29.1% | 3.9% | 1.7% | -19.8% |
| Asset Growth | -24.3% | 7.9% | 10.6% | -16.0% |

Sources: U.S. Individual Annuities Studies (www.limra.com/abstracts/abstract.aspx?fid=9082)
 Contact: Dan Beatrice (dbeatrice@limra.com)

Note: Inflows include internal and external replacements; Full surrenders include internal and external replacements; Other outflows include cash value withdrawn prior to termination, deaths and annuitizations; OTHER includes adjustments to cash value not otherwise included in flows (i.e., market value adjustments, bonuses, credits, and acquisitions). Percentage of assets (except growth) based on average assets in force.

RETIREMENT PLANS

ROLLOVER MARKET

OPTIONS MOST FREQUENTLY ELECTED BY JOB CHANGERS, 1998–2008

| Option | Percent of job changers | | |
|------------------------------------|-------------------------|-----------|-----------|
| | 1998–2001 | 2002–2005 | 2006–2008 |
| Rolled over to IRA | 37% | 45% | 33% |
| Took entire amount in lump sum | 31 | 16 | 30 |
| Left money in the plan | 25 | 34 | 28 |
| Transferred to new employer's plan | 5 | 4 | 8 |

| | Average size of benefit | | |
|------------------------------------|-------------------------|-----------|-----------|
| | 1998–2001 | 2002–2005 | 2006–2008 |
| Rolled over to IRA | \$41,862 | \$45,267 | \$59,801 |
| Took entire amount in lump sum | 21,563 | 20,904 | 20,922 |
| Left money in the plan | 40,521 | 50,337 | 42,178 |
| Transferred to new employer's plan | 12,116 | 33,154 | 50,219 |

Source: Opportunities in the Rollover Market: Employee Perspective, (to be published in 2009)
 Contact: Matthew Drinkwater (mdrinkwater@limra.com)

LIMRA conducted studies of employees who were retiring, changing jobs, or leaving the workforce, and who were eligible for a lump-sum payment from their retirement plans.

OPTIONS MOST FREQUENTLY ELECTED BY RETIREES, 1998–2008

| Option | Percent of retirees | | |
|--------------------------------|---------------------|-----------|-----------|
| | 1998-2001 | 2002-2005 | 2006-2008 |
| Rolled over to IRA | 37% | 42% | 44% |
| Left money in the plan | 16 | 13 | 19 |
| Took annuity | 9 | 19 | 19 |
| Took entire amount in lump sum | 14 | 17 | 15 |
| Took installments | 23 | 9 | 3 |

| | Average size of benefit | | |
|--------------------------------|-------------------------|-----------|-----------|
| | 1998-2001 | 2002-2005 | 2006-2008 |
| Rolled over to IRA | \$190,727 | \$202,637 | \$163,207 |
| Left money in the plan | 169,277 | 175,527 | 137,681 |
| Took annuity | 164,373 | 174,520 | 177,847 |
| Took entire amount in lump sum | 113,462 | 161,110 | 276,975 |
| Took installments | 133,742 | 109,967 | — |

Source: Opportunities in the Rollover Market: Employee Perspective, (to be published in 2009)
 Contact: Matthew Drinkwater (mdrinkwater@limra.com)

LIMRA conducted studies of employees who were retiring, changing jobs, or leaving the workforce, and who were eligible for a lump-sum payment from their retirement plans.

