LIFE INSURANCE

How to protect your family

The series on life insurance beginning in this issue is designed to help the typical consumer save some big money. Many people shell out $400, $600, even $1000 a year for life insurance without much idea of what they're getting for the money. Reluctant to probe the arcane world of death benefits, cash values, and the like, most buyers don't realize that there are major differences between the chief types of life insurance—and big cost differences within each type. A 35-year-old woman buying $200,000 worth of life insurance, for example, could save $15,000 or more over a 20-year period by choosing a policy carefully.

The first step in buying life insurance is to figure out how much you need. So this report begins with a worksheet and detailed directions for pinning down that vital number.

Insurance agents are usually eager to sell you a policy that combines death protection with some sort of savings plan—a traditional whole-life policy or one of the new universal-life policies. These policies may be absolutely the wrong choice for many buyers. We'll explain why in a detailed look at the three major life-insurance products.

A special three-part series

June: Term insurance

This first part of our series explains term insurance, the simplest—and for many buyers, the best—form of life insurance to buy. Term insurance, the plain vanilla of the life-insurance industry, provides death benefits only, with no savings element. We start with a step-by-step guide to figuring your insurance need. You may be surprised at how high the total is. But you may also be surprised at how easily you can afford the coverage—if you purchase it the right way. We'll also help you figure out how much of your insurance need is already filled by "insurance" almost all wage-earners already own—your Social Security survivors benefits. And we tell you how companies judge whether you're a good insurance risk. Last but not least, we rate specific policies for different age groups and amounts of insurance, to help you decide which ones are good buys.

Ratings of 96 term policies

July: Whole life

Next month, we'll turn our attention to the product that for decades was the bread and butter of the life-insurance industry—whole-life insurance. It's designed to cover you for as long as you live, and its annual premiums as a rule stay constant from year to year. Besides offering an insurance benefit in the event of death, whole life includes what amounts to a built-in savings plan. It also contains a built-in trap: high premiums that make it almost impossible for a middle-income family to afford enough insurance to protect children adequately. For those few who can afford to consider it, we'll discuss whether whole life is sensible as an investment. The July installment will also feature a report on a company that, in just nine years, has grown from nowhere into the nation's biggest seller of individual life insurance policies—the A.L. Williams organization.

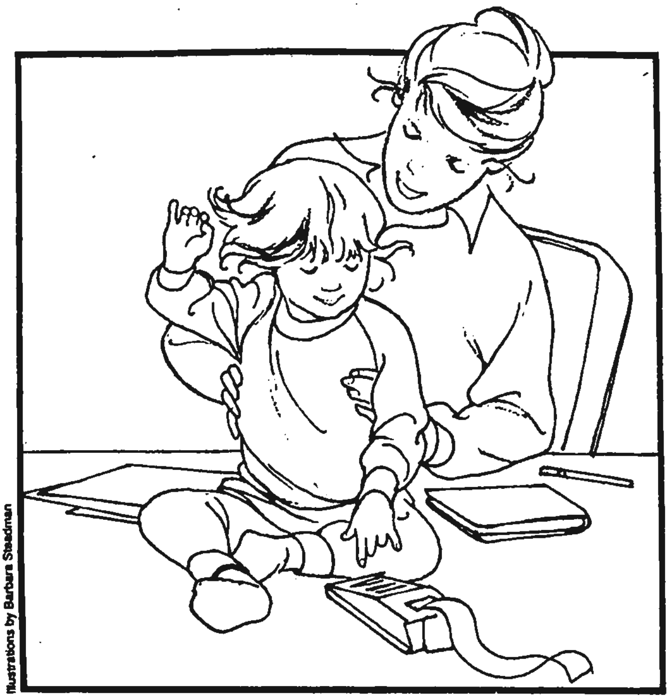
Ratings of 40 whole-life policies

August: Universal life

The newest kid on the life-insurance block is universal life, whose sales have been growing dramatically. It's a razzle-dazzle product, combining some elements of traditional term insurance, some elements of whole life, and some twists of its own. A big selling point is flexibility. Within limits, you can choose the amount you want to put in each year. Part of your payment goes to provide the death benefit and part goes into a fund that in some ways resembles a money-market fund. We'll answer some tough questions about these glitzy products. How much of your money is paid to the company in fees? What's the real rate of return on the savings part of the package? Can companies sustain the high rates of return they've been advertising? Since many people already own life-insurance policies, we'll also discuss how to judge whether you should drop one policy to buy another.

Ratings of 41 universal-life policies

How much life insurance do you need?



Illustrations by Barbara Steadman

Life insurance isn't fun to buy. You can't wear it, eat it, or decorate your house with it. It doesn't bring the same pleasure as a new dress, fine chocolates, or Japanese prints on the wall. Buying life insurance is actually a bit painful. It forces you to think about your own death, a subject you might prefer not to confront.

Insurance people like to say that life insurance is "sold, not bought." Unfortunately, that's usually true. Many people who need life insurance are passive about it. They put off the decision until they meet an agent who sells them some kind of policy. But all too often, it's a policy that provides too little coverage at too high a premium.

Who needs life insurance?

There's a single, overriding reason to buy life insurance: to provide an income for your dependents. One can put life insurance to other uses as well—to serve as an investment, for example, or to defray estate taxes. But for most people, those reasons pale beside the need for insurance as a financial replacement for the breadwinner should he or she die tomorrow.

Families with young children almost always need a lot of insurance. Young children can't support themselves. The younger the children, the more years they'll need to be supported—and the more life insurance you need.

Historically, companies have sold life insurance as a man's product. In the traditional family, the husband worked while his wife stayed home with the children. The breadwinner bought the life insurance. Conventional wisdom had it that women didn't need insurance, since they had no incomes to replace. If women carried any insurance at all, it was usually only a small amount.

But today most wives are wage-earners. Almost half of all women with a child under one year old are in the workforce, either as the sole breadwinner or as one provider in a two-income family. Those women need insurance.

Couples without children may or may not need life insurance. The test is whether your mate would suffer financial hardship if you died tomorrow. If he or she can earn a reasonable living without you, you probably don't need insurance. But if your mate depends on your income, then by all means consider buying insurance to provide an income after you're gone.

Children generally don't need life insurance, since they have no incomes to replace and their parents normally don't count on them for support. Yet some agents have convinced parents to buy insurance on the kids anyway. In 1984, according to the American Council of Life Insurance, the median amount of life-insurance coverage on children was $5000. Money spent on children's policies would be better spent to beef up coverage on the breadwinners.

Do single people need insurance? If you're a single parent, or a single person supporting an aged parent who would suffer financial distress if you died, the answer is yes. But if you have no dependents, you might be better off spending the money on a Caribbean vacation.

Agents like to sell insurance to single people almost as much as they like to sell it to children. Their pitch: buy insurance now so you'll have it later when you need it. After all, they say, the rates are cheaper when you're young. And you might get sick and become uninsurable.

The odds, however, are against your becoming uninsurable. Even if you did get sick, many conditions that would have once sent your application to the wastebasket no longer disqualify you from obtaining coverage. Paying for insurance when you don't need it is a waste of money no matter how cheap the rates.

How much is enough?

Most people who have life insurance don't have enough. The median amount of coverage for all adults who have any insurance was only $15,000 in 1984—a figure that includes group insurance. That's obviously not enough to sustain a family with young children for very long.

Metropolitan Life, no slouch when it comes to selling insurance to Middle America, reports that the average size of its bread-and-butter whole-life policy is only $25,000 to $50,000.

In 1984, Nationwide Insurance Co. used a 1980 version of CU's life-insurance planning worksheet to study the insurance needs of 3674 people. The company found that the married men in its study carried an average of about $101,880 in life insurance; they needed about $100,706 more. Married women carried about $43,516 worth of insurance but needed some $98,507 more. Families with the highest incomes had the greatest gaps in coverage.

A survey we conducted of our own subscribers last year also points to inadequacies in many people's coverage. Among households we surveyed, 39 percent had less than $50,000 of coverage. About 40 percent carried $100,000 or more, a figure that is much more in line with CU's recommendations over the years.

Many men and women don't know how much life insurance they would need to maintain their family's current lifestyle if the breadwinners died. It's no wonder they don't know. Insurance agents are not telling them.

A CONSUMER REPORTS reporter visited nine life-insurance agents in New York City; none did a proper analysis of her life-insurance needs. One of the agents told her she needed insurance equal to five times her income. Another recommended $250,000 to $300,000. A third plucked the figure of $100,000 out of the air. The other six agents asked *her* how much she needed.

How to use the worksheet

Don't depend on an agent to figure your needs. You can do it yourself, using the worksheet on page 376 and the explanations beginning on this page. Rule-of-thumb estimates such as five or eight times your income are simply guesses; they may produce too little or too much insurance. Carry too little insurance and you may not provide a reasonable standard of living for your family after your death; carry too much and you may not enjoy a reasonable standard of living while you're alive.

Each person in your family who has an income to replace should analyze his or her own life-insurance needs. If both husband and wife contribute income to the family, both should fill out the worksheet.

The first part of the worksheet helps you figure what your family's expenses would be if you died tomorrow. The expenses fall into two broad categories: final expenses such as estate taxes, probate costs, and funeral expenses; and funds for future needs, such as daily living expenses and future educational costs for children.

The second part of the worksheet analyzes your assets and the sources of income that you can use to cover the expenses.

Once you've calculated both your income needs and assets, you subtract the assets from the needs. The result is the amount of additional insurance that you'll need to buy.

Not every item in the worksheet may be applicable to you. You may not have an entry for child-care expenses. Or you may not want to provide for your children's college expenses. The worksheet is very personal; there are no right or wrong answers. The answers depend on the assumptions you make about your goals, job, education plans, and so on.

Pay close attention to the calculation of Social Security survivors benefits (page 377-378). Those benefits will be a major source of income for many families.

To illustrate how to fill out the worksheet, we include here an analysis of the needs of a working mother whose financial situation is familiar to us. We'll call her Kristine Hill.

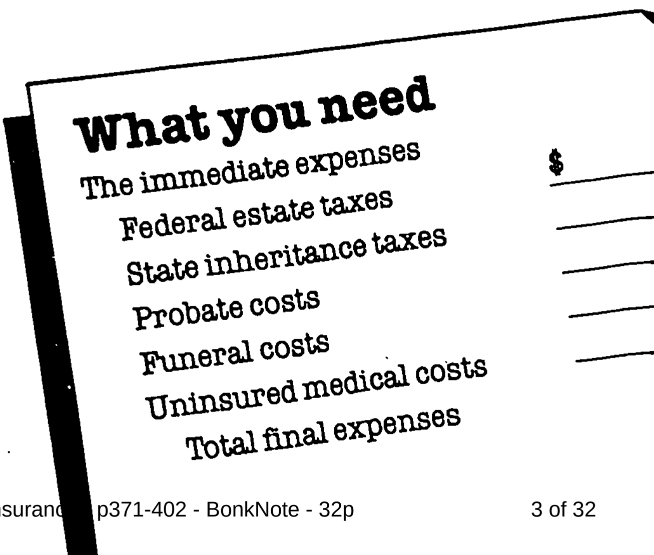
The immediate expenses

The first part of the worksheet has entries for the immediate expenses your family would face if you died tomorrow. These include estate taxes, probate costs, funeral expenses, and uninsured final medical expenses.

Estate taxes. Generally, everything you own—your house, bank accounts, stocks, jewelry, and so on—becomes part of your estate. Property you bequeath to a spouse, however, is not subject to Federal estate tax.

Many people don't have to worry about Federal estate taxes, since an estate must exceed $500,000 before it's taxed. (The threshold goes to $600,000 next year.) If you have a large estate, you can figure your tax obligation with the help of a Government publication called Federal Estate and Gift Taxes (publication number 448). To get it, call 1-800-424-1040.

Kristine Hill did not expect her estate to have any Federal estate-tax liability. Her estate would owe no New York inheritance taxes either, since her husband is the sole beneficiary of her estate. New York allows a person to pass his or her entire estate to a spouse tax-free. That may not be true in other states. So it's wise to consult a tax specialist.



You may or may not want to include your life-insurance policies in your estate. You can keep them out of your estate if you give up the right to change the beneficiary of the policy, to borrow on it, or to use it as collateral for a loan. The woman in our example kept life insurance in her estate, since it didn't affect the amount of estate taxes her heirs might have to pay.

Probate costs. Probate is the legal process by which the state validates your will after you die, makes sure debts are paid, and makes sure that your wishes are carried out. (If you don't have a will, you should. See CONSUMER REPORTS, February 1985.) Your will may have to go through probate, especially if you have property in your own name, make special bequests, give property to your children, or set up trusts. The probate procedure can involve lawyers' fees, filing and administrative fees, and fees to your executor. (If you've named a family member as executor, he or she may not take a fee.)

