

2007 FORMULAS FOR THE
ADJUSTMENT TO THE
LIFE, HEALTH & ANNUITY GUARANTY ASSOCIATION MODEL ACT
ASSESSMENT BASE RECONCILIATION EXHIBIT

Attached are listed the various formulas that will be used in determining each states assessable premium base for the Life, Health & Annuity Guaranty Association assessments. All line references are to the Adjustments to the Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit (Adjustments Exhibit). Pay special attention to any state specific notes. You must comply with these states' specific notes in completing the Adjustments Exhibit. You must complete every line of the Adjustments Exhibit for all states, District of Columbia and Puerto Rico in which you are licensed or had business during the reporting year. **Do not fill out this form for those states which utilize the Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit (Base Exhibit) for their respective assessment premium base (these states have adopted the Life and Health Insurance Guaranty Association Model Act (Model Act) or language similar to that used in the Model Act and may be identified by referring to the respective assessment premium base formulas).** DO NOT SUBMIT the Adjustments Exhibit for American Samoa, Guam, U.S. Virgin Islands, Canada, and other alien jurisdictions.

The formulas have been obtained from the National Organization of Life and Health Insurance Guaranty Associations (NOLHGA) and are based upon the Base and Adjustments Exhibit that have been adopted by the NAIC for 2007. These formulas are subject to review by the Life & Health State Guaranty Associations and may be changed. You will be notified of any changes that may affect the 2007 assessable premium base.

Summary of Changes From 2006 Formulas:
Michigan (1, 2, 3, 4, 5, 6)

Revisions to the Guaranty Association Model Act since 1997

Certain changes have been made to the guaranty association model act since 1997 that may have an impact on the coverage of certain types of policies or contract and thus the assessable premium base. These changes impact: (1) Account structure (premiums received on certain unallocated annuity contracts owned by governmental retirement plans that are now included in the annuity account); (2) Coverage and assessable premiums received on multiple non-group life policies; (3) Elimination from coverage interest that is tied to an external index; (4) Coverage afforded to payees of structured settlement annuities; (5) Coverage afforded to certain unallocated annuity contracts with book value accounting and (6) Coverage afforded to the plan sponsors (as opposed to contract holders) of certain unallocated annuity contracts.

The changes are discussed in detail below. Included in each section is a summary of the state guaranty associations that have adopted the related language (or language similar to) and the impact of the adoption on the Base and Adjustments Exhibits. **You should pay particular attention to the notes regarding the reporting of assessable premium in these states.**

(1) Account structure (premiums received on unallocated annuity contracts owned by governmental retirement plans established under 401(k), 403(b) and 457 are now included in the annuity account)

When completing the Base and Adjustments Exhibits, bear in mind the following points (these are not new changes):

- (1) transfers made on Base Exhibit line 4.1 from Col. 2 to Col. 4 for amounts received on contracts established under section 403(b) of the U.S. Internal Revenue Code should include amounts received on **both allocated and unallocated annuity contracts owned by either governmental or non-governmental retirement plans (or their trustees).**
- (2) transfers made on Base Exhibit line 4.2 from Col. 4 to Col. 2 for **amounts received on allocated annuity contracts** should include amounts received on contracts owned by **both governmental and non-governmental retirement plans (or their trustees) for contracts established under sections 401(k) and 457 of the U.S. Internal Revenue code.**
- (3) transfers made on Base Exhibit line 4.3 from Col. 2 to Col. 4 should include **amounts received on unallocated funding obligations** issued to fund **both governmental and non-governmental retirement plans (or their trustees) for contracts established under sections 401(k) and 457 of the U.S. Internal Revenue code.**
- (4) transfers made on Adjustment Exhibit line 2 from Col. 4 to Col. 2 should include **amounts received on allocated contracts** issued to fund **both governmental and non-governmental retirement plans (or their trustees) established under section 403(b) of the U.S. Internal Revenue code.**

The current formula is designed to report all amounts received to fund allocated annuity contracts owned by both governmental and non-governmental retirement plans (or their trustees) established under sections 401(k), 403(b) and 457 of the U.S. Internal revenue Code within the allocated annuity account. Although amounts received on unallocated funding obligations owned by a governmental retirement plan (or its trustee) established under sections 401(k), 403(b) or 457 of the U.S. Internal Revenue Code are supposed to be included in the allocated annuity account, the current form does not accommodate transfers for these. **Therefore, these amounts have been excluded from both the allocated and unallocated annuity accounts. You MUST complete Adjustment Exhibit line items 5.2, 6.1, 6.2 and 6.3 for any amounts included in Adjustment Exhibit Line 1, Col.4 related to these contracts. These line items will be captured separately and provided to the affected guaranty associations to include in the allocated annuity account.** This process is similar to the 403(b) premium capture in LA and TN. Note that non-governmental 401(k), 403(b) or 457 plans funded by an unallocated annuity contract are to remain in the unallocated annuity account.

