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<u>Key</u>	<u>Age</u>	<u>Policy Dur</u>	<u>Policy Av/Gv</u>	<u>Mer (Bps)</u>	<u>Base Cost Factor</u>	<u>Base Margin Factor</u>
<u>INTERPOLATED</u>	<u>62</u>	<u>4.25</u>	<u>0.80</u>	<u>265</u>	<u>0.15010</u>	<u>0.04491</u>
<u>12043121</u>	<u>60</u>	<u>3.5</u>	<u>0.75</u>	<u>250</u>	<u>0.14634</u>	<u>0.04815</u>
<u>12043122</u>	<u>60</u>	<u>3.5</u>	<u>0.75</u>	<u>350</u>	<u>0.15914</u>	<u>0.04511</u>
<u>12043131</u>	<u>60</u>	<u>3.5</u>	<u>1.00</u>	<u>250</u>	<u>0.10263</u>	<u>0.04365</u>
<u>12043132</u>	<u>60</u>	<u>3.5</u>	<u>1.00</u>	<u>350</u>	<u>0.11859</u>	<u>0.04139</u>
<u>12043221</u>	<u>60</u>	<u>6.5</u>	<u>0.75</u>	<u>250</u>	<u>0.12946</u>	<u>0.04807</u>
<u>12043222</u>	<u>60</u>	<u>6.5</u>	<u>0.75</u>	<u>350</u>	<u>0.14206</u>	<u>0.04511</u>
<u>12043231</u>	<u>60</u>	<u>6.5</u>	<u>1.00</u>	<u>250</u>	<u>0.08825</u>	<u>0.04349</u>
<u>12043232</u>	<u>60</u>	<u>6.5</u>	<u>1.00</u>	<u>350</u>	<u>0.10331</u>	<u>0.04129</u>
<u>12044121</u>	<u>65</u>	<u>3.5</u>	<u>0.75</u>	<u>250</u>	<u>0.18484</u>	<u>0.04319</u>
<u>12044122</u>	<u>65</u>	<u>3.5</u>	<u>0.75</u>	<u>350</u>	<u>0.19940</u>	<u>0.04074</u>
<u>12044131</u>	<u>65</u>	<u>3.5</u>	<u>1.00</u>	<u>250</u>	<u>0.12931</u>	<u>0.03944</u>
<u>12044132</u>	<u>65</u>	<u>3.5</u>	<u>1.00</u>	<u>350</u>	<u>0.14747</u>	<u>0.03757</u>
<u>12044221</u>	<u>65</u>	<u>6.5</u>	<u>0.75</u>	<u>250</u>	<u>0.16829</u>	<u>0.04313</u>
<u>12044222</u>	<u>65</u>	<u>6.5</u>	<u>0.75</u>	<u>350</u>	<u>0.18263</u>	<u>0.04072</u>
<u>12044231</u>	<u>65</u>	<u>6.5</u>	<u>1.00</u>	<u>250</u>	<u>0.11509</u>	<u>0.03934</u>
<u>12044232</u>	<u>65</u>	<u>6.5</u>	<u>1.00</u>	<u>350</u>	<u>0.13245</u>	<u>0.03751</u>

The interpolations required to compute the *Scaling Factor* are slightly different from those needed for the *Base Factors*. Specifically, the user should *not* interpolate the intercept and slope terms for each surrounding node, but rather interpolate the *Scaling Factors* applicable to each of the nodes.

Table 2-8 provides an example of the *Scaling Factor* for the sample policy given earlier in Table 2-7 (i.e., a 5% Roll-up “Pro Rata” policy mapped to the Diversified Equity class) as well as the nodes used in the interpolation. The aggregate AV/GV for the product portfolio (i.e., all 5% Roll-up policies combined) is 0.75; hence, 90% of this value is 0.675 as shown under “Adjusted Product AV/GV”. As before, the margin offset is 100 basis points per annum.

