Attorneys' fees vary from state to state and from lawyer to lawyer. Some states set a maximum fee based on a percentage of the estate's value. Others require lawyers to charge "reasonable fees" based on the actual work they do. If your estate is complicated or long-lost relatives fight for the spoils, probate costs could be high.

If you don't have a will, there are still costs. The state will distribute your property and charge your estate some money for its work.

Check probate costs with the lawyer who drew up your will, or with a tax specialist. Hill consulted her attorney and determined that her will probably would not go through probate, since she is leaving everything to her husband and all of their property is jointly held. So she allowed no probate expenses.

Funeral expenses. If you want to go out in grand style, your funeral costs can be stratospheric. But with intelligent cost-saving measures, your survivors can keep your funeral costs low.

The National Funeral Directors Association says that in 1983, funeral charges and casket costs averaged about $2700 across the country. Those figures don't include cemetery expenses, monuments, or miscellaneous items such as flowers, clergy fees, and transportation, which can roughly double that figure. Hill allowed $5000 for funeral expenses.

Uninsured medical expenses. A final illness can be very costly, particularly if you don't have good medical-insurance coverage. If you have good medical and hospital coverage, it will probably pay almost all of your medical expenses. If you don't, it's wise to budget several thousand dollars for uninsured medical costs. Hill has a good medical plan where she works, so she thought $1000 was enough to cover any uninsured expenses.

The future expenses

These funds represent the bulk of your life-insurance needs. They include a family expense fund, an emergency fund, and in some cases a child-care fund, a college fund, and a fund for repayment of debts.

Family expense fund. This is an amount of money your family would need for daily expenses. To calculate it, follow these steps:

Step 1. Figure your monthly take-home pay by multiplying your weekly take-home pay by 4.33 (the average number of weeks in a month). If your spouse has income, make the same calculation with his or her take-home pay. Add the two numbers together to arrive at the family's total monthly take-home pay.

Kristine Hill figured her family's total monthly take-home pay was $3378.

Step 2. Next, decide how much of that amount your family would need to cover its expenses after you're gone. Most people feel that about 75 percent of their current take-home pay is adequate. It costs two people more to live, but not twice as much as one, the theory goes. Hill figured that her family would need $2534 per month. That includes day-care costs, apartment rent, food, clothing, and transportation expenses.

Decide whether you want the family expense fund to cover mortgage payments. If you do, your survivors would keep on making monthly mortgage payments just as you do now. You may decide, though, that your insurance proceeds should pay off the mortgage entirely. In that case, include the outstanding amount under repayment of debts. Or you may have a separate mortgage insurance policy that will pay off the outstanding mortgage amount if you die. If you have such a policy, consider your mortgage paid up for purposes of the worksheet.

Step 3. Determine the amount of monthly income your family will have coming in after you die. Include your spouse's take-home pay, Social Security survivors benefits (see page 377), and any survivors benefits from a company pension plan. (For most workers under age 55, company pension benefits will be small. Ask your pension administrator to figure them for you.)

Hill figured her family could count on her husband's monthly take-home pay ($1146) and Social Security survivors benefits (anticipated to be $833 a month). So, after her death, the family would have about $1979 of monthly income.

Step 4. Figure out the monthly shortfall—the amount by which your family's monthly income after you die falls short of the amount it needs—by subtracting the total in step 3 from the total in step 2.

Hill calculated that her family would need $2534 a month after her death, but could count on only $1979. So her family would be about $555 a month short.

Step 5. Multiply the monthly shortfall by 12 to arrive at an annual figure. In our example, that annual figure is $6660 ($555 x 12).

Step 6. Decide how many years your survivors will need the yearly income you determined in step 5.

You might, for example, assume that your spouse will be self-supporting after the youngest child goes to college or leaves home. If your spouse has a good company pension and will have substantial private savings (IRAs and Keoghs, for example), then you may not need insurance proceeds for your spouse's retirement income. You can stop the analysis at the point when your youngest child reaches 18. But if you want this fund to

The future expenses
Family expense fund ______
Emergency fund ______
Child care expenses ______
Education fund ______
Repayment of debts ______
Total future expenses
Total needs

last longer—perhaps because your spouse doesn't work or has dim prospects for a good retirement income—then you'll use a larger number of years.

Keep in mind that Social Security benefits to children end when they turn 18, and Social Security benefits to nonworking surviving spouses (so-called mothers' or fathers' benefits) stop when the youngest child reaches 16. A nonworking spouse will resume receiving Social Security survivors benefits again at age 60.

The Hills' child is only one year old now. So they need to provide 17 years' worth of income for her. Our couple wanted the wife's insurance to supplement her husband's retirement income for 10 years. So Hill planned on buying enough insurance to make the family expense fund last for 27 years altogether.

Step 7. Multiply the number of years by the amount of annual income you need, determined in step 5.

The Hills wanted 27 years of income, and figured the annual shortfall at $6660. Multiplying the two figures, Hill concluded that the family expense fund should total $179,820.

We assume that the fund would be invested upon Hill's death and earn interest at a rate that exactly equals the rate of inflation. That's a fairly conservative assumption, but it's wise to be conservative in such matters, we believe.

If you overestimate your needs a bit as a result of that assumption, it might balance an underestimate elsewhere, such as unanticipated medical expenses or the need for major repairs on the family house after you're gone.

Emergency fund. Every family should have an emergency fund. Its size is very much a personal matter. Some financial experts recommend $10,000 or $15,000. Others suggest two to six month's after-tax income. The Hills thought $10,000 was enough.

Child-care fund. For many couples, child-care expenses will already be factored into the family expense fund. That was the case for the Hills. But if one spouse is currently staying home with the kids, then both parents need to think about how the death of one parent would change the picture.

Let's say that the husband is earning wages and the wife is staying home with the kids. If the husband dies, the wife might have to take a paying job—and thus incur added expenses for child care. That's a reason to add an appropriate amount to the husband's coverage.

If the wife died, the husband may suddenly be faced with paying for baby sitters or day care. That's a reason to consider life-insurance coverage even on a nonworking spouse. (Adequate coverage for the breadwinner should be purchased first, though.)

The Conference Board, a business research organization, has found that most parents are now paying about $3000 a year per child for out-of-home care. In some large cities the cost can run as high as $13,000. Figure how much the yearly costs are likely to be in your area, and multiply that number by the number of years until your children can take care of themselves.

Education fund. You may want to provide a sum for your children's college education. It's not easy to predict how much college will cost several years from now. While college costs have risen sharply over the years, they haven't always risen in step with inflation. In years where inflation rose steeply, college costs didn't always rise as fast, and vice versa. Nor is it easy to say how falling student enrollments will affect college costs.

The College Board, an organization that monitors college costs, says that for the 1985-86 school year, the average annual cost of a four-year private college was $9659. That figure includes room and board, books, tuition, personal expenses, and some transportation costs. A comparable figure for a four-year public institution was $5314.

If your children are nearing college age, those figures should be reasonably accurate. If college is a long way off, then interest earned on the insurance proceeds should help offset future cost increases. Keep in mind that part of the college bill may be defrayed through financial aid or through loans. (See our report, "Can You Cope with College Costs?," in June 1985.)

The Hills wanted to provide six years of college and postgraduate education for their child. They multiplied today's cost of $9659 by six and got $57,954.

Repayment of debts. Since you'd probably like to leave your survivors as debt-free as possible, you'll most likely want to budget some insurance money for this purpose. A mortgage loan will probably be your biggest debt, but you may not want to enter it here. If you have a mortgage insurance policy that will pay off your mortgage, or if you want your spouse to keep making monthly payments, don't list your mortgage as a debt.

Do include other debts such as car loans and credit-card purchases, unless they're already covered by separate "credit life" insurance policies you've bought. (But note that credit life insurance is usually a bad buy. It's generally better to buy big insurance policy than several snippets. Buying individual credit-life policies is purchasing nails individually; it's needlessly expensive.)

Hill figured she owed about $500 various credit-card accounts.

Total need. Add up all the elements determine your total need, and enter that figure on the appropriate line of the worksheet. Kristine Hill figured her total needs at $254,274.

What you already have

The next step is to tote up all your assets that would be turned into cash in the event of your death. These may include cash and savings, equity in real estate, securities, IRA and Keogh plans, employer savings plans, employer lump-sum pension benefits, current life insurance, and miscellaneous assets such as art collections or assets from a business.

Don't apply any particular asset to your family's needs unless you expect your survivors to turn it into cash. For example, if you want your survivors to continue living in your house, then don't count the equity that's been built up. Likewise, your wed-

What you have now

Cash & savings
Equity in real estate
Securities
IRA & Keogh plans
Employer savings plans (e.g. 401 (k) plans)
Lump-sum employer pension benefits
Current life insurance
Other assets
Total assets

WORKSHEET

How much life insurance do you need?

What you need

	Kristine Hill		Your needs	
The immediate expenses				
Federal estate taxes	$ 0		$	
State inheritance taxes	0			
Probate costs	0			
Funeral costs	5000			
Uninsured medical costs	1000			
Total final expenses		$ 6000		$
The future expenses				
Family expense fund	179,800			
Emergency fund	10,000			
Child care expenses	0			
Education fund	58,000			
Repayment of debts	500			
Total future expenses		$ 248,300		$
Total needs		$ 254,300		$

What you have now

	Kristine Hill		Your assets	
Cash & savings	$ 20,000		$	
Equity in real estate	0			
Securities	38,000			
IRA & Keogh plans	9000			
Employer savings plans (e.g. 401(k) plans)	5400			
Lump-sum employer pension benefits	7300			
Current life insurance	66,000			
Other assets	0			
Total assets		$ 145,700		$

Extra insurance needed

Total needs minus total assets	Kristine Hill	Your needs
Total needs	$ 254,300	$
Total assets	− 145,700	−
Additional insurance needed	$ 108,600	$

ding ring may be a valuable family heirloom—but one that your family couldn't bear to sell. Do include IRA and Keogh accounts and employer-sponsored savings programs like 401(k) plans. Money you've saved through these plans is payable without penalties to your survivors.

If you're covered by a pension plan at work, check with your pension administrator to see if there will be a lump-sum survivor's benefit payable upon your death. If there is, include it among your assets. If you've already listed a monthly pension benefit in step 3 of the Needs worksheet, you probably won't have a lump-sum pension benefit. You normally get one or the other, but not both.

List any life-insurance policies you already own. Like many people, you may have more than one. Include employer-provided group insurance and any policies that you might have bought through the mail. Don't include any credit-life or mortgage policies. In this calculation we've assumed that they will simply pay your debts or mortgage.

Hill catalogued her family's assets this way: cash and investments, $57,986; IRAs, $9000; employer 401(k) plan, $5381; employer pension lump-sum benefit, $7270; life insurance, $66,000, including $16,000 in group insurance from her employer. She owns no real estate and doesn't want her husband to sell their art and antique collection if she dies. The grand total of her assets is $145,637.

Extra insurance needed

Once you've determined your total needs and total assets, subtract the assets from the needs to arrive at the amount of additional insurance you should have. For most people, this number is likely to be quite large. As we've pointed out above, most people have a large life-insurance deficit, and a calculation such as this reveals just how large it is.

Hill needed substantially more insurance than she had. Her total need was $254,300, while her assets, including her existing life insurance, came to $147,700. The worksheet shows that she needs an additional $108,600 of coverage to protect her family adequately.

Never think that you've written your life-insurance program with indelible ink. The birth of a baby or the purchase of a house might mean you need more coverage. If you inherit money from a rich uncle or if a child leaves the nest, you'll probably need less. Review your insurance needs at least every five years, and more frequently if your financial situation has significantly changed. ■

What Social Security pays your survivors

For most families, Social Security survivors benefits are a major source of income when the breadwinner dies. If you don't consider them when estimating your life-insurance needs, your calculation will lead you to purchase far more insurance than you need.

The monthly payments to survivors are a percentage of a certain "magic number" that the Social Security Administration calculates for you based on your earnings record. It's called your ***primary insurance amount.*** The actual amount your survivors receive depends on several factors: the amount of your past earnings, your age when you die, the ages of the surviving family members, and the amount of income your spouse earns.

Who gets benefits?

A surviving spouse under age 60 receives benefits only if he or she is caring for young children and does not have substantial earnings. These benefits stop when the youngest child turns 16. But then they may start again when the spouse turns 60. Disabled spouses can receive benefits at age 50.

If the surviving spouse earns less than a specified amount (currently $5760 a year, or $7800 for people age 65 and older), Social Security pays the full benefit. If the spouse earns more than $5760, the benefit is reduced by $1 for every $2 of earnings above $5760. In most cases, a spouse earning around $20,000 or more would receive no survivors benefit. The earnings test only involves employment income. If a surviving spouse gets investment income, pension benefits, or insurance proceeds, the Social Security survivors benefit isn't affected.