States adopting the above provision (or language similar to) include:

- Alaska** – effective 9/4/00
- Arkansas** – effective 8/1/97
- Connecticut** – effective 6/6/01
- Delaware** – effective 7/18/96
- Indiana** – effective 3/28/06
- Michigan** – effective 1/10/07
- Mississippi** – effective 3/15/99
- Montana** - effective 7/1/03
- North Dakota** – effective 8/1/99
- Rhode Island** – effective 6/9/04
- South Dakota** - effective 7/1/03 (Note: Since SD excludes any unallocated annuity from coverage, lines 5.2 and 6.3 will not be combined with the allocated annuity account. However, these line items must still be completed in order to eliminate the unallocated annuity premium from the assessable base.)
- Texas** – effective 9/1/05 (Note: Texas adopted coverage language with respect to each individual participant in a governmental retirement benefit plan established under sections 401(k), 403(b) and 457 covered by an unallocated annuity. However, it has a single annuity account which combines both allocated and unallocated annuity premiums. You should complete Adjustment Exhibit Lines 5.2, 6.1, 6.2 and 6.3 to be consistent with the other states in this section.)
- Utah** – effective 4/30/01
- Washington** – effective 7/22/01

(2) Coverage and assessable premiums received on multiple non-group life insurance owned by one owner

Limits coverage with respect to any one owner of multiple nongroup policies of life insurance, whether the policy owner is an individual, firm, corporation, or other person, and whether the persons insured are officers, managers, employees, or other persons, to \$5,000,000 in benefits regardless of the number of policies and contracts held by the owner (commonly referred to as corporate-owned (COLI) or bank-owned (BOLI) life insurance contracts). Since the premium definition includes a limitation as to the amount of premiums subject to assessment (similar to unallocated annuity premiums), **on Adjustment Exhibit, Line 10, Col. 1 ONLY, deduct premiums in excess of \$5,000,000 (unless another amount is stated)** that are included in Adjustment Exhibit Line 1 with respect to any one owner, whether the policyowner is an individual, firm, corporation, or other legal entity, and whether the persons insured are officers, employees, or other persons in whose lives the policyowner has an insurable interest, regardless of the number of policies held by the owner.

States adopting the above provision (or language similar to) include:

- Arkansas** – effective 8/1/97 (NOTE however that the coverage and deduction is \$1,000,000 as opposed to \$5,000,000)
- California** – effective 8/1/97
- Connecticut** – effective 6/6/01
- Delaware** – effective 6/5/02 (NOTE however that the coverage and deduction is \$1,000,000 as opposed to \$5,000,000)
- Maine** – effective 9/17/05
- Michigan** – effective 1/10/07
- Mississippi** – effective 3/15/99
- Montana** - effective 7/1/03
- Nebraska** – effective 3/15/01
- Nevada** – effective 1/1/02
- North Dakota** – effective 8/1/99
- South Dakota** - effective 7/1/03
- Texas** - effective 9/1/05
- Utah** – effective 4/30/01
- Washington** – effective 7/22/01

However, certain states have NOT included this limitation in the premium definition, therefore all amounts received are still subject to assessment. You are NOT allowed a deduction for the amounts received in excess of the coverage limitation.

States adopting this provision include:

- Alaska** – effective 9/4/00
- Indiana** – effective 3/28/06
- Kentucky** – effective 7/15/98 (also note coverage is limited to \$1,000,000)

(3) Elimination from coverage interest that is tied to an external index

Eliminates from coverage that part of a policy or contract to the extent that it provides for interest or other changes in value to be determined by the use of an index or other external reference stated in the policy or contract, but have not yet been credited or as to which the policy or contract owner's rights are subject to forfeiture, as of the date the member insurer becomes an impaired or insolvent insurer, whichever is earlier (these type of contracts may be known as equity-indexed contracts). **Note premiums received on contracts whose interest is determined by an index are still subject to assessment, there is no impact on the reporting of assessable premiums and no deductions are allowed.**

States adopting this provision (or language similar to) include:

- Alaska** – effective 9/4/00
- Colorado** – effective 5/26/00
- Connecticut** – effective 6/6/01
- Delaware** – effective 6/5/02
- Idaho** – effective 7/1/05
- Indiana** – effective 3/28/06
- Iowa** – effective 7/3/00
- Maine** – effective 9/17/05
- Michigan** – effective 1/10/07
- Minnesota** – effective 5/21/01
- Montana** - effective 7/1/03
- Nebraska** – effective 3/15/01
- Nevada** – effective 1/1/02
- North Dakota** – effective 8/1/01
- Rhode Island** – effective 6/9/04
- South Dakota** - effective 7/1/03
- Texas** - effective 9/1/05
- Utah** – effective 4/30/01
- Washington** – effective 7/22/01
- Wisconsin** – effective 4/30/04