— Insufficient sample for analysis

**INCIDENCE OF TRANSFERRING MONEY TO AN IRA
BY AMOUNT IN PLAN, 1998–2008**

| Amount in plan | Percent of job changers | | | Percent of retirees | | |
|---------------------|-------------------------|-----------|-----------|---------------------|-----------|-----------|
| | 1998-2001 | 2002-2005 | 2006-2008 | 1998-2001 | 2002-2005 | 2006-2008 |
| Less than \$5,000 | 25% | 28% | 21% | 33% | 44% | 30% |
| \$ 5,000 – \$ 9,999 | 40 | 41 | 27 | | | |
| 10,000 – 24,999 | 43 | 38 | 32 | | | |
| 25,000 – 49,999 | 47 | 46 | 39 | 30 | 48 | 47 |
| 50,000 – 99,999 | 45 | 47 | 51 | 38 | 46 | 50 |
| 100,000 or more | 48 | 48 | 44 | 51 | 55 | 50 |

**INCIDENCE OF LEAVING MONEY IN THE PLAN
BY AMOUNT IN PLAN, 2001–2008**

| Amount in plan | Percent of job changers | | | Percent of retirees | | |
|---------------------|-------------------------|-----------|-----------|---------------------|-----------|-----------|
| | 1998-2001 | 2002-2005 | 2006-2008 | 1998-2001 | 2002-2005 | 2006-2008 |
| Less than \$5,000 | 16% | 11% | 21% | 8% | 12% | 24% |
| \$ 5,000 – \$ 9,999 | 20 | 24 | 26 | | | |
| 10,000 – 24,999 | 27 | 31 | 32 | | | |
| 25,000 – 49,999 | 35 | 34 | 31 | 20 | 13 | 14 |
| 50,000 – 99,999 | 42 | 33 | 27 | 19 | 12 | 20 |
| 100,000 or more | 25 | 37 | 27 | 17 | 13 | 17 |

Source: Opportunities in the Rollover Market: Employee Perspective, (to be published in 2009)
Contact: Matthew Drinkwater (mdrinkwater@limra.com)

LIMRA conducted studies of employees who were retiring, changing jobs, or leaving the workforce, and who were eligible for a lump-sum payment from their retirement plans.

THE 401(K) SCORECARD

401(K) ASSETS (\$000)

| Participants per plan | 2002* | 2003 | 2004 | 2005 | 2006 | 2007 |
|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Individual(k) | 17,514 | 391,618 | 508,514 | 1,378,169 | 382,088 | 1,279,410 |
| 1 – 24 | 24,236,958 | 29,642,887 | 35,528,561 | 46,092,755 | 54,193,039 | 54,461,545 |
| 25 – 49 | 19,532,130 | 28,851,940 | 35,291,563 | 43,150,432 | 49,522,862 | 49,996,451 |
| 50 – 99 | 24,415,415 | 35,456,035 | 42,492,415 | 52,332,016 | 56,618,054 | 60,833,786 |
| 100 – 249 | 35,123,986 | 42,946,900 | 56,822,984 | 68,918,901 | 69,296,254 | 76,916,283 |
| 250 – 499 | 24,977,959 | 33,472,076 | 45,106,995 | 53,761,663 | 50,454,162 | 58,591,689 |
| 500 – 999 | 24,660,391 | 34,818,190 | 46,498,890 | 53,079,544 | 45,012,478 | 56,786,040 |
| 1,000 – 2,299 | 29,247,604 | 34,884,409 | 60,306,796 | 65,767,934 | 50,920,572 | 75,354,895 |
| 2,500 – 4,999 | 22,249,358 | 26,203,478 | 39,167,150 | 53,464,909 | 30,277,070 | 57,388,320 |
| 5,000 – 9,999 | 15,393,545 | 19,160,917 | 37,012,661 | 43,095,784 | 20,283,390 | 53,521,329 |
| 10,000 or more | 74,725,102 | 83,282,368 | 132,778,784 | 192,092,740 | 63,478,278 | 160,047,200 |
| Total | 410,579,962 | 369,110,818 | 531,515,313 | 673,134,847 | 490,438,247 | 705,176,950 |
| Number of companies | 31 | 30 | 32 | 29 | 23 | 25 |

Source: The 401(k) Scorecard
Contact: Kathleen Rook (krook@limra.com)

*Includes some companies that are unable to segment participants by plan size.

**Numbers do not sum to the total due to rounding

This annual study monitors 401(k) sales and assets for approximately 25 companies. A quarterly study tracks sales performance.