If the spouse is caring for a child who was disabled before age 22, he or she receives a benefit for as long as the child remains disabled. A divorced spouse who was married to you for at least 10 years (and isn't married to someone else now) is also eligible for survivors benefits.

Social Security also pays benefits to surviving children until they are 18, whether or not their mother or father gets a benefit. Children can continue to receive benefits until their nineteenth birthday if they are still in high school. Children who were disabled before age 22 receive survivors benefits for as long as they remain disabled and are unmarried. (Social Security used to provide benefits for college students, but gradually phased them out, beginning in 1981.)

If you have three or more family members eligible for benefits, Social Security doesn't pay full benefits to each one. The family receives a maximum benefit.

Figuring the benefit

The formula that determines your primary insurance amount is complex. We believe most people couldn't, or wouldn't want to, wrestle with the math involved. And, unfortunately, local Social Security Administration offices lack the resources to make the calculation for you, although the agency is considering providing that service at local offices in the future.

CU asked the Social Security Administration to devise a simple table you can use to estimate what your survivors would be likely to get if you died this year. The table on page 378 is the result. It will give you an accurate estimate if you have worked steadily since entering the workforce at about age 22 or earlier and have received regular pay increases that were of average size. The estimates will be off if you've received paltry or gigantic pay raises over the years or if you've had many years without earnings. The Social Security Administration estimates that about 60 to 70 percent of all workers can get a sufficiently accurate estimate from this chart to figure their insurance needs. (That means that the estimate should be within $25 to $75 of the actual monthly survivors benefit.)

If your work history does not fit the typical pattern, the table will give you only a rough approximation. But there's still a ray of hope. The Social Security Administration headquarters in Baltimore says

that it will estimate survivors benefits on request. Write to the Social Security Administration, Office of Public Inquiries, Baltimore, Md. 21235. Since that service is relatively new, we can't tell you how prompt or efficient it is, but it certainly is a step in the right direction. (CU has been urging for years that the Social Security Administration help people estimate the survivors benefits to which their heirs would be entitled.)

The table shows benefits payable to various categories of survivors. The "spouse with one child" and the "spouse with two children" categories assume that the spouse has either low earnings or no earnings and is eligible for full benefits. The "spouse with two children" category shows the maximum family benefit.

The "spouse at age 60" category shows the amount that's payable in 1986. For a spouse turning 60 in the future, the benefit will be greater.

A surviving spouse who has worked and has an earnings record can receive Social Security retirement benefits based on that record. But people can't get both the retirement benefit and the survivors benefit at the same time. A spouse who has worked will receive an amount equal to either the survivors benefit or the retirement benefit, whichever is greater.

To use the table, find the age closest to your current age and the earnings closest to your earnings in 1985.

To determine which family category to use, consider how much your spouse will earn after your death. If he or she will earn less than $5760 per year, use the "spouse and one child" or "spouse and two children" benefit, whichever is appropriate. Remember the "spouse with two children" category is the maximum family benefit.

If your spouse will earn about $20,000 or more and you have one child, then use the benefits for "one child only." If you have two or more children, use the category "spouse and one child," which, as we point out in the table, is also the benefit for two children when a spouse earns substantial income.

If your spouse will earn between $5760 and $20,000, the benefit is reduced by $1 for every $2 of earnings above $5760. Other factors also affect how the benefit is calculated. As you can see from the table, the family benefit for a spouse who earns less than $5760 and cares for two children would be about $1364 a month. A spouse whose earnings exceeded $20,000 would usually receive nothing, but the two children would get a total of $1168 per month.

Now take a woman who earns $15,000 and cares for two children. Her husband dies at the age of 35 and was earning $25,000 at the time of his death. Since the woman earns $15,000, the family benefit each month would be somewhere between $1168 and $1364. As it turns out, the benefit would vary somewhat each month, but would average about $1200 per month over the years.

Once you've estimated what your survivors would get from Social Security, enter that amount in step 3 of the needs calculation on page 376. ■

Social Security survivors benefits

Table shows the approximate monthly benefit your family would receive if you died in 1986. The amounts shown below are close approximations only if you have been employed steadily throughout your career and have had roughly average wage increases. For more details, see story.

Your age	Your family	Your earnings in 1985: $15,000	$20,000	$25,000	$30,000	$35,000	$39,600 or more
25	Spouse and 1 child [1]	$ 848	$1042	$1174	$1266	$1358	$1440
	Spouse and 2 children [2]	1050	1226	1371	1479	1566	1681
	1 child only	423	521	587	633	679	720
	Spouse at age 60 [3]	403	497	560	603	647	686
35	Spouse and 1 child [1]	838	1032	1168	1254	1330	1368
	Spouse and 2 children [2]	1043	1216	1364	1465	1553	1597
	1 child only	419	516	584	627	665	684
	Spouse at age 60 [3]	399	492	557	598	634	652
45	Spouse and 1 child [1]	836	1030	1150	1200	1234	1250
	Spouse and 2 children [2]	1042	1214	1344	1401	1440	1460
	1 child only	418	515	575	600	617	625
	Spouse at age 60 [3]	399	491	548	572	588	596
55	Spouse and 1 child [1]	836	1026	1124	1156	1178	1188
	Spouse and 2 children [2]	1041	1210	1313	1350	1375	1388
	1 child only	418	513	562	578	589	594
	Spouse at age 60 [3]	399	489	538	551	561	566
65	Spouse and 1 child [1]	798	984	1072	1104	1128	1140
	Spouse and 2 children [2]	991	1156	1252	1290	1316	1330
	1 child only	399	492	538	552	564	570
	Spouse at age 60 [3]	381	469	511	527	537	543

[1] *Amount shown here also equals the benefit paid to two children, if no parent survives. The same amount is also payable to a family with two children and a surviving parent who has substantial earnings.*

[2] *Equals the maximum family benefit.*

[3] *Amounts payable in 1986. Spouses turning 60 in the future would receive higher benefits.*

Term insurance: Why plain vanilla is best.

Term insurance is the poor cousin of the insurance industry. Few companies want to sell it, and few agents suggest that you buy it. Some agents won't even tell you about it. Or they may tell you that term policies are not good enough for you.

The industry has a hidden agenda. It would rather sell you whole-life or universal-life policies, which are more profitable than term policies. It would rather sell you those policies even if they leave you underinsured.

For nearly 50 years, CU has been recommending that most buyers choose term insurance.

With term insurance, you may be able to protect your family adequately. You might not be able to afford adequate coverage with other types of life insurance. Our study shows, for example, that a 35-year-old woman buying our top-rated term policy would pay around $200 the first year for $200,000 of protection. She would pay upward of $2000 for the same amount of coverage from one of the top-rated whole-life policies in our study.

Term-insurance premiums increase as you get older. But the annual premium for the lowest-cost term policy in our study doesn't exceed $2000 until the 21st year.

Long before then, however, the typical family may find that its insurance needs have declined substantially. Take the case of Kristine Hill, whose insurance needs are calculated on page 375. In 20 years, the Hills' baby will be a young woman; half of the child's college costs will be behind her; and with any luck, the Hill family's assets will have grown. In constant dollars, her need for life insurance, which we calculated at about $175,000, may well decline by half. Eventually, she may find she needs no insurance at all.

Term insurance provides coverage for a specific time period or term, hence its name. The term often is as short as one year, but not infrequently is as long as 10 or 15 years. If you die during that time, the insurance company promises to pay the face amount of the policy to your beneficiaries, provided, of course, that you've continued to pay your premiums.

The insurance company may guarantee in advance that it will renew the policy for another term, without any need for you to prove that you're still insurable. Many term policies these days potentially provide coverage for life; they can be renewed until age 100. Others can be renewed only until age 65 or 70. And still others are nonrenewable.

During the term, the amount of coverage usually remains constant; in insurance jargon, "the face amount stays level." If you bought a $50,000 level term policy for five years, your coverage would always be $50,000.

Sometimes, though, the face amount can increase or decrease. If, for example, you bought a $50,000 decreasing term policy to cover a mortgage loan, your coverage would decline as the outstanding amount of the mortgage declined.

Your annual premiums usually stay constant during each policy term. With each renewal, however, the premiums go up. That's because you are older and your chances of dying during the new term are greater.

As a rule, term policies offer a death benefit only, with no savings element. In trade parlance, term policies usually don't "build cash values." Most of the time, they can be converted to policies that do accumulate cash values—whole-life or universal-life policies. When you see the word "convertible" associated with a term policy, you know that you can convert it, under certain conditions, to a cash-value form of life insurance. For most buyers, we recommend policies that are renewable at least to age 65 and convertible at least to age 60.

Why the industry doesn't push term

Although most companies offer term policies, selling term rarely brings in big profits. Term policies have low premiums in the early years, so they bring less money in the front door than other types of policies. That, of course, means less money to make profitable investments and to pay for the expensive distribution system the industry says it needs to sell the insurance.

Insurance companies don't encourage their agents to sell much term insurance. Compensation schedules tell the story. Some agents can earn as much as 100 percent of the first-year premium for selling a whole-life policy, but only 70 percent of a smaller amount for selling term. Other agents earn less than those amounts, but almost always they earn more for selling a cash-value policy.

"A lot of people think it's amoral to go out there hawking term insurance," says John Cumming, a former senior vice president of Home Life Insurance Co.

Consequently, many agents color term insurance with negative overtones to discourage people from buying it. Some agents call it "temporary" insurance as opposed to the "permanent" coverages offered by whole life and universal life. Others make it seem as if you're settling for less than you deserve if you buy term. "You buy term if you're broke," one New York Life agent told our reporter. Some agents derisively refer to those who specialize in term insurance as "termites."

For a time, beginning in the mid 1970s and ending in the early 1980s, the insurance industry seemed ready to embrace term insurance. Term sales rose from 45 percent of the amount of insurance sold in 1975 to 60 percent in 1982. (The percentage of company revenues derived from term was smaller, since a consumer buying term can get a lot of coverage for a relatively small initial premium.)

There were several reasons for this brief love affair. One was a special tax advantage—since rescinded—that made it possible for companies to write term policies more profitably. Another was pressure from consumer groups, which encouraged people to buy term, and published price surveys. (Consumers Union, which has recommended term insurance since 1937, published major comparative-cost studies in 1974 and 1980.)

Consumers benefited from the new emphasis on term as companies fighting for the business lowered their prices.

"The demand for term insurance seemed to be there," says John Walker, senior vice president of the Business Men's Assurance Co. "There was pressure to write a better product, and the only way to do that was to make it cheaper."

But the new low prices weren't—and still aren't—always as good a deal as they seem. Many companies have begun to use "select and ultimate" pricing schemes; these postulate that an insurance buyer taking out a new policy and found to be in good health is a better risk than someone the same age who bought his policy from the company long ago and has not been examined since then. Thus new policyholders get a price break. They pay less than existing policyholders who are renewing at the same age.

Some companies use select and ultimate pricing to entice buyers with extremely low first year premiums. But the traditional upward slope of term premiums as you get older can become more than a slope with select-and-ultimate policies—it can begin to resemble a mountain. The buyers who get such good deals initially may pay extremely high rates if they keep their policies for several years.

Select and ultimate pricing has helped make some companies' term policies much more competitive at the point of sale. Take Prudential, for instance. According to a company spokesperson, seven years ago it would have cost a 45-year-old man $536 for a $100,000 term policy. Now it costs him $220. But for many select-and-ultimate term policies, the cost measured over a longer period, say 20 years, has not improved as much as the attractive first-year premium might lead you to believe.

Some companies devised another gimmick to sell their term insurance: They made their policies "revertible." When a revertible policy comes up for renewal, the policyholder takes a medical exam. A favorable verdict from the doctor qualifies the policyholder for a rate lower than the renewal rate that would normally be charged. In other words, the policy "reverts" to the select rate. Say you had bought a revertible policy when you were 40, and you passed the medical exam when the policy came up for renewal five years later. Your new premium would be based on the select rate for a newly examined 45-year-old.

There was only one catch. If you couldn't pass the medical exam, you had no choice but to pay the regular premium, which might be increasing steeply. After all, when you've just flunked a physical, it's not an ideal time to go shopping for life insurance: Other companies might not want you. Revertible term came to be called Las Vegas term; if you bought the policy, you gambled that your health wouldn't deteriorate.

Agents and brokers had a field day with the new policies, sometimes switching customers to new companies every year to take advantage of some company or other's lower first-year premiums, and to earn new commissions for themselves.