(4) Coverage afforded to payees of structured settlement annuities

For structured settlement annuities, coverage is provided to a person who is a payee or beneficiary of a payee under a structured settlement annuity if the payee is a resident, regardless of where the contract owner resides or is not a resident but only if (a) the contract owner of the structured settlement is a resident or the owner is not a resident but the insurer issuing the annuity is domiciled in this state and the state where the owners resides has an association similar to this state and (b) neither the payee nor the contract owner is eligible for coverage by the association of the state in which the payee or owner resides. However, no coverage is provided if the payee or beneficiary is afforded any coverage by another association. Since the survey is not designed to transfer amounts among states and since a limited number of states have adopted the payee language and most states cover structured settlements based on the contract owner, there should only be a limited impact on the reporting of amounts received related to payees structured settlements. **As such, structured settlements should still be reported based on the contract owner residing (as opposed to the payee).**

States adopting this provision (or language similar to) include:

- Alaska** – effective 9/4/00
- Arkansas** – effective 8/1/97
- Colorado** – effective 5/26/00
- Connecticut** – effective 6/6/01
- Delaware** – effective 6/5/02
- Indiana** – effective 3/28/06
- Kentucky** – effective 7/15/98
- Maine** – effective 9/17/05
- Michigan** – effective 1/10/07
- Mississippi** - effective 3/15/99
- Montana** - effective 7/1/03
- Nebraska** – effective 3/15/01
- New Hampshire** – effective 1/1/96
- Nevada** – effective 1/1/02
- North Dakota** – effective 8/1/99
- Rhode Island** – effective 1/1/96
- South Dakota** - effective 7/1/03
- Texas** - effective 9/1/05
- Utah** – effective 4/30/01
- Virginia** – effective 7/1/00
- Washington** – effective 7/22/01

Unallocated Annuities:

(5) Coverage afforded to certain unallocated annuity contracts with book value accounting and (6) Coverage afforded to the plan sponsors (as opposed to contract holders) of certain unallocated annuity contracts.

(5) Eliminates from coverage of unallocated annuity contracts a contractual agreement that establishes the member insurer's obligations to provide a book value accounting guaranty for defined contribution benefit plan participants by reference to a portfolio of assets that is owned by the benefit plan or its trustees, which in case is not an affiliate of the member insurer (these type of plans may be known as synthetic-GICs or financial guaranty plans). **Deduct on Base Exhibit, Line 9, Col. 4, those amounts received for unallocated contracts for book value accounting guaranty contracts.** Remember: DO NOT include these amounts in any other line item deductions on either the Base or the Adjustments Exhibits.

States adopting these provisions (or language similar to) include:

Alaska – effective 9/4/00

Arkansas – effective 8/1/97 – (In addition, eliminates from coverage unallocated annuity contracts issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution.)

Connecticut – effective 6/6/01

Delaware – effective 6/5/02

Indiana – effective 3/28/06

Iowa – effective 7/3/00

Kentucky – effective 7/15/98 (Note: Since KY excludes any unallocated annuity from coverage, the exhibits may be completed under the same basis as has been done historically. There is no change to the formula used.)

Maine – effective 9/17/05

Michigan – effective 1/10/07 **Minnesota** – effective 8/1/99

Mississippi - effective 3/15/99

Montana - effective 7/1/03

Nebraska – effective 3/15/01 (Note: Since NE excludes any unallocated annuity from coverage, the exhibits may be completed under the same basis as has been done historically. There is no change to the formula used.)

Nevada – effective 1/1/02 (Note: Since NV excludes any unallocated annuity from coverage, the exhibits may be completed under the same basis as has been done historically. There is no change to the formula used.)

North Dakota – effective 8/1/99

Rhode Island – effective 1/1/05

South Dakota – effective 7/1/03 (Note: Since SD excludes any unallocated annuity from coverage, the exhibits may be completed under the same basis as has been done historically. There is no change to the formula used.)

Texas - effective 9/1/05

Utah – effective 4/30/01

Washington – effective 7/22/01

Wisconsin - effective 4/30/04 (Note: Since WI excludes any unallocated annuity from coverage, the exhibits may be completed under the same basis as has been done historically. There is no change to the formula used.)