Assets include all proprietary and nonproprietary investment options held by the company as the 401(k) full-service product provider as of year-end and do not include proprietary funds that are sold to plan sponsors under an unaffiliated company's packaged product (e.g., investment only).

NOT-FOR-PROFIT MARKET

TOTAL NOT-FOR-PROFIT MARKET ASSETS, CONTRIBUTIONS, & PARTICIPANTS

| | 2006 | 2007 | 2008 |
|------------------------------------|---------|-----------|---------|
| Assets (in billions) | | | |
| Total Not-for-Profit | \$881.8 | \$1,003.6 | \$810.4 |
| Contributions (in billions) | | | |
| Total Not-for-Profit | \$42.3 | \$43.8 | \$44.2 |
| Participants (in millions) | | | |
| Total Not-for-Profit | 14.8 | 16.3 | 17.2 |

Source: Not-for-Profit Market Survey
Contact: Cecilia Shiner (cshiner@limra.com)

This quarterly survey tracks the sales, assets, and participants of 403(b), 457, and other not-for-profit plans.

Based on 24 companies that reported assets, 19 companies that reported contributions, and 20 companies that reported participants for all quarters. Companies that changed reporting methods were excluded from analysis.

Total Not-for-Profit includes 403(b), 457, and other not-for-profit plans including 401(a), 401(k) not-for-profit, and other not-for-profit).

TECHNOLOGY IN MARKETING AND DISTRIBUTION RESEARCH

FUNCTIONALITIES ON CARRIER WEB SITES FOR INDIVIDUAL PRODUCERS

PRODUCERS WHO CURRENTLY HAVE FUNCTION AVAILABLE

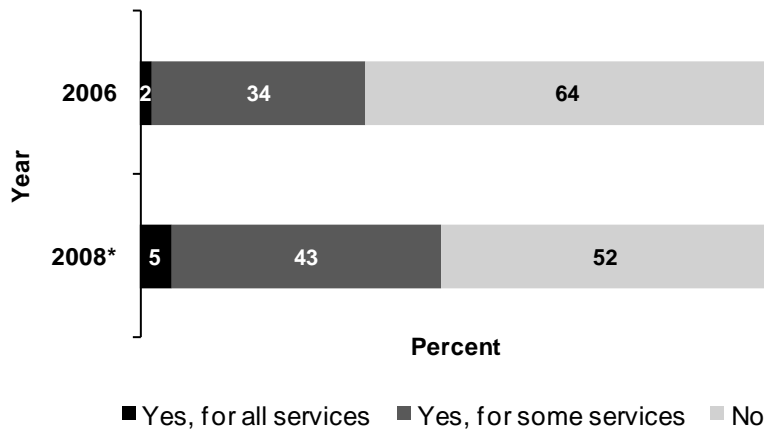
| | 2004 | 2006 | 2008** |
|-------------------------------------|------|------|--------|
| Underwriting guidelines | 81% | 82% | 93%* |
| Marketing materials | NA | 92 | 92 |
| Client account information | 86 | 86 | 91* |
| Pending business status | 84 | 87 | 91* |
| Illustrations and quotes: real time | NA | 91 | 89 |
| Commission statements | 76 | 85* | 88 |
| E-signatures at the point of sale | 14 | 26* | 31* |

Source: *The Technology Use Spectrum: Producer Use of Technology for Sales and Service, 2008*

*Significant at 95 percent confidence interval from earlier period

**Includes a higher percentage of MLEAs.

Do Individual Producers Refer Clients to Carrier Web Sites for Service?



Source: *The Technology Use Spectrum: Producer Use of Technology for Sales and Service, 2008*

*Significantly different at the 95 percent confidence interval.