The rate wars ended, however, almost as suddenly as they had started. The companies lost their tax advantage, and term policies again became as unattractive to companies as they always had been. Reinsurance companies, which share the risk of writing insurance policies (in effect, the insurers' insurers), realized that if sharp price competition continued, everyone would lose money. So they changed the rules under which they shared the risks. In addition, the industry came up with a new type of cash-value policy, universal life, to supplant the whole-life policies that had begun to encounter consumer resistance. The brief renaissance of term policies was over.

"Most companies with a term product have done something to make it look less attractive," says John Walker of the Business Men's Assurance Co. "They've either reduced agents' commissions or bumped the rates."

ITT Life, which made a big splash selling term insurance in the early 1980s, says that in 1986 only 20 percent of its business will be in term, compared with 94 percent in 1984. Transamerica Occidental, which had earned a reputation for selling low-cost term insurance, says it is now selling universal-life policies almost exclusively.

Is term becoming a secret?

The response of insurance companies to our request for information suggests that many insurers wish consumers would just forget about this low-cost form of insurance.

We asked 127 companies to give us cost data for their term policies. Companies were chosen according to their total assets, total premiums, amount of new insurance issued, and insurance in force.

Only 57 of the 127 companies responded, far fewer than in previous studies. A number of companies said they were designing new policies for the changed marketplace and couldn't predict their new rates. Others, like Nationwide Insurance, said they were de-emphasizing term policies.

Some companies were just plain uncooperative. Provident Mutual, for instance, refused to give us rate information and said it no longer calculated the interest-adjusted net cost indexes (the method we used to evaluate the policies) for its products. "There is very little interest in these measures," Provident told us. We found that statement surprising, since 37 states have adopted a National Association of Insurance Commissioners (NAIC) model regulation requiring companies to disclose the interest-adjusted net cost indexes.

Some of the largest insurance sellers refused to participate. They include State Farm, Connecticut General, and the Transamerica companies. State Farm begged off, saying it didn't "target the higher-echelon market," so our comparisons wouldn't be fair.

From industry sources, we obtained rate information about Transamerica Occidental's *Trendsetter 20*, a "graded premium life" policy that looks, feels, and acts like term insurance. When a buyer asks for term, Transamerica offers this product. It's included in our study.

In three states—Connecticut, Massachusetts, and New York—life insurance is also sold by savings banks. In past surveys we had found savings-bank policies to be exceptionally good buys, and we wanted to see if that was still the case today. So we also asked the Savings Bank Life Insurance companies in those three states to send cost information. Our published results include policies from only the New York and Massachusetts Savings Bank Life Insurance programs. That's because Connecticut savings banks cannot write individual coverage for more than $30,000, and our comparisons were based on purchases of at least $50,000. For more on SBLI, see the box on page 383.

How to compare the costs

When you buy life insurance, it's relatively easy to compare the first-year premium costs. But that figure tells you nothing about what the policy will cost over the long run. Over a period of years, some policies with similar initial premiums can prove thousands of dollars costlier than others.

Ferreting out a good buy requires more information than a company will usually give an ordinary customer, and more number-crunching than most people can conveniently do with a calculator or home computer. That's why CU undertook this cost survey.

To see how the policies in our survey compared with one another, we calculated a number called the "interest-adjusted net cost index" for each. That index is an industry-accepted method for determining the cost of insurance. The index isn't hard to understand, though the actual calculation is complex.

A term insurance policy has two obvious elements: the premiums you pay each year, and the dividends (if any) that you get back. The premiums, in most cases, are fixed. But some policies have variable premiums, usually with a guarantee that the premiums will never rise above a specified level.

The dividends are not fixed, nor are they guaranteed. Think of the dividend as a partial refund of premium payments from prior years, paid at the discretion of the company. A policy that pays dividends is called a participating policy; one that doesn't is called nonparticipating.

You might think that the net cost would simply be the premiums paid minus the dividends received over the years.

Close, but not correct. There is a third, less obvious element—the timing of your payments and receipts. Say two policies have equal total premium payments over 20 years. The one with lower payments in the early years is a better deal, because you can bank or invest the money you saved through the initially lower premium. By the same token, a dividend paid to you early is worth more than one paid to you late.

Instead of simply adding up all the premiums and subtracting all the dividends, the interest-adjusted method "accumulates" them at a stated rate of interest—by custom, 5 percent. That takes timing into account and gives a more accurate picture of a policy's projected true costs.

The index is often expressed as a cost per $1000 of insurance. Thus, a policy with a 10-year net cost index of 4.32, for example, is estimated to cost $4.32 per $1000 of coverage per year, or about $432 annually for a $100,000 policy. The figure is slightly arbitrary in that it depends on certain assumptions, such as a 10-year or 20-year holding period and a 5 percent interest rate.

What matters most is not the index number as such, but how it compares with the index numbers for competing policies. The lower the index number, the better the buy. (For technical reasons, you should probably not pay much attention to differences of less than 5 percent, however.) The index can be used only to compare similar policies with each other—for example, one term policy with another. It can't be used to compare a term policy with a cash-value policy.

For each policy, we calculated the net cost index for 5, 10, and 20 years. We figured the indexes at both 5 percent interest and 7 percent interest to see how a higher rate would affect the rankings. As it happens, the rankings were virtually identical. So in the Ratings we show the indexes at 5 percent, the rate specified in the NAIC regulation.

Our evaluation of the policies is based on each one's performance over the three durations—5, 10, and 20 years. Policies that were among the least expensive at a given duration are designated in the Ratings by the symbol ◉. Those that were among the most expensive scored a ●. Policies that were somewhat less costly than average are indicated with a ◓. Those that were average are shown with a ○, and those that were somewhat more costly than average are shown with a ◒.

To determine the Ratings order, we considered a policy's cost grouping at each of the three durations. If two policies did equally well, we used the 10-year index to break ties. (If there were further ties, the first-year premium was the tie-breaker.)

All the policies in our study reflect non-smoker rates. In some cases, companies sent us preferred rates, which require a person to be a nonsmoker and meet other qualifications as well. (See "Are You a Good Insurance Risk?" on page 401). Policies with preferred rates are marked with an asterisk. A few companies sent us non-smoker rates for both preferred and standard classes; the Ratings show both.

The detailed Ratings tables have room for most, but not all, of the policies we selected. For the nonparticipating policies (those that don't pay dividends) at the $200,000 face amount, only the top 40 companies and the bottom 6 are shown. We list summary information for all the policies, however, in the alphabetically arranged tables beginning on page 398. Company addresses will appear in a list that we'll publish next month.

Policies are ranked according to the rates for men. Female rates are given alongside the male rates. As you can see by scanning the Ratings, women generally pay less for life insurance than men do. That's because the average woman lives about seven years longer than the average man.

"Don't knock yourself out going to too many companies," a New York Life agent advised our reporter when she shopped for life insurance. "They're all the same, especially the top four companies."

Our survey showed how wrong he was. New York Life's policy wasn't a particularly good buy, placing near the middle or in the bottom half of our various rankings. And, contrary to his assertion, the policies of the four largest companies were not identical. Among 43 participating policies providing $200,000 of coverage to a 35-year-old man, one Metropolitan policy ranked first and Equitable's ranked third. Prudential's policy was fifteenth from the top, and New York Life's was thirteenth from the bottom.

Looking at the Ratings, you can see huge price differences among policies. For example, a 25-year-old man can buy a $50,000 policy from the Savings Bank Life Insurance Fund of New York for much less than from Guardian Life. The 10-year net cost index reveals that the bottom-ranked Guardian policy is roughly three times as expensive as the savings-bank policy over the 10-year period.

A policy that starts out cheap but ends up expensive is especially likely when a company uses select and ultimate rates. As we've pointed out, buyers of those policies usually pay very low first-year premiums but dramatically higher premiums later on. The net cost index unmasks that kind of pricing strategy, since the ultimately higher premiums are reflected in a higher index number.

Take Alexander Hamilton's *Annual Renewable Term to 100* policy, for example. A 25-year-old man would pay a first-year premium of $184 for a $200,000 policy, an amount lower than the first-year premiums of seven policies that rank above it. Yet Alexander Hamilton raises the premiums steeply after the 10th year, making the policy more expensive overall. By the 20th year, the premium has risen to $790.

The opposite can also be true. A policy may have a high initial premium but still can be a good deal if you keep it for 10 or 20 years. Massachusetts Mutual's *Five-Year Renewable Term* policy is an example. A 45-year-old man buying $200,000 of coverage would pay a high annual premium of $1082 for the first five years, so if he keeps the policy for only five years, it's a terrible buy. But if he hangs onto it for 20 years, the policy shines because premiums do not rise sharply over the years, while dividends are scheduled to increase handsomely. Or take Southern Farm Bureau's *Annual Renewable Term* policy for a 45-year-old man buying $200,000 of insurance. It's the second-ranked policy even though its first-year premium of $604 is higher than the first-year premiums for the policies that rank above and below it. It's an excellent buy because, over time, its premiums and dividends compare favorably with those of other policies.

Just as the size of the first-year premium is no surefire way to judge a policy's cost, neither is the length of the term. Nevertheless, some agents may urge you to buy a policy whose premiums are level for, say, 5 or 15 years. "Your premium stays the same for five years. You know how to plan," one agent assured our reporter.

We disagree. Many of the policies with five-year level terms placed in the bottom half of our Ratings. It's how the policies are priced over time, not the length of the term, that determines whether they are good or bad buys.

Some policies are good buys at particular face amounts and ages but not at others. Home Life's *Yearly Renewable Term to 75* is the third-rated policy for a 25-year-old man who buys a $200,000 policy, but it is a mediocre buy for a 45-year-old man. Likewise, Union Labor's *Annual Renewable Term* policy is a good buy for a 45-year old, but it's somewhat less attractive for a 25-year old.

Some companies give you a price break if you buy larger amounts of insurance. Aetna's *Flexi-Term* policy, for example, is a better buy for a 35-year-old man buying $200,000 of coverage than for one buying $50,000.

Some companies have more than one policy; one can be a star, the other a dog. That's the case with Massachusetts Indemnity and Life. The company's *Annual Renewable Term to 100* policy was one of the least expensive policies for a buyer wanting $50,000 of coverage. But its *Modified Term* policy, which has a high first-year premium and then a level premium for the next 14 years, is consistently at or near the bottom of the rankings. A 35-year-old man, for example, would pay almost 2½ times as much for a $50,000 modified term policy as for the annual renewable policy over the 10-year period.

The bad apparently drives out the good in this case. The A.L. Williams organization, which is the exclusive marketer of the Massachusetts Indemnity policies, says it has sold only $5.4-billion of the cheaper policy compared to $105-billion of the more expensive one. (We'll tell you more about the Williams organization and its marketing strategies next month.) In another case, Metropolitan's *One Year Term with Premium Adjustment* ranked at or near the top of the Ratings; its *Five Year Renewable and Convertible* policy near the bottom. Contrary to the situation with Massachusetts Indemnity and Life, Metropolitan's cheaper policy outsells the more expensive policy by eight to one. The more expensive five-year policy is sold mostly to people who want smaller amounts of coverage not available from the cheaper one-year policy, says Jeanne Corbett, a Metropolitan vice president.

Some policies are available only in certain face amounts. Prudential, Equitable, and Bankers Life, for example, don't sell $50,000 term policies, concentrating instead on higher amounts.

Revertible policies

The revertible policies surprised us. We thought that "Las Vegas term" might be a good buy for people who stayed healthy, but we had assumed it would be a poor buy for those whose health took a turn for the worse. That's sometimes the case, but certain revertible policies looked good regardless.

As we said earlier, revertible policies offer you a lower rate when the policy comes up for renewal, provided you can pass a medical exam. If you can't, you'll pay a higher rate.

First we calculated a 5-, 10-, and 20-year index for each policy assuming that the policyholder stayed well for the whole time he or she had the policy. Next we calculated the indexes assuming the policyholder got sick and could not renew at the lower rate. The change in health status was assumed to happen in the third year for the five-year duration, in the sixth year for the 10-year duration, and in the eleventh year for the 20-year duration. Each revertible policy is listed twice in our rankings—once under the assumption the policyholder stayed healthy and once under the assumption he or she got sick. An "RH" designates a revertible policy under the healthy assumption; an "RU" marks the policy under the unhealthy one. To make them easy to identify, the revertible policies are also highlighted in color.

You have to look at the policy both ways to determine whether it's a good value for you. As you can see from the Ratings, a number of the policies were good buys even if you got sick. For example, a 25-year-old man buying $50,000 of coverage would find Old Line's *LT-10* as inexpensive as a nonrevertible policy even if he got sick.

As we expected, some policies were inexpensive if the policyholder stayed well, but expensive if he or she got sick. And some were just plain expensive either way you looked at them. For example, New England Mutual's *Yearly Renewable Term to Age 95* for a 25-year-old female buying $200,000 of coverage is expensive no matter whether the woman stays healthy or gets sick.