(6) Coverage is provided to persons who are the owners of the unallocated annuity contracts if such contracts are issued to or in connection with a specific benefit plan whose plan sponsor has its principal place of business in this state, unless another state provides coverage based on the contract owner location. Coverage for unallocated annuity contracts issued to or in connection with government lotteries is still based on the residency of the owner. Since the survey is not designed to transfer amounts among states and since a limited number of states have adopted these new amendments based on the residence of the plan sponsor, there should only be a limited impact on the reporting of amounts received related to plan sponsors of unallocated annuity contracts. **As such, the Survey form should still be completed based on the contract owner state.**

States adopting these provisions (or language similar to) include:

- Alaska** – effective 9/4/00
- Arkansas** – effective 8/1/97
- Connecticut** – effective 6/6/01
- Delaware** – effective 6/5/02
- Indiana** – effective 3/28/06
- Michigan** – effective 1/10/07
- Mississippi** - effective 3/15/99
- Montana** - effective 7/1/03
- North Dakota** – effective 8/1/99
- Texas** – effective 9/1/05
- Utah** – effective 4/30/01
- Washington** – effective 7/22/01

Additional Notes:

Idaho, effective 7/1/00

Eliminates from coverage unallocated annuity contracts including an annuity owned by a defined benefit pension plan or trust. **No changes are necessary to the formulas previously used as unallocated annuity contracts were excluded from assessment**

Kansas, effective 2/25/98

Provides coverage for unallocated annuity contracts covering individuals participating in governmental deferred compensation plan established under section 457 of the U.S. Internal Revenue Code. Premiums received on these contracts are viewed as allocated and should be included in Col. 2 by either: (1) including the transfer amounts on Base Exhibit Line 4.2 if initially reported in Col. 4 or (2) excluding from transfer amounts on line 4.3 if initially reported in Col. 2. However, you should note there is no change in the KS formula from that used in prior years. Also, KS does not cover any other type of unallocated annuity contracts.

Minnesota, effective 8/1/99

Law changes now provide coverage for unallocated annuity contracts of \$7.5 million per contract as opposed to \$7.5 million, per retirement plan, for participants residing in MN.

Also eliminates from coverage an annuity contract issued in connection with and for the purpose of funding a structured settlement of a liability claim, where the liability insurer remains liable,

2007 Formulas to Adjustment Exhibit

<u>State</u>	<u>Column 1</u> Life Insurance Premium	<u>Column 2</u> Allocated Annuity & Other Allocated Fund Deposits	<u>Column 3</u> A&H Premium	<u>Column 4</u> Unallocated Annuity & Other Unallocated Fund Deposits	<u>Notes</u>
Alabama	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	
Alaska	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 + Line 4.3 - Line 5.2 - Line 6.3 - Line 10 NOTE: Lines 5.2 and 6.3 will be captured separately to be combined with allocated annuity premiums.	Deduct on Base Exhibit, Line 9, Col. 4, amounts received for unallocated annuity contracts which require book value accounting. Lines 5.2 and 6.3 MUST be completed for amounts included in Line 1, Col. 4. These items will be captured separately and combined with allocated annuity premiums. NO deduction is allowed with respect to multiple policies of non-group life insurance issued to any one owner (commonly referred to as COLI, BOLI, etc.).
Arizona	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	Stop Loss premium subject to assessment, no deduction allowed

2007 Formulas to Adjustment Exhibit (continued)

<u>State</u>	<u>Column 1</u> Life Insurance Premium	<u>Column 2</u> Allocated Annuity & Other Allocated Fund Deposits	<u>Column 3</u> A&H Premium	<u>Column 4</u> Unallocated Annuity & Other Unallocated Fund Deposits	<u>Notes</u>
Arkansas	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10 NOTE: Lines 5.2 and 6.3 will be captured separately to be combined with allocated annuity premiums.	Deduct on Base Exhibit, Line 9, Col. 4, amounts received for unallocated annuity contracts issued to collective trusts or which requires book value accounting. Lines 5.2 and 6.3 MUST be completed for amounts included in Line 1, Col. 4. These items will be captured separately and combined with allocated annuity premiums. Deduct on Adj. Exhibit Line 10, Col. 1 only, amounts included in Ad. Exhibit, Line 1, Col. 1 in excess of \$1,000,000 with respect to multiple policies of non-group life insurance issued to any one owner (commonly referred to as COLI, BOLI, etc.).
California	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	Deduct on Adj. Exhibit Line 10, Col. 1 only, amounts included in Ad. Exhibit, Line 1, Col. 1 in excess of \$5,000,000 with respect to multiple policies of non-group life insurance issued to any one owner (commonly referred to as COLI, BOLI, etc.)
Colorado	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	