GROUP CARRIER STRATEGIES TO INCREASE EMPLOYEE USE OF NON-MEDICAL SERVICES ONLINE

EIGHT MOST-MENTIONED STRATEGIES SHOWN

| | All Strategies Used | | One Most Effective Strategy | |
|---|------------------------|------|--------------------------------|------|
| | 2007 | 2004 | 2007 | 2004 |
| Communications from the employer (letters, postings, email) | 77% | 89% | 35% | 49% |
| Letter introducing new service(s) via mail | 50 | 43 | 30 | 9 |
| Recorded reminder on incoming service call | 38 | 50 | 5 | 4 |
| Email message introducing new service(s) | 27 | 36 | 5 | 9 |
| Information included in HR news publications | 27* | 71 | — | 4 |
| Envelope stuffers in paychecks | 23 | NA | 10 | NA |
| Training programs for employees | 19 | 31 | — | 4 |
| Incentive for sales representatives to "promote" services | 15 | 36 | 5 | 4 |
| <i>Number of companies</i> | 26 | 28 | 20 | 23 |

Source: *Group Carrier Web Site Practices: Summary Report, 2008*

*Significant at 90 percent confidence interval

— No companies

NA=not asked in 2004

GROUP CARRIER STRATEGIES TO INCREASE BROKER/CONSULTANT USE OF NON-MEDICAL SERVICES ONLINE

EIGHT MOST-MENTIONED STRATEGIES SHOWN

| | All Strategies Used | | One Most Effective Strategy | |
|---|------------------------|------|--------------------------------|------|
| | 2007 | 2004 | 2007 | 2004 |
| Letter introducing new service(s) via mail | 77% | 83% | 29% | 15% |
| Link or site information included with other communications | 63 | 73 | 13 | 7 |
| Email message introducing new service(s) | 60 | 73 | 8 | 15 |
| Training programs | 53 | 57 | 17 | 18 |
| Articles in field publications | 43* | 70 | — | 7 |
| Envelope stuffers in commission checks | 33* | 60 | 8 | 15 |
| Certain information or features only available online | 20 | 17 | 8 | 4 |
| Recorded reminder on incoming service call | 17 | 23 | — | — |
| <i>Number of companies</i> | 30 | 30 | 25 | 27 |

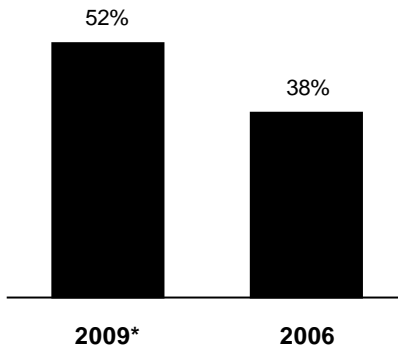
Source: *Group Carrier Web Site Practices: Summary Report, 2008*

*Significant at 90 percent confidence interval

— No companies

CONSUMERS WHO LOOKED ONLINE FOR INDIVIDUAL PRODUCT INFORMATION

**OF CONSUMERS WHO SOUGHT INFORMATION FROM ANY SOURCE WITHIN
THE PREVIOUS 24 MONTHS**



Source: *Trends in Consumer Internet Use for Insurance, 2009*

N=2000; 1287

*Significantly different at the 95th percent confidence interval

TYPES OF INFORMATION SOUGHT ONLINE FOR INDIVIDUAL INSURANCE AND ANNUITY PRODUCTS

**OF CONSUMERS WHO SOUGHT INFORMATION ONLINE WITHIN THE PREVIOUS 24 MONTHS
TOP 10 SHOWN — MULTIPLE RESPONSES ALLOWED**

| | 2009 | 2006 |
|---|------|------|
| Looked for product information | 56%* | 62% |
| Compared prices | 54 | 55 |
| Researched companies you were considering | 51** | 46 |
| Requested a price or quote | 33 | 37 |
| Checked company ratings or financial stability | 31 | 29 |
| Looked for information specifically for people my age, gender, or lifestyle | 30 | NA |
| Used online calculators or worksheets to determine the type of product needed | 23 | 21 |
| Used online calculators or worksheets to determine the amount to buy | 20 | 23 |
| Located a toll-free number to call the company | 16 | NA |
| Located an agent online | 12** | 7 |