Par versus nonpar

One choice every buyer must make is between a participating (dividend-paying) policy and a nonparticipating one. Since the dividends on term policies tend to be modest, it doesn't usually make a big difference whether you choose a participating or nonparticipating term policy. The issue of dividends assumes greater importance for cash-value policies, as we'll see next month.

With a nonparticipating policy, your cost generally is fixed from the time you buy the policy. You know in advance exactly how much you will pay for a "nonpar" policy. Some buyers view that certainty as an advantage.

Participating policies are issued mainly by mutual companies (nominally owned and controlled by their policyholders), and nonpar policies are issued mainly by stock companies (those organized to make a profit for stockholders). There are some exceptions, though. Occasionally, you might come across a "flexible premium" or "variable premium" nonpar policy. In effect, though not in name, these are participating policies: Instead of paying a dividend, the company can adjust its premiums. There is one such policy in our survey, issued by the North American Co. for Life and Health Insurance.

While companies with such policies reserve the right to charge what may seem like very high maximum premiums, most of the time they won't. "Chances of a company raising its premiums to the maximum are about the same as the chances that a mutual company will discontinue paying dividends," says Walter Miller, a former senior vice president at New York Life. "Each is theoretically possible. Neither will happen."

Another quirky policy in our survey was a "participating" policy from Guardian Life that doesn't pay dividends; instead it has flexible premiums. "We priced it so low we couldn't afford to pay dividends," said a Guardian official. Our actuaries judged otherwise; it showed up among the worst policies we sampled.

Participating policies generally have higher premiums to start out with, although with term policies the differences are small. When you buy a "par" policy, you are hoping that the dividends will reduce your net cost below what it would have been had you chosen a nonparticipating policy. In the years since World War II, that hope has generally come true: Participating policies, on the whole, have been better buys in the long run than nonparticipating ones.

At the time you're buying a policy, the agent will show you what's called a "cost illustration," including dividends if there are any. If you read the fine print, you'll often see that the dividend figures shown to you are "neither estimates nor guarantees." They're simply the company's current dividend scale.

In the last three decades, those illustrative figures have usually proved conservative. Most companies have paid more than the illustrated dividends; some companies have paid far more. During the past three decades, both mortality trends and interest rates have been favorable to life-insurance companies. So most companies could afford to pay dividends that well exceeded the dividends illustrated to buyers at the time of sale. Today, interest rates are falling. Some industry observers question whether the future pattern for dividends will be as rosy as it has been in recent years. We'll have more to say about that in next month's report.

Future trends in mortality can also affect whether a participating or nonparticipating policy is the better choice. A cure for cancer, for example, would result in fewer death claims to pay, so insurance companies could afford more generous dividends.

Convertibility

A convertibility clause allows you to convert your term policy to a cash-value type of policy, such as whole life or universal life. The conversion privilege is important in case you turn out to need life insurance after age 65 or so, since some term policies can't be renewed after that age. If you think you'll need insurance in your later years (for estate-tax reasons, say, or because you have married a person much younger than yourself and expect to have dependents when you're past retirement age), you may want to convert to a cash-value form of insurance some day. (You may rest assured that the insurance company will urge you to do so no matter your need; many companies conduct yearly campaigns urging term policyholders to convert to a cash-value type of insurance.)

We believe that very few people will have a good reason to convert. But since

Still a Best Buy: savings-bank policies

Insurance policies available from savings banks have consistently ranked high in CU's life-insurance surveys.

That's not surprising, since state legislatures in New York, Massachusetts, and Connecticut instructed savings banks to provide cheap insurance for low- and moderate-income families. Savings-bank life insurance was the brainchild of Louis Brandeis, a Boston lawyer who later became a Supreme Court justice. Insurance agents often pressured working people into paying weekly premiums for an expensive form of insurance called debit insurance. Brandeis believed savings banks could provide better protection at lower cost by offering policies directly to the public, thus eliminating the middleman. In 1908, SBLI was born.

Through the years, however, the insurance industry has successfully lobbied to keep savings banks from selling insurance in the amounts many people need. The agents have screamed about "unfair competition." By that, we figure, they mean offering insurance at lower costs than they do.

In Massachusetts, a consumer can buy only $60,000 of life insurance from a savings bank. In Connecticut, a consumer can buy an individual policy for up to $30,000 or a group policy for up to $60,000.

In New York, savings banks can offer only $50,000 of individual coverage. But as of May 1, people who live or work in New York who have an account at a savings bank can buy up to $250,000 worth of group Savings Bank Life Insurance from the bank. Not every savings bank will be offering group SBLI policies in May, but most or all savings banks will probably begin to offer them over the next several months.

We strongly advise New York residents to put Savings Bank Life Insurance high on the list of policies to consider for all their insurance-protection needs. Massachusetts and Connecticut residents should consider the savings banks in their states as a possible source for at least part of their needed coverage.

Buying term policies through the mail

"High level protection at affordable rates." "No cancellation for poor health." "Monthly rates will never go up." "No physical normally required."

The bait for mail-order term policies looks tempting. These policies offer an easy way to buy life insurance. You simply select the amount of coverage you want, answer a few questions about your health, and return a form to the insurance company via the nearest mailbox.

You can easily buy mail-order term policies through trade and professional organizations or through financial institutions that pitch them to their members or credit-card customers. You may regularly discover such offers in your mail.

To see how mail-order policies compare in cost with the individual policies we rated, we calculated the interest-adjusted net cost indexes for four of them: an American International Life policy sold to Citibank *Visa* customers, a Fireman's Fund policy sold to American Express and Chase Manhattan Bank *Visa* card holders, a Consumers United Insurance Co. policy sold to members of the National Organization for Women, and a Home Life policy sold to members of the Association of MBA Executives.

The merits of the mail-order policies we examined appeared to depend mainly on the buyer's age. While the mail-order policies were generally as good as the best individual policies for 25-year-olds, they were costlier than many individual policies for the older age groups.

A 25-year-old man or woman wanting $50,000 of coverage couldn't go wrong buying a policy by mail from any of the companies in our sample. The policies were as inexpensive as the top-rated nonparticipating policies in the Ratings. (All the mail-order policies were nonparticipating.)

But 45-year-olds could do better elsewhere. If the policies for 45-year-olds were inserted into the Ratings of individual policies, the vast majority would rank in the bottom half. For example, the Fireman's Fund policy for a 45-year-old man buying $50,000 of coverage has a 10-year cost index high enough to put the policy close to the bottom of the list. The American International Life policy for a 45-year-old woman buying $50,000 of insurance also ranks near the bottom.

All the companies except Fireman's Fund have unisex rates; that is, men and women are charged the same rate. So females don't get a break as they do with most individual policies.

Many companies offering mail-order policies don't go to great lengths to check your physical ailments and health habits. The more stringently a company checks out its applicants, the less convenient the buying process is. With mail-order policies, convenience is a big selling point. Since they don't expect all their prospective policyholders to be in tip-top shape, the mail-order companies must charge rates that are high enough to cover the additional losses that will result when some of these people die. "You have less flexibility to set a rock-bottom price for the perfect risk," says Jon Stufflebeem, senior vice president of Home Life Insurance Co.

When you're deciding whether to buy one of these policies, be wary of certain statements sellers make.

"Your NOWlife coverage cannot be cancelled if your health changes," says the NOW brochure advertising the Consumers United Insurance Co. policy. "Even if your health fails or you're in a terrible accident, your insurance is guaranteed to continue," boasts a letter from American Express pitching the Fireman's Fund policy.

While it may be true that those policies won't be cancelled, such statements imply that other life-insurance policies might be cancelled if your health deteriorates. Not so. As long as you don't misstate some important fact on your insurance application, individual policies can't be cancelled either. After an individual policy has been in force for two years, it can't be cancelled except for nonpayment of premiums.

Watch out, too, for meaningless price claims. "A 39-year-old male American Express Cardmember pays only 63 cents daily for $100,000 of life insurance. That's little more than the cost of a cup of coffee," Joseph Mundy, the insurance officer at American Express, wrote to cardmembers in urging them to buy the Fireman's Fund policy.

Pitches like that hardly describe the true cost of the policy over time. For mail-order policies, as for others, the proof of the pudding is in the interest-adjusted net cost index, not in the number of pennies per day.

you don't necessarily know in advance whether you'll be one of those people, we recommend that any term policy you buy should be convertible at least until you reach age 60.

The convertibility clause often varies quite a bit from one policy to another. You should read the clause with these questions in mind:

How long is the policy convertible? In general, the longer the period during which conversions are allowed, the more expensive the conversion privilege is likely to be. That cost, however, is not expressed separately; it's buried in the policy's overall cost.

In our study, the two policies from National Life of Vermont, for example, have very different policy conversion provisions. The *Yearly Renewable Term* - 15, which ranks among the top policies in the Ratings, allows a policyholder to convert only during the first two years. The company's *Yearly Renewable Term - 100,* which ranks somewhat lower, lets policyholders convert until they reach age 85. Obviously, the latter policy is more desirable if you think you'll need insurance even after retirement.

What is the policy convertible to? Some are convertible to a garden variety whole-life policy, others to a universal-life policy, others to both. The more options, the more flexibility you will have if you do wish to convert the policy.

Do you get any credits when you convert? Some companies persuade you to trade in your term policy by offering inducements such as credits toward the new policy's first-year premium. How large are those credits? Are they guaranteed?

Questionable riders

Two riders agents may try to sell you are a "waiver of premium" rider and an "accidental death" rider. We don't recommend either.

The **waiver of premium** rider is really a miniature disability policy that pays your life-insurance premiums if you become disabled and are unable to pay them. The cost of this rider is usually from 2 to 5 percent of the cost of the underlying policy, though it can cost considerably more. The exact cost depends on your age, your sex, and how generously worded the rider is. If you have disability insurance—and we think most people should—you don't need the disability rider. Since some companies have routinely sold the provision in their policies, we included the waiver provision in calculating the cost of the policies in our study.

The **accidental-death benefit** pays survivors double or triple the face amount the policy if you die in an accident rather than of natural causes. This rider also goes under the name "double indemnity." Some agents like to tack it onto policies—at an extra cost of perhaps $100 year on a $100,000 policy—even though the rider makes little sense. Remember, you need enough insurance to protect your family if you die tomorrow—no less and no more. What causes your death is irrelevant.

Supposing you are adequately insured anyway, is the gamble of the accidental-death benefit worthwhile as an extra jackpot for your heirs? We'd say not. Insurance-company statistics indicate that only about 6 percent of policyholders are killed in accidents.

Recommendations

Before you shop for a term policy, be sure fill out the needs analysis worksheet on page 376. Then keep in mind the following points:

1. Use our Ratings to find a policy that's bargain for you. Look for the amount of insurance ($50,000 or $200,000) that more closely approximates your need. (The box on this page will help you compare prices for policies with face amounts different from the ones we studied.) Then zero in on the table for your sex and approximate age. If you live in Massachusetts or New York, consider filling as much of your insurance need as possible with Savings Bank Life Insurance, since rates for those policies tend to be quite low.

2. Look for a policy that offers a good value whether you hold it for 5, 10, or 20 years. You can't necessarily predict your insurance needs far in the future. That's why our worksheet is based on the assumption that you will die tomorrow, and why we recommend periodic review.

3. Don't be put off if an agent disparages term as "temporary" insurance you'd want only to cover a mortgage or a business loan. Term insurance can often renewed well into old age, if you need In any case, term premiums are lowest during the time when your children are young and you need a lot of protection; if the insurance itself is "temporary," so too, in all likelihood, is your need for a lot it. Don't be intimidated by an agent who says people buy term only if they can't afford something better. Think instead that with the money you're saving you can afford to buy more protection for your family.

4. Ask to see the interest-adjusted net cost index for the policies you are considering. (In many states, an agent is required to furnish it to you on request.) Use it to compare similar types of policies. the agent refuses to give you the index number or tells you it's too technical to understand, go elsewhere. We don't think you'd want to do business with such a person. Term insurance is almost a commodity product like grain; the basic difference is price. Therefore, price should be the major consideration in buying it.

5. If you choose one of the highest-rated policies on our lists, you may have to insist that an agent sell it to you. Companies rarely compensate their agents generously for selling inexpensive policies, so the agents may not be in any hurry to bring exceptionally good buys to your attention.

6. Don't focus on the initial premium or the length of the term. Remember, term insurance premiums rise, and a low first-year premium or a long term without a premium increase doesn't necessarily mean the policy is inexpensive over 10 or 20 years.

7. If you pay for your policy monthly, quarterly, or semi-annually, you'll pay more than if you pay the premium once a year. You are in effect financing your premiums somewhat as you would a credit-card purchase.