2007 Formulas to Adjustment Exhibit (continued)

<u>State</u>	<u>Column 1</u> Life Insurance Premium	<u>Column 2</u> Allocated Annuity & Other Allocated Fund Deposits	<u>Column 3</u> A&H Premium	<u>Column 4</u> Unallocated Annuity & Other Unallocated Fund Deposits	<u>Notes</u>
Connecticut	Line 1 – Line 10	Line 1 + Line 2	Line 1 – Line 10	Line 1 + Line 2 - Line 5.2 - Line 6.3 – Line 10 NOTE: Lines 5.2 and 6.3 will be captured separately to be combined with allocated annuity premiums.	Deduct on Base Exhibit, Line 9, Col. 4, amounts received for unallocated annuity contracts which require book value accounting. Lines 5.2 and 6.3 MUST be completed for amounts included in Line 1, Col. 4. These items will be captured separately and combined with allocated annuity premiums. Deduct on Adj. Exhibit Line 10, Col. 1 only, amounts included in Ad. Exhibit, Line 1, Col. 1 in excess of \$5,000,000 with respect to multiple policies of non-group life insurance issued to any one owner (commonly referred to as COLI, BOLI, etc.)

2007 Formulas to Adjustment Exhibit (continued)

<u>State</u>	<u>Column 1</u> Life Insurance Premium	<u>Column 2</u> Allocated Annuity & Other Allocated Fund Deposits	<u>Column 3</u> A&H Premium	<u>Column 4</u> Unallocated Annuity & Other Unallocated Fund Deposits	<u>Notes</u>
Delaware	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.2 – Line 5.2 – Line 6.3 - Line 10 NOTE: Lines 5.2 and 6.3 will be captured separately to be combined with allocated annuity premiums.	Deduct on Base Exhibit, Line 9, Col. 4, amounts received for unallocated annuity contracts which require book value accounting. Include on Line 10 (Col.1, (Life), deductions for certain employer owned life insurance policies as defined in Section 2704(e) of the Delaware Insurance Code. Lines 5.2 and 6.3 MUST be completed for amounts included in Line 1, Col. 4. These items will be captured separately and combined with allocated annuity premiums. Deduct on Adj. Exhibit Line 10, Col. 1 only, amounts included in Ad. Exhibit, Line 1, Col. 1 in excess of \$1,000,000 with respect to multiple policies of non-group life insurance issued to any one owner (commonly referred to as COLI, BOLI, etc.)
District of Columbia	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	
Florida	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	
Georgia	Base Exhibit, Line 11	Base Exhibit, Line 11	Base Exhibit, Line 11	Base Exhibit, Line 11	Stop Loss premium subject to assessment, no deduction allowed

2007 Formulas to Adjustment Exhibit (continued)

<u>State</u>	<u>Column 1</u> Life Insurance Premium	<u>Column 2</u> Allocated Annuity & Other Allocated Fund Deposits	<u>Column 3</u> A&H Premium	<u>Column 4</u> Unallocated Annuity & Other Unallocated Fund Deposits	<u>Notes</u>
Hawaii	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	
Idaho	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	
Illinois	Base Exhibit, Line 11	Base Exhibit, Line 11	Base Exhibit, Line 11	Base Exhibit, Line 11	
Indiana	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 5.2 - Line 6.3 - Line 10 NOTE: Lines 5.2 and 6.3 will be captured separately to be combined with allocated annuity premiums.	Deduct on Base Exhibit, Line 9, Col. 4, amounts received for unallocated annuity contracts which require book value accounting. Lines 5.2 and 6.3 MUST be completed for amounts included in Line 1, Col. 4. These items will be captured separately and combined with allocated annuity premiums.
Iowa	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 + Line 4.3 - Line 10	Deduct on Base Exhibit, Line 9, Col. 4, amounts received for unallocated annuity contracts that requires book value accounting.
Kansas	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	

2007 Formulas to Adjustment Exhibit (continued)

<u>State</u>	<u>Column 1</u> Life Insurance Premium	<u>Column 2</u> Allocated Annuity & Other Allocated Fund Deposits	<u>Column 3</u> A&H Premium	<u>Column 4</u> Unallocated Annuity & Other Unallocated Fund Deposits	<u>Notes</u>
Kentucky	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	NO deduction is allowed with respect to multiple policies of non-group life insurance issued to any one owner (commonly referred to as COLI, BOLI, etc.).
Louisiana	Line 1 - Line 10	Line 1 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 10 NOTE: Line 2 provided to GA under separate file.	Although 403(b) premiums are captured separately, <u>Adj. Exhibit, line 2, columns 2 and 4 of the Adjustments Exhibit must be completed.</u>
Maine	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	Deduct on Base Exhibit, Line 9, Col. 4, amounts received for unallocated annuity contracts that requires book value accounting. Deduct on Adj. Exhibit Line 10, Col. 1 only, amounts included in Ad. Exhibit, Line 1, Col. 1 in excess of \$5,000,000 with respect to multiple policies of non-group life insurance issued to any one owner (commonly referred to as COLI, BOLI, etc.)
Maryland	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	
Massachusetts	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	