Source: *Trends in Consumer Internet Use for Insurance, 2009*

N=998, 485

NA = not asked in 2006

*Significantly different at the 95th percent confidence interval

**Significantly different at the 90th percent confidence interval

HOW DO CONSUMERS BUY INDIVIDUAL INSURANCE AND ANNUITIES?

| | 2009 | | | | 2006 |
|---|-------------|-------------|----------------|-------------|-------------------------|
| | Life | Disability | Long-term care | Annuities | All individual products |
| In-person, from an agent or financial advisor | 41% | 28% | 37% | 63% | 52% |
| Mail or phone | 22 | 14 | 18 | 14 | 19 |
| Work | 21 | 43 | 26 | 9 | 18 |
| On the Internet | 15 | 14 | 17 | 14 | 7* |
| Other | 1 | 1 | 2 | + | 4 |
| Total | 100% | 100% | 100% | 100% | 100% |
| <i>Number of respondents</i> | 832 | 257 | 210 | 298 | 738 |

Source: *Trends in Consumer Internet Use for Insurance, 2009*

*Significantly different at the 90th percent confidence interval

Note: In 2006, consumers were asked how they purchased the product while in 2009 they were asked the purchase source for each product.

RESOURCES CARRIERS USE FOR EMAIL MARKETING CAMPAIGNS

NUMBER OF COMPANIES

| | In-house resources only | In-house and vendor | Vendor only | Not applicable |
|---------------------------|-------------------------|---------------------|-------------|----------------|
| Developing strategy | 12 | 4 | 1 | — |
| Creating email message | 12 | 5 | — | — |
| Developing email design | 7 | 9 | 1 | — |
| Managing email list | 7 | 7 | 3 | — |
| Testing emails | 7 | 6 | 3 | 1 |
| Distributing emails | 3 | 8 | 6 | — |
| Managing unsubscribes | 4 | 8 | 5 | — |
| Scoring leads from emails | 6 | 3 | 1 | 6 |
| Tracking campaign metrics | 6 | 8 | 2 | 1 |
| Gathering user feedback | 7 | 5 | 1 | 4 |

N=17

Source: Continuing the Conversation with Email Marketing: A Company Practices Study
Contact: Elizabeth Schwarz (eschwarz@limra.com)

EMAIL MARKETING PRACTICES

NUMBER OF COMPANIES — CURRENT PRACTICES OF AT LEAST 4 IN 10 COMPANIES

| | Currently | Plan to | No plans to |
|--|-----------|---------|-------------|
| Develop HTML emails | 17 | — | — |
| Develop text-only emails | 15 | 1 | 1 |
| Ability to forward to others | 11 | 5 | 1 |
| Use alt tags in HTML emails | 11 | 1 | 5 |
| One click opt-out option | 10 | 2 | 5 |
| Personalize email messages using names | 8 | 5 | 4 |
| Allow producers to send emails | 7 | 5 | 5 |
| Test subject lines | 7 | 4 | 6 |
| Develop multi-part MIME emails | 7 | 1 | 9 |

N=17

Source: *Continuing the Conversation with Email Marketing: A Company Practices Study*
 Contact: Elizabeth Schwarz (eschwarz@limra.com)

TYPES OF SEGMENTATION CARRIERS USE FOR EMAIL MARKETING

NUMBER OF COMPANIES

| | Segmentation Used | Most Effective Segmentation |
|-----------------------------|-------------------|-----------------------------|
| Distribution channel | 12 | 6 |
| Product | 11 | 1 |
| Demographics | 10 | 2 |
| Product ownership | 9 | 3 |
| Location (ex. State/region) | 9 | 3 |
| Email source | 5 | 1 |
| Life stage | 5 | 1 |
| Other* | 1 | — |

N=17

Source: *Continuing the Conversation with Email Marketing: A Company Practices Study*
 Contact: Elizabeth Schwarz (eschwarz@limra.com)

*Other: Participation is elective for our commissioned sales force.

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