8. If you want a revertible policy, pick one that would prove inexpensive even if you got sick.

9. Check the financial stability of any life-insurance company before buying its policies, by looking up the company's rating in "Best's Insurance Reports," a publication found in many libraries. We recommend buying from a company rated A or A+. All but three of the companies in our Ratings meet this standard. ITT Life and Massachusetts Indemnity were rated B+ in the most recent edition. Union Labor was rated B. A high rating, of course, is no guarantee that a company won't fail, but it should be a good indication. Likewise, a low Best's rating does not necessarily mean that a company is in imminent danger of collapse.

10. Unless you're certain that you have only a short-term need for coverage, select a term policy that is renewable at least to age 65. That may be especially important as some companies bring out new generations of term policies that run for, say, 10 or 15 years and can't be renewed after that. ■

Costs at a glance

If you're looking for a policy that has a face amount different from the ones we looked at, or if you're considering a policy we didn't rate, the table below will help you tell at a glance whether the policy is a good, bad, or mediocre buy. The table gives the highest, lowest, and median 10-year indexes for the $50,000 policies we studied.

First, have the agent give you the interest-adjusted net cost index for the policy you're considering. Suppose, for example, you're a 39-year-old female buying a $120,000 nonparticipating policy. The agent says the 10-year index is 2.43. That index represents the cost per thousand dollars of coverage over the 10 years. Remember, the lower the index the less expensive the policy over time.

It's possible the agent will give you the index expressed as a dollar figure, which shows how much the policy costs you each year of the index period. Suppose the agent had told you that the 10-year index was $292. In that case, you can simply divide the dollar figure by the number of thousands of dollars in the policy's face amount to get the index number ($292 ÷ 120 = 2.43).

Once you have the index number, look on the table for your sex and the kind of policy you have. Then find the age closest to yours and compare your index with the ones in the table. In our example, you would find that the index for her policy was a little lower than the median index for a 35-year-old woman buying a nonparticipating policy. The policy is a fairly mediocre buy.

	Lowest cost	Median cost	Highest cost
Male rates, participating			
Age 25	1.47	2.28	4.16
Age 35	1.96	2.92	5.49
Age 45	3.32	5.58	9.99
Male rates, nonparticipating			
Age 25	1.49	2.59	3.62
Age 35	2.11	3.45	4.93
Age 45	4.45	6.57	10.40
Female rates, participating			
Age 25	1.29	2.13	3.85
Age 35	1.80	2.59	5.01
Age 45	3.32	4.67	9.11
Female rates, nonparticipating			
Age 25	1.45	2.34	3.34
Age 35	1.66	2.97	4.52
Age 45	3.37	5.66	7.90

Ratings

Term insurance

Listed in order of estimated overall cost, based on 5-year, 10-year, and 20-year cost estimates, weighted equally. Policies marked with an asterisk are available to "preferred risks" only. Revertible policies are shown in color; RH indicates the estimated cost of such a policy when the buyer remains healthy; RU indicates the estimated cost if the buyer's health worsens midway through the period analyzed. All rates shown are for nonsmokers; smokers' rates are generally higher.

$50,000 — Age 25 — Nonparticipating

		Male		Relative cost			Female		Relative cost		
COMPANY NAME	POLICY NAME	First-year premium	10-year cost index	5-year	10-year	20-year	First-year premium	10-year cost index	5-year	10-year	20-year
Massachusetts Indemnity & Life	Annual Renewable Term 100	$ 58	1.49	◉	◉	◉	$ 58	1.49	◉	◉	◉
First Colony	CA95*	90	1.79	◉	◉	◉	92	1.84	◉	◉	◉
Federal Kemper	T95	90	1.80	◉	◉	◉	90	1.80	◉	◉	◉
Washington National	Annual Renewable Term 90	87	1.81	◉	◉	◉	87	1.74	◉	◉	◉
Old Line Life	LT-10 (RH)	94	1.87	◉	◉	◉	94	1.87	◉	◉	◉
Old Line Life	LT-10 (RU)	94	1.87	◉	◉	◉	94	1.87	◉	◉	◉
American Agency Life	Ten Year Renewable & Convertible Term*	101	2.02	◉	◉	◉	100	2.00	◓	◓	◉
American Agency Life	5 Year Renewable & Convertible Term*	99	2.03	◉	◉	◉	97	1.95	◓	◉	◉
United Investors	Vitalife Annual Renewable Term	101	2.06	◉	◉	◉	88	1.81	◉	◉	◉
Northwestern National	LT-10 (RH)	104	2.09	◉	◉	◉	104	2.08	◓	◓	◉
Northwestern National	LT-10 (RU)	104	2.09	◉	◉	◉	104	2.08	◓	◓	◓
Great Southern	Termpacer	83	2.14	◉	◓	◓	82	2.03	◉	◓	◓
First Colony	Select 20 (RH)	89	2.20	◉	◓	◓	91	2.21	◓	◓	◓
Sun Life of Canada	Nova Yearly Renewable Term	107	2.25	◓	◓	◓	109	2.20	◓	◓	○
First Colony	CA99*	107	2.27	◓	◓	◓	107	2.26	○	○	◓
Liberty National	Annually Renewable Term	113	2.32	◓	◓	◓	106	2.16	◓	◓	◓
Life of Virginia	Yearly Renewable Term	108	2.34	◓	◓	◓	101	2.18	◓	◓	○
Manufacturers Life	Select 10	103	2.36	◓	◓	◓	103	2.36	○	○	○
First Colony	Select 20 (RU)	89	2.20	◉	◓	●	91	2.21	◓	◓	●
IDS	Yearly Renewable Term	121	2.50	○	○	◓	112	2.37	○	○	○
United Investors	Adjustable Annual Renewable Term	126	2.53	○	○	◓	113	2.29	○	○	◓
State Mutual	Yearly Renewable Flexterm Level Term	120	2.50	○	○	○	109	2.26	○	○	○
Alexander Hamilton	5 Year Level Term	125	2.59	○	○	○	118	2.42	○	○	○
Continental Assurance Co.	Adjustable Prem. Annual Renewable Term	124	2.62	○	○	○	125	2.54	◒	○	○
Guardsman	Yearly Renewable & Convertible Term	128	2.69	○	○	○	125	2.64	◒	◒	◒
Travelers	5 Year Level Term	141	2.86	◒	◒	○	144	2.91	●	●	◒
Fort Dearborn	Annual Renewable Term	141	2.87	◒	◒	○	135	2.75	◒	◒	◒
Farmers New World	5 Year Renewable & Convertible Term	139	2.90	◒	◒	◒	121	2.50	○	○	◒
Crown Life	Select Yearly Renewable Term	126	3.06	◒	◒	●	130	3.10	●	●	●
Crown Life	Yearly Renewable Term	151	3.06	●	◒	◒	153	3.07	●	●	●
ITT Life	5 Year Renewable & Convertible Term	140	3.10	◒	◒	●	133	2.90	◒	●	●
United Life & Accident	Yearly Renewable Term	149	3.11	●	◒	◒	147	3.04	●	●	●
Crown Life	5 Year Renewable Term	165	3.34	●	●	●	157	3.18	●	●	●
Massachusetts Indemnity & Life	Modified Term	367	3.62	●	●	●	329	3.34	●	●	●

$50,000 Age 25 Participating

COMPANY NAME	POLICY NAME	Male: First-year premium	Male: 10-year cost index	Male relative cost: 5-year	Male relative cost: 10-year	Male relative cost: 20-year	Female: First-year premium	Female: 10-year cost index	Female relative cost: 5-year	Female relative cost: 10-year	Female relative cost: 20-year
New York Savings Bank	5 Year Renewable & Convertible Term	$ 69	1.47	◉	◉	◉	$ 62	1.29	◉	◉	◉
Metropolitan	One Year Term with Premium Adjustment	74	1.54	◉	◉	◉	74	1.49	◉	◉	◉
Northwestern Mutual	10 Year Term—Increasing Premium	82	1.67	◉	◉	◉	76	1.56	◉	◉	◉
Massachusetts Savings Bank	Yearly Renewable Term	84	1.68	◉	◉	◉	84	1.68	◉	◉	◉
Union Central	Annual Renewable Term to 100	70	1.70	◉	◉	◉	70	1.70	◉	◉	◉
National Life of Vermont	Yearly Renewable Term—15	81	1.83	◉	◉	—	81	1.83	◉	◓	—
Northwestern Mutual	Term to Age 70—Increasing Premium	93	1.89	◓	◓	◉	86	1.75	◉	◉	◉
Massachusetts Savings Bank	5 Year Renewable Term	103	1.89	◓	◓	◉	103	1.89	○	◓	◉
Phoenix Mutual	Annual Renewable Term to Age 70	78	1.92	◉	◓	◓	79	1.92	◓	◓	◓
Union Labor	Annual Renewable Term	78	1.94	◉	◓	◓	78	1.94	◉	◓	◓
Aid Association for Lutherans	Yearly Renewable Term	105	2.09	◓	◓	◓	86	1.76	◉	◓	◓
National Life of Vermont	Yearly Renewable Term—100	93	2.06	◓	◓	○	79	1.74	◉	◉	◓
New York Life	Increasing Premium Term to Age 70	89	2.07	◓	◓	○	92	2.11	◓	○	○
General American	Yearly Renewable Term to 95*	88	2.16	◓	○	○	84	2.37	◓	◒	○
Home Life	Yearly Renewable Term to 75	94	2.17	◓	○	○	94	2.17	○	○	○
Western & Southern Life	Annual Renewable & Convertible Term	111	2.24	○	○	◓	106	2.12	○	○	◓
Massachusetts Mutual	5 Year Renewable Term	137	2.26	◒	○	◉	138	2.15	◒	○	◓
Minnesota Mutual	Adjustable III	176	2.32	◒	○	◉	138	1.97	○	◓	◉
General American	Yearly Renewable Term to 70*	110	2.18	○	○	○	102	2.02	○	○	◓
Union Labor	5 Year Level Term	118	2.19	○	○	○	116	2.19	○	○	◒
Mutual Benefit Life	Yearly Renewable Term	92	2.24	◓	○	◒	91	2.08	◓	○	◒
New England Mutual	Yearly Renewable Term to Age 95 [RN]	109	2.31	○	○	○	105	2.23	○	○	○
General American	Yearly Renewable Term to 95	93	2.33	◓	○	◒	87	2.06	◓	○	○
General American	Yearly Renewable Term to 70	117	2.33	○	○	○	106	2.11	○	○	◓
Aetna	Flexi-Term	115	2.34	○	○	○	112	2.28	○	◒	○
Connecticut Mutual	Yearly Renewable Term	118	2.36	○	○	○	103	2.07	○	○	◓
Mutual of New York	Yearly Renewable Term	107	2.41	○	○	◒	106	2.37	◒	◒	◒
New England Mutual	Yearly Renewable Term to Age 95 [RU]	109	2.59	○	◒	◒	105	2.45	○	◒	◒
New England Mutual	5 Year Renewable & Convertible Term	135	2.50	◒	◒	◒	132	2.38	◒	◒	○
Massachusetts Mutual	Yearly Renewable Term	125	2.51	◒	◒	◒	125	2.49	◒	◒	◒
Minnesota Mutual	Convertible Annual Renewable Term	127	2.69	◒	◒	◒	118	2.49	◒	◒	◒
Connecticut Mutual	Yearly Renewable Term—7	122	—	◒	—	—	122	—	●	—	—
Teachers Ins. & Annuity Assoc.	5 Year Renewable Term	83	2.58	◒	◒	●	83	2.58	◒	◒	●
Southern Farm Bureau	5 Year Renewable Term	155	2.72	●	◒	◒	139	2.43	◒	◒	◒
Metropolitan	5 Year Renewable & Convertible Term	169	2.62	●	◒	●	160	2.48	●	◒	●
Guardian Life	Yearly Renewable Term—Scheduled*	141	2.82	●	●	◒	129	2.57	●	◒	◒
Western & Southern Life	5 Year Renewable & Convertible Term	161	3.22	●	●	●	156	3.12	●	●	●
Guardian Life	Yearly Renewable Term—Maximum*	141	3.31	●	●	●	129	3.00	●	●	●
John Hancock Mutual	Yearly Renewable Term	174	3.60	●	●	●	166	3.43	●	●	●
Guardian Life	Yearly Renewable Term—Scheduled	161	3.67	●	●	●	169	3.42	●	●	●
Guardian Life	Yearly Renewable Term—Maximum	181	4.16	●	●	●	169	3.85	●	●	●

COMPANY NAME	POLICY NAME	Male: First-year premium	Male: 10-year cost index	Male relative cost: 5-year	Male relative cost: 10-year	Male relative cost: 20-year	Female: First-year premium	Female: 10-year cost index	Female relative cost: 5-year	Female relative cost: 10-year	Female relative cost: 20-year
Massachusetts Indemnity & Life	Annual Renewable Term 100	$ 64	2.11	◉	◉	◉	$ 64	2.11	◉	◉	◉
Old Line Life	LT-10 [RH]	110	2.25	◉	◉	◉	98	1.98	◉	◉	◉
First Colony	CA95*	114	2.28	◉	◉	◉	101	2.01	◉	◉	◉
Federal Kemper	T95	115	2.30	◉	◉	◉	105	2.10	◉	◉	◉
Northwestern National	LT-10 [RH]	117	2.37	◉	◉	◉	110	2.21	◉	◉	◉
Northwestern National	LT-10 [RU]	117	2.37	◉	◉	◉	110	2.21	◉	◉	◉
United Investors	Vitalife Annual Renewable Term	107	2.54	◉	◉	◉	100	2.28	◉	◉	◉
Washington National	Annual Renewable Term 90	101	2.59	◉	◉	◓	89	1.99	◉	◉	◉
Great Southern	Termpacer	87	2.64	◉	◉	◓	85	2.38	◉	◉	◓
First Colony	Select 20 [RH]	93	3.00	◉	◓	◓	96	2.72	◉	◓	○
Manufacturers Life	Select 10	110	3.17	◓	◓	◉	107	2.60	◓	◓	◉
Old Line Life	LT-10 [RU]	110	2.76	◓	◉	○	98	2.28	◓	◉	◓
American Agency Life	5 Year Renewable & Convertible Term*	123	2.81	◓	◓	◓	105	2.26	◉	◉	◉
Life of Virginia	Yearly Renewable Term	115	2.92	◓	◓	◓	108	2.69	◓	◓	○
First Colony	CA99*	125	2.97	◓	◓	◓	122	2.78	○	◓	○
IDS	Yearly Renewable Term	130	2.98	◓	◓	◓	129	2.95	○	○	○
United Investors	Adjustable Annual Renewable Term	130	2.99	◓	◓	◓	122	2.74	○	◓	◓
Liberty National	Annually Renewable Term	123	3.03	◓	◓	◓	116	2.69	◓	◓	◓
Sun Life of Canada	Nova Yearly Renewable Term	130	3.14	◓	◓	◓	119	2.91	◓	○	○
American Agency Life	Ten Year Renewable & Convertible Term*	139	2.79	○	◓	◓	109	2.17	◉	◉	◉
First Colony	Select 20 [RU]	93	3.00	◉	◓	●	96	2.72	◉	◓	●
Travelers	5 Year Level Term	155	3.42	○	○	◓	153	3.30	◒	◒	○
State Mutual	Yearly Renewable Flexterm Level Term	135	3.42	○	○	○	120	2.92	○	○	○
Continental Assurance Co.	Adjustable Prem. Annual Renewable Term	142	3.45	○	○	○	136	2.98	○	○	◓
Fort Dearborn	Annual Renewable Term	156	3.48	○	○	○	152	3.34	◒	◒	◒
Alexander Hamilton	5 Year Level Term	152	3.53	○	○	○	139	3.19	○	◒	◒
Crown Life	Select Yearly Renewable Term	128	3.58	○	○	◒	133	3.53	◒	◒	●
Crown Life	Yearly Renewable Term	158	3.73	◒	◒	◒	156	3.39	◒	◒	◒
Guardsman	Yearly Renewable & Convertible Term	148	3.86	◒	◒	◒	142	3.13	○	○	○
United Life & Accident	Yearly Renewable Term	170	4.13	◒	◒	◒	161	3.87	●	●	●
Crown Life	5 Year Renewable Term	187	4.19	●	●	◒	178	3.88	●	●	●
Farmers New World	5 Year Renewable & Convertible Term	182	4.11	●	●	●	152	3.40	◒	◒	●
ITT Life	5 Year Renewable & Convertible Term	191	4.86	●	●	●	163	3.94	◒	●	●
Massachusetts Indemnity & Life	Modified Term	429	4.93	●	●	●	384	4.52	●	●	●

$50,000 — Age 35 — Participating

COMPANY NAME	POLICY NAME	Male					Female				
				Relative cost					Relative cost		
		First-year premium	10-year cost index	5-year	10-year	20-year	First-year premium	10-year cost index	5-year	10-year	20-year
Massachusetts Savings Bank	5 Year Renewable Term	$121	1.96	◉	◉	◉	$121	1.96	◉	◉	◉
Metropolitan	One Year Term With Premium Adjustment	88	1.97	◉	◉	◉	82	1.80	◉	◉	◉
Massachusetts Savings Bank	Yearly Renewable Term	84	1.98	◉	◉	◉	84	1.98	◉	◉	◉
New York Savings Bank	5 Year Renewable & Convertible Term	84	2.10	◉	◉	◉	81	1.97	◉	◉	◉
Northwestern Mutual	10 Year Term—Increasing Premium	86	2.13	◉	◉	◉	82	1.93	◉	◉	◉
Union Central	Annual Renewable Term to 100	73	2.22	◉	◉	◉	71	1.91	◉	◉	◉
National Life of Vermont	Yearly Renewable Term—15	85	2.44	◉	◓	—	85	2.44	◉	○	—
Northwestern Mutual	Term to Age 70—Increasing Premium	100	2.46	◓	◓	◓	93	2.23	◉	◓	◓
Phoenix Mutual	Annual Renewable Term to Age 70	88	2.52	◓	◓	◓	86	2.31	◓	◓	◓
Union Labor	Annual Renewable Term	88	2.55	◓	◓	◓	88	2.55	◓	○	○
Massachusetts Mutual	5 Year Renewable Term	165	2.54	◒	◓	◉	164	2.49	◒	○	◉
Western & Southern Life	Annual Renewable & Convertible Term	114	2.56	○	◓	◓	108	2.37	◓	◓	◓
General American	Yearly Renewable Term to 95*	94	2.79	◓	○	○	89	2.40	◓	◓	◓
National Life of Vermont	Yearly Renewable Term to 100	98	2.80	◓	○	○	87	2.38	◉	◓	○
Aid Association for Lutherans	Yearly Renewable Term	117	2.81	○	○	○	102	2.41	◓	○	◓
Home Life	Yearly Renewable Term to 75	105	2.84	○	○	○	105	2.84	○	◒	◒
Connecticut Mutual	Yearly Renewable Term	119	2.84	○	○	○	106	2.43	◓	◓	◓
Minnesota Mutual	Adjustable III	229	2.88	●	○	◉	198	2.39	◒	◓	◉
New York Life	Increasing Premium Term to Age 70	92	2.90	◓	○	◒	96	2.59	◓	○	◒
Aetna	Flexi-Term	126	2.90	○	○	○	122	2.55	○	○	◓
General American	Yearly Renewable Term to 70*	127	2.92	○	○	○	118	2.46	○	○	◓
New England Mutual	Yearly Renewable Term to Age 95 (RH)	113	2.98	◒	○	◓	111	2.62	○	○	◓
Massachusetts Mutual	Yearly Renewable Term	140	3.04	◒	○	○	139	2.97	◒	◒	○
General American	Yearly Renewable Term to 95	100	3.09	○	○	◒	92	2.60	◓	○	○
General American	Yearly Renewable Term to 70	135	3.12	◒	◒	○	123	2.60	○	○	○
Mutual of New York	Yearly Renewable Term	108	3.15	○	◒	◒	107	2.73	○	○	◒
Minnesota Mutual	Convertible Annual Renewable Term	134	3.20	◒	◒	○	125	2.83	◒	◒	○
Union Labor	5 Year Level Term	151	3.21	◒	◒	○	151	3.21	◒	●	●
Guardian Life	Yearly Renewable Term—Scheduled*	144	3.22	◒	◒	○	131	2.88	◒	◒	○
Mutual Benefit Life	Yearly Renewable Term	102	3.30	◓	◒	●	102	2.84	◓	◒	●
Connecticut Mutual	Annual Renewable Term—7	126	—	◒	—	—	126	—	●	—	—
New England Mutual	Yearly Renewable Term to Age 95 (RU)	113	3.47	◒	◒	◒	111	2.96	○	◒	◒
Guardian Life	Yearly Renewable Term—Maximum*	144	4.24	◒	●	●	131	3.77	◒	●	●
Metropolitan	5 Year Renewable & Convertible Term	228	3.49	●	●	●	208	3.18	●	●	●
Southern Farm Bureau	5 Year Renewable Term	190	3.57	●	●	●	179	3.31	◒	●	●
New England Mutual	5 Year Renewable & Convertible Term	186	3.80	●	●	●	161	3.09	●	◒	◒
Teachers Ins. & Annuity Assoc.	5 Year Renewable Term	99	4.07	●	●	●	99	4.07	●	●	●
Western & Southern Life	5 year Renewable & Convertible Term	185	4.11	●	●	●	179	3.68	●	●	●
John Hancock Mutual	Yearly Renewable Term	202	4.42	●	●	●	187	3.89	●	●	●
Guardian Life	Yearly Renewable Term—Scheduled	193	4.46	●	●	●	180	4.13	●	●	●
Guardian Life	Yearly Renewable Term—Maximum	193	5.49	●	●	●	180	5.01	●	●	●

$50,000 | Age 45 | Nonparticipating

COMPANY NAME	POLICY NAME	Male: First-year premium	Male: 10-year cost index	Male Relative cost: 5-year	Male Relative cost: 10-year	Male Relative cost: 20-year	Female: First-year premium	Female: 10-year cost index	Female Relative cost: 5-year	Female Relative cost: 10-year	Female Relative cost: 20-year
First Colony	CA95*	$223	4.45	◉	◉	◉	$169	3.37	◉	◉	◉
Northwestern National	LT-10 (RH)	221	4.60	◉	◉	◉	176	3.65	◉	◉	◉
Northwestern National	LT-10 (RU)	221	4.60	◉	◉	◉	176	3.65	◉	◉	◉
Old Line Life	LT-10 (RH)	221	4.60	◉	◉	◉	176	3.64	◉	◉	◉
Massachusetts Indemnity & Life	Annual Renewable Term 100	107	4.66	◉	◉	◉	107	4.66	◉	◉	◉
United Investors	Vitalife Annual Renewable Term	178	5.20	◉	◉	◉	137	3.95	◉	◉	◉
Federal Kemper	T95	233	4.66	◓	◉	◉	194	3.88	◓	◉	◉
Life of Virginia	Yearly Renewable Term	165	5.42	◉	◉	◓	153	4.96	◓	◓	◓
Great Southern	Termpacer	117	5.07	◉	◉	○	99	3.72	◉	◉	◓
United Investors	Adjustable Annual Renewable Term	200	5.66	◓	◓	◉	159	4.40	◉	◉	◉
First Colony	CA99*	207	5.78	◓	◓	◉	185	5.43	◓	○	◓
First Colony	Select 20 (RH)	137	6.21	◉	○	◉	131	5.51	◉	○	◓
Manufacturers Life	Select 10	170	6.30	◉	○	◉	148	4.64	◉	◉	◉
American Agency Life	Ten Year Renewable & Convertible Term*	279	5.59	○	◓	◓	193	3.88	◓	◉	◉
Washington National	Annual Renewable Term 90	194	5.87	◓	○	◓	130	3.84	◉	◉	◉
American Agency Life	5 Year Renewable & Convertible Term*	238	5.92	◓	○	◓	183	3.92	◉	◉	◉
Crown Life	Select Yearly Renewable Term	172	6.25	◉	○	○	159	5.60	◓	○	◒
Travelers	5 Year Level Term	253	5.99	○	○	◓	231	5.35	○	○	◓
IDS	Yearly Renewable Term	198	6.28	◓	○	○	196	5.50	○	○	○
Union Labor	5 Year Level Term	287	6.35	○	○	◓	287	6.35	◒	◒	◒
First Colony	Select 20 (RU)	137	5.21	◉	○	●	131	5.51	◉	○	●
Liberty National	Annually Renewable Term	221	6.41	○	○	○	181	5.02	◓	◓	◓
Sun Life of Canada	Nova Yearly Renewable Term	227	6.66	○	○	○	205	5.76	○	○	◒
Continental Assurance Co.	Adjustable Prem. Annual Renewable Term	236	6.88	○	○	○	185	4.86	◓	◓	◓
Fort Dearborn	Annual Renewable Term	281	6.95	○	○	○	251	6.08	◒	◒	○
State Mutual	Yearly Renewable Flexterm Level Term	243	7.26	○	◒	◒	203	6.03	○	◒	◒
Alexander Hamilton	5 Year Level Term	302	7.50	◒	◒	○	264	6.64	◒	◒	◒
Old Line Life	LT-10 (RU)	221	6.55	●	○	◒	176	5.05	◒	◓	◒
Crown Life	Yearly Renewable Term	262	7.35	◒	◒	◒	222	6.13	◒	◒	◒
Massachusetts Indemnity & Life	Modified Term	511	8.10	●	●	◒	445	7.71	●	●	●
United Life & Accident	Yearly Renewable Term	287	8.20	●	●	◒	245	6.90	●	●	●
Crown Life	5 Year Renewable Term	327	7.98	●	●	●	294	7.03	●	●	●
Guardsman	Yearly Renewable & Convertible Term	293	8.47	●	●	●	210	6.02	○	◒	○
Farmers New World	5 Year Renewable & Convertible Term	350	9.17	●	●	●	279	7.24	●	●	●
ITT Life	5 Year Renewable & Convertible Term	392	10.40	●	●	●	302	7.90	●	●	●

$50,000 Age 45 Participating

COMPANY NAME	POLICY NAME	Male: First-year premium	Male: 10-year cost index	Male Relative cost: 5-year	Male Relative cost: 10-year	Male Relative cost: 20-year	Female: First-year premium	Female: 10-year cost index	Female Relative cost: 5-year	Female Relative cost: 10-year	Female Relative cost: 20-year
Massachusetts Savings Bank	Yearly Renewable Term	$149	3.32	◉	◉	◉	$149	3.32	◉	◉	◉
Massachusetts Savings Bank	5 Year Renewable Term	232	3.49	◉	◉	◉	232	3.49	◉	◉	◉
National Life of Vermont	Yearly Renewable Term—15	118	4.16	◉	◉	—	118	4.16	◉	◓	—
Union Central	Annual Renewable Term to 100	118	4.21	◉	◉	◉	93	3.44	◉	◉	◉
Northwestern Mutual	10 Year Term—Increasing Premium	153	4.33	◉	◉	◉	134	3.75	◉	◉	◉
Union Labor	Annual Renewable Term	143	4.63	◉	◉	◉	143	4.63	○	○	◓
New York Savings Bank	5 Year Renewable & Convertible Term	159	4.63	◉	◓	◓	151	3.93	◉	◓	◉
New England Mutual	Yearly Renewable Term to Age 95 (RH)	147	4.96	◓	◓	◉	135	4.27	○	◓	◉
Metropolitan	One Year Term With Premium Adjustment	140	4.69	◓	◓	◓	115	3.61	◉	◉	◉
National Life of Vermont	Yearly Renewable Term—100	139	5.12	◉	◓	○	124	4.39	◉	○	○
Phoenix Mutual	Annual Renewable Term to Age 70	148	5.18	◓	◓	◓	125	4.30	◓	◓	◓
General American	Yearly Renewable Term to 95*	130	5.26	◓	○	◓	119	4.15	◉	◓	◓
Connecticut Mutual	Yearly Renewable Term	197	5.22	○	○	◓	162	4.23	◓	◓	◓
Mutual of New York	Yearly Renewable Term	134	5.28	◓	○	○	121	4.41	◓	○	○
Aid Association for Lutherans	Yearly Renewable Term	210	5.29	○	○	◓	180	4.53	○	○	◓
Guardian Life	Yearly Renewable Term—Scheduled*	199	5.33	○	○	◓	174	4.55	○	○	◓
Aetna	Flexi-Term	204	5.54	○	○	◓	165	4.35	○	◓	◓
Western & Southern Life	Annual Renewable & Convertible Term	179	5.19	○	○	○	154	4.47	○	○	○
Massachusetts Mutual	5 Year Renewable Term	338	5.32	●	○	◉	316	4.43	●	○	◉
Minnesota Mutual	Adjustable III	439	5.35	●	○	◉	359	3.63	◒	◉	◉
New York Life	Increasing Premium Term to Age 70	140	5.57	◓	○	◒	121	4.74	◓	○	◒
Connecticut Mutual	Yearly Renewable Term—7	170	—	○	—	—	170	—	◒	—	—
Minnesota Mutual	Convertible Annual Renewable Term	179	5.64	○	○	○	150	4.68	○	○	○
Home Life	Yearly Renewable Term to 75	169	5.81	○	○	○	169	5.81	◒	●	◒
General American	Yearly Renewable Term to 95	147	6.07	○	◒	○	129	4.52	◉	○	○
New England Mutual	Yearly Renewable Term to Age 95 (RU)	147	6.30	○	◒	○	135	5.15	○	◒	○
Northwestern Mutual	Term to Age 70—Increasing Premium	189	6.07	○	◒	◒	165	5.20	◒	◒	◒
General American	Yearly Renewable Term to 70*	224	6.15	◒	◒	○	179	4.98	◒	◒	○
Massachusetts Mutual	Yearly Renewable Term	260	6.09	◒	◒	◒	245	5.10	◒	◒	◒
Mutual Benefit Life	Yearly Renewable Term	175	6.57	○	◒	●	166	5.34	○	◒	●
General American	Yearly Renewable Term to 70	239	6.65	●	◒	◒	189	5.29	◒	◒	◒
Guardian Life	Yearly Renewable Term—Maximum*	199	7.46	○	●	●	174	6.11	○	●	●
John Hancock Mutual	Yearly Renewable Term	304	7.78	●	●	◒	256	6.30	●	●	◒
Metropolitan	5 Year Renewable & Convertible Term	397	6.90	●	●	●	332	5.58	●	●	●
Southern Farm Bureau	5 Year Renewable Term	406	6.99	●	●	●	343	5.26	◒	◒	◒
Guardian Life	Yearly Renewable Term—Scheduled	293	7.85	●	●	●	267	7.08	●	●	●
Western & Southern Life	5 Year Renewable & Convertible Term	349	8.44	●	●	●	285	6.81	●	●	●
New England Mutual	5 Year Renewable & Convertible Term	374	8.51	●	●	●	292	6.33	●	●	●
Teachers Ins. & Annuity Assoc.	5 Year Renewable Term	199	9.11	●	●	●	199	9.11	●	●	●
Guardian Life	Yearly Renewable Term—Maximum	293	9.99	●	●	●	267	8.64	●	●	●

$200,000 Age 25 Nonparticipating

COMPANY NAME	POLICY NAME	Male: First-year premium	Male: 10-year cost index	Male: Relative cost 5-year	Male: Relative cost 10-year	Male: Relative cost 20-year	Female: First-year premium	Female: 10-year cost index	Female: Relative cost 5-year	Female: Relative cost 10-year	Female: Relative cost 20-year
The 40 lowest-cost policies											
Massachusetts Indemnity & Life	Annual Renewable Term 100*	$121	0.83	◉	◉	◉	$121	0.83	◉	◉	◉
First Colony	CA95*	208	1.04	◉	◉	◉	218	1.09	◉	◉	◉
Federal Kemper	T95	210	1.05	◉	◉	◉	210	1.05	◉	◉	◉
Massachusetts Indemnity & Life	Annual Renewable Term 100	155	1.11	◉	◉	◉	155	1.11	◉	◉	◉
Fort Dearborn	Select Annual Renewable Term (RH)	231	1.18	◉	◉	◉	229	1.17	◉	◉	◉
ITT Life	Guaranteed Re-entry Annual Renewable Term (RH)	167	1.19	◉	◉	◉	165	1.14	◉	◉	◉
North Amer. Co. for Life & Health	Leveler—Current Premiums*	296	1.25	◉	◉	◉	286	1.20	◓	◉	◉
Union Mutual	Yearly Renewable Term—70	228	1.32	◉	◉	◓	206	1.19	◉	◉	◉
Northwestern National	LT—10 (RH)	267	1.34	◓	◉	◉	265	1.33	◓	◉	◉
Northwestern National	LT—10 (RU)	267	1.34	◓	◉	◓	265	1.33	◓	◉	◓
Alexander Hamilton	Annual Renewable Term 100	184	1.35	◉	◉	○	182	1.21	◉	◉	◓
Travelers	Yearly Renewable Term 10	245	1.54	◉	◓	—	251	1.52	◓	○	—
Integon	First Class Term	266	1.46	◓	◓	◓	250	1.37	◓	◓	◓
Integon	First Class Term (RH)	267	1.47	◓	◓	◓	251	1.38	◓	◓	◓
Integon	First Class Term (RU)	267	1.47	◓	◓	◓	251	1.38	◓	◓	◓
Lincoln National	LNL—10	288	1.49	◓	◓	—	248	1.38	◓	◓	—
American Agency Life	5 Year Renewable & Convertible Term*	288	1.49	◓	◓	◓	282	1.42	◓	◓	◓
Old Line Life	LT—10 (RH)	298	1.49	○	◓	◉	298	1.49	○	◓	◓
Jackson National Life	Yearly Renewable Term—100	265	1.54	◓	◓	◓	265	1.52	◓	○	◓
First Colony	Select 20 (RH)	231	1.57	◉	◓	○	237	1.58	◓	○	○
ITT Life	Guaranteed Re-entry Annual Renewable Term (RU)	167	1.19	◉	◉	●	165	1.14	◉	◉	●
American Agency Life	Ten Year Renewable & Convertible Term*	298	1.49	○	◓	◓	294	1.47	○	◓	◓
Franklin Life	Challenger 90*	254	1.52	◓	◓	○	270	1.56	○	○	○
Southwestern Life	Renaissance Annual Renewable Term II	299	1.52	○	◓	◓	251	1.30	◓	◉	◓
Philadelphia Life	Electerm (RH)	302	1.52	○	◓	◓	302	1.51	○	○	◓
Southwestern Life	Renaissance Renewable & Convertible Term	305	1.54	○	◓	◓	263	1.35	◓	◓	◓
Continental Assurance Co.	Step 10	318	1.59	○	◓	◓	324	1.62	○	○	◓
Old Line Life	CE82 (RH)	238	1.61	◓	○	◓	238	1.60	◓	○	○
Fort Dearborn	Select Annual Renewable Term (RU)	231	1.71	◉	○	○	229	1.83	◓	○	○
First Colony	Select 20 (RU)	231	1.57	◉	◓	●	237	1.58	◓	○	●
Life of Virginia	Yearly Renewable Term	282	1.59	○	◓	○	254	1.43	◓	◓	○
Federal Kemper	SR22/84 (RH)	250	1.62	◓	○	○	248	1.56	◓	○	○
Old Line Life	LT—10 (RU)	298	1.49	○	◓	◒	298	1.49	○	◓	○
Franklin Life	Challenger 90	278	1.66	○	○	○	292	1.69	○	○	◒
Sun Life of Canada	Nova Yearly Renewable Term	327	1.66	○	○	○	307	1.56	○	○	○
Continental Assurance Co.	Adjustable Prem. Annual Renewable Term	314	1.68	○	○	○	316	1.62	○	○	○
United Investors	Vitalife Annual Renewable Term	327	1.69	○	○	○	275	1.44	◓	◓	◓
State Mutual	Exectern II—Term to Age 75 (RH)	309	1.70	○	○	○	285	1.57	○	○	○
North Amer. Co. for Life & Health	Leveler—Guaranteed Premiums*	296	1.71	◓	○	◒	286	1.69	◓	○	●
Liberty National	Annually Renewable Term	331	1.71	○	○	○	286	1.48	○	◓	◓
The 6 highest-cost policies											
Alexander Hamilton	5 Year Level Term	405	2.11	●	●	●	375	1.94	●	◒	●
Guardsman	Yearly Renewable & Convertible Term	410	2.15	●	●	●	410	2.14	●	●	●
Old Line Life	Preferred Annual Renewable Term (RU)	345	2.27	●	●	●	339	2.17	●	●	●
ITT Life	5 Year Renewable & Convertible Term	409	2.30	●	●	●	390	2.14	●	●	●
Farmers New World	5 Year Renewable & Convertible Term	500	2.63	●	●	●	428	2.23	●	●	●
Crown Life	5 Year Renewable Term	568	2.88	●	●	●	536	2.72	●	●	●

$200,000 — Age 25 — Participating

COMPANY NAME	POLICY NAME	Male: First-year premium	Male: 10-year cost index	Male Relative cost: 5-year	Male Relative cost: 10-year	Male Relative cost: 20-year	Female: First-year premium	Female: 10-year cost index	Female Relative cost: 5-year	Female Relative cost: 10-year	Female Relative cost: 20-year
Metropolitan	One Year Term With Premium Adjustment	$201	1.06	◉	◉	◉	$199	1.01	◉	◉	◉
Northwestern Mutual	10 Year Term—Increasing Premium	221	1.15	◉	◉	◉	199	1.03	◉	◉	◉
Home Life	Yearly Renewable Term to 75	174	1.17	◉	◉	◉	174	1.17	◉	◉	◓
National Life of