2007 Formulas to Adjustment Exhibit (continued)

<u>State</u>	<u>Column 1</u> Life Insurance Premium	<u>Column 2</u> Allocated Annuity & Other Allocated Fund Deposits	<u>Column 3</u> A&H Premium	<u>Column 4</u> Unallocated Annuity & Other Unallocated Fund Deposits	<u>Notes</u>
Michigan	Line 1 - Line 10	Line 1 + Line 2	Line 1 – Line 10	Line 1 +Line 2 - Line 5.2 – Line 6.3 - Line 10 NOTE: Lines 5.2 and 6.3 will be captured separately to be combined with allocated annuity premiums.	<p>Stop Loss premium subject to assessment, no deduction allowed</p> <p>Deduct on Base Exhibit, Line 9, Col. 4, amounts received for unallocated annuity contracts which require book value accounting.</p> <p>Lines 5.2 and 6.3 MUST be completed for amounts included in Line 1, Col. 4. These items will be captured separately and combined with allocated annuity premiums.</p> <p>Deduct on Adj. Exhibit Line 10, Col. 1 only, amounts included in Ad. Exhibit, Line 1, Col. 1 in excess of \$5,000,000 with respect to multiple policies of non-group life insurance issued to any one owner (commonly referred to as COLI, BOLI, etc.).</p>

2007 Formulas to Adjustment Exhibit (continued)

<u>State</u>	<u>Column 1</u> Life Insurance Premium	<u>Column 2</u> Allocated Annuity & Other Allocated Fund Deposits	<u>Column 3</u> A&H Premium	<u>Column 4</u> Unallocated Annuity & Other Unallocated Fund Deposits	<u>Notes</u>
Minnesota	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 + Line 4.5 - Line 5.2 + Line 5.4 - Line 6.3 + Line 6.5 - Line 10	<p>Deduct on Base Exhibit, Line 9, Col. 4, amounts received for unallocated annuity contracts which require book value accounting.</p> <p>Deduct on Adjustment Exhibit Line 10 (Col. 1) premiums for credit life contracts.</p> <p>Deduct on Base Exhibit Line 9 Col's or 4 amounts received for an annuity contract issued in connection with and for the purpose of funding a structured settlement of a liability claim, where the liability insurer remains liable,</p>
Mississippi	Line 1 - Line 10	Line 1 + Line 2	Line 1 - Line 10	<p>Line 1 + Line 2 - Line 5.2 - Line 6.3 - Line 10</p> <p>NOTE: Lines 5.2 and 6.3 will be captured separately to be combined with allocated annuity premiums.</p>	<p>Deduct on Base Exhibit, Line 9, Col. 4, amounts received for unallocated annuity contracts which require book value accounting.</p> <p>Lines 5.2 and 6.3 MUST be completed for amounts included in Line 1, Col. 4. These items will be captured separately and combined with allocated annuity premiums.</p> <p>Deduct on Adj. Exhibit Line 10, Col. 1 only, amounts included in Ad. Exhibit, Line 1, Col. 1 in excess of \$5,000,000 with respect to multiple policies of non-group life insurance issued to any one owner (commonly referred to as COLI, BOLI, etc.).</p>

2007 Formulas to Adjustment Exhibit (continued)

<u>State</u>	<u>Column 1</u> Life Insurance Premium	<u>Column 2</u> Allocated Annuity & Other Allocated Fund Deposits	<u>Column 3</u> A&H Premium	<u>Column 4</u> Unallocated Annuity & Other Unallocated Fund Deposits	<u>Notes</u>
Missouri	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	Deduct on line 10 of column 2 premiums for any annuity contract or group annuity certificate which <u>is not</u> issued to and owned by an individual.
Montana	Line 1 - Line 10	Line 1 + Line 2	Line 1 - Line 10	Line 1 + Line 2 - Line 5.2 - Line 6.3 - Line 10 NOTE: Lines 5.2 and 6.3 will be captured separately to be combined with allocated annuity premiums.	Deduct on Base Exhibit, Line 9, Col. 4, amounts received for unallocated annuity contracts which require book value accounting. Lines 5.2 and 6.3 MUST be completed for amounts included in Line 1, Col. 4. These items will be captured separately and combined with allocated annuity premiums. Deduct on Adj. Exhibit Line 10, Col. 1 only, amounts included in Ad. Exhibit, Line 1, Col. 1 in excess of \$5,000,000 with respect to multiple policies of non-group life insurance issued to any one owner (commonly referred to as COLI, BOLI, etc.).
Nebraska	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	Deduct on Adj. Exhibit Line 10, Col. 1 only, amounts included in Ad. Exhibit, Line 1, Col. 1 in excess of \$5,000,000 with respect to multiple policies of non-group life insurance issued to any one owner (commonly referred to as COLI, BOLI, etc.)

2007 Formulas to Adjustment Exhibit (continued)

<u>State</u>	<u>Column 1</u> Life Insurance Premium	<u>Column 2</u> Allocated Annuity & Other Allocated Fund Deposits	<u>Column 3</u> A&H Premium	<u>Column 4</u> Unallocated Annuity & Other Unallocated Fund Deposits	<u>Notes</u>
Nevada	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	Deduct on Adj. Exhibit Line 10, Col. 1 only, amounts included in Ad. Exhibit, Line 1, Col. 1 in excess of \$5,000,000 with respect to multiple policies of non-group life insurance issued to any one owner (commonly referred to as COLI, BOLI, etc.)
New Hampshire	Base Exhibit, Line 11	Base Exhibit, Line 11	Base Exhibit, Line 11	Base Exhibit, Line 11	
New Jersey	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 5.3 - Line 6.4 + Line 7.3 - Line 8 - Line 9 - Line 10	
New Mexico	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	
New York	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 + Line 3.1 - Line 4.2 - Line 5.1 - Line 6.2 + Line 7.1 - Line 10	
North Carolina	Base Exhibit, Line 11	Base Exhibit, Line 11	Base Exhibit, Line 11	Base Exhibit, Line 11	

2007 Formulas to Adjustment Exhibit (continued)

<u>State</u>	<u>Column 1</u> Life Insurance Premium	<u>Column 2</u> Allocated Annuity & Other Allocated Fund Deposits	<u>Column 3</u> A&H Premium	<u>Column 4</u> Unallocated Annuity & Other Unallocated Fund Deposits	<u>Notes</u>
North Dakota	Line 1 - Line 10	Line 1 + Line 2	Line 1 - Line 10	Line 1 + Line 2 - Line 5.2 - Line 6.3 - Line 10 NOTE: Lines 5.2 and 6.3 will be captured separately to be combined with allocated annuity premiums.	Deduct on Base Exhibit, Line 9, Col. 4, amounts received for unallocated annuity contracts which require book value accounting. Lines 5.2 and 6.3 MUST be completed for amounts included in Line 1, Col. 4. These items will be captured separately and combined with allocated annuity premiums. Deduct on Adj. Exhibit Line 10, Col. 1 only, amounts included in Ad. Exhibit, Line 1, Col. 1 in excess of \$5,000,000 with respect to multiple policies of non-group life insurance issued to any one owner (commonly referred to as COLI, BOLI, etc.).
Ohio	Line 1 - Line 10	Line 1 - Line 10	Line 1 - Line 10	Line 1 - Line 4.2 - Line 10	
Oklahoma	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	
Oregon	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 10	
Pennsylvania	Base Exhibit, Line 11	Base Exhibit, Line 11	Base Exhibit, Line 11	Base Exhibit, Line 11	
Puerto Rico	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	

2007 Formulas to Adjustment Exhibit (continued)

<u>State</u>	<u>Column 1</u> Life Insurance Premium	<u>Column 2</u> Allocated Annuity & Other Allocated Fund Deposits	<u>Column 3</u> A&H Premium	<u>Column 4</u> Unallocated Annuity & Other Unallocated Fund Deposits	<u>Notes</u>
Rhode Island	Base Exhibit, Line 11	Line 1 + Line 2	Base Exhibit, Line 11	Line 1 +Line 2 - Line 5.2 – Line 6.3 - Line 10 NOTE: Lines 5.2 and 6.3 will be captured separately to be combined with allocated annuity premiums.	Deduct on Adj. Exhibit Line 10, Col. 1 only, amounts included in Ad. Exhibit, Line 1, Col. 1 in excess of \$5,000,000 with respect to multiple policies of non-group life insurance issued to any one owner (commonly referred to as COLI, BOLI, etc.). Deduct on Base Exhibit, Line 9, Col. 4, amounts received for unallocated annuity contracts that requires book value accounting. Lines 5.2 and 6.3 MUST be completed for amounts included in Line 1, Col. 4. These items will be captured separately and combined with allocated annuity premiums.
South Carolina	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	
South Dakota	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	Deduct on Adj. Exhibit Line 10, Col. 1 only, amounts included in Ad. Exhibit, Line 1, Col. 1 in excess of \$5,000,000 with respect to multiple policies of non-group life insurance issued to any one owner (commonly referred to as COLI, BOLI, etc.)

2007 Formulas to Adjustment Exhibit (continued)

<u>State</u>	<u>Column 1</u> Life Insurance Premium	<u>Column 2</u> Allocated Annuity & Other Allocated Fund Deposits	<u>Column 3</u> A&H Premium	<u>Column 4</u> Unallocated Annuity & Other Unallocated Fund Deposits	<u>Notes</u>
Tennessee	Line 1 - Line 10	Line 1 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 10 NOTE: Line 2 provided to GA under separate file.	Although 403(b) premiums are captured separately, <u>Adj. Exhibit, line 2, columns 2 and 4 of the Adjustments Exhibit must be completed.</u>
Texas	Line 1 - Line 10	Line 1 + Line 2	Line 1 - Line 10	Line 1 + Line 2 - Line 5.2 - Line 6.3 - Line 10 NOTE: Lines 5.2 and 6.3 will be captured separately to be combined with allocated annuity premiums.	Deduct on Base Exhibit, Line 9, Col. 4, amounts received for unallocated annuity contracts which require book value accounting. Lines 5.2 and 6.3 MUST be completed for amounts included in Line 1, Col. 4. These items will be captured separately and combined with allocated annuity premiums. Deduct on Adj. Exhibit Line 10, Col. 1 only, amounts included in Ad. Exhibit, Line 1, Col. 1 in excess of \$5,000,000 with respect to multiple policies of non-group life insurance issued to any one owner (commonly referred to as COLI, BOLI, etc.).

2007 Formulas to Adjustment Exhibit (continued)

<u>State</u>	<u>Column 1</u> Life Insurance Premium	<u>Column 2</u> Allocated Annuity & Other Allocated Fund Deposits	<u>Column 3</u> A&H Premium	<u>Column 4</u> Unallocated Annuity & Other Unallocated Fund Deposits	<u>Notes</u>
Utah	Line 1 – Line 10	Line 1 + Line 2	Line 1 – Line 10	Line 1 + Line 2 - Line 5.2 - Line 6.3 – Line 10 NOTE: Lines 5.2 and 6.3 will be captured separately to be combined with allocated annuity premiums.	Deduct on Base Exhibit, Line 9, Col. 4, amounts received for unallocated annuity contracts which require book value accounting. Lines 5.2 and 6.3 MUST be completed for amounts included in Line 1, Col. 4. These items will be captured separately and combined with allocated annuity premiums. Deduct on Adj. Exhibit Line 10, Col. 1 only, amounts included in Ad. Exhibit, Line 1, Col. 1 in excess of \$5,000,000 with respect to multiple policies of non-group life insurance issued to any one owner (commonly referred to as COLI, BOLI, etc.)
Vermont	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.2 - Line 10	
Virginia	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	Effective 7/1/92, Virginia law now provides coverage for any contract or group certificate not issued to and owned by an individual and for annuities issued to fund structured settlement agreements. Deductions for these contracts are no longer allowed. Stop Loss premium subject to assessment, no deduction allowed

2007 Formulas to Adjustment Exhibit (continued)

<u>State</u>	<u>Column 1</u> Life Insurance Premium	<u>Column 2</u> Allocated Annuity & Other Allocated Fund Deposits	<u>Column 3</u> A&H Premium	<u>Column 4</u> Unallocated Annuity & Other Unallocated Fund Deposits	<u>Notes</u>
Washington	Line 1 – Line 10	Line 1 + Line 2	Line 1 – Line 10	Line 1 + Line 2 - Line 5.2 - Line 6.3 – Line 10 NOTE: Lines 5.2 and 6.3 will be captured separately to be combined with allocated annuity premiums.	Deduct on Base Exhibit, Line 9, Col. 4, amounts received for unallocated annuity contracts which require book value accounting. Lines 5.2 and 6.3 MUST be completed for amounts included in Line 1, Col. 4. These items will be captured separately and combined with allocated annuity premiums. Deduct on Adj. Exhibit Line 10, Col. 1 only, amounts included in Ad. Exhibit, Line 1, Col. 1 in excess of \$5,000,000 with respect to multiple policies of non-group life insurance issued to any one owner (commonly referred to as COLI, BOLI, etc.)
West Virginia	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.2 - Line 10	
Wisconsin	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	Stop Loss premium subject to assessment, no deduction allowed
Wyoming	Line 1 - Line 10	Line 1 + Line 2 - Line 10	Line 1 - Line 10	Line 1 + Line 2 - Line 4.1 - Line 4.2 - Line 5.2 - Line 6.3 - Line 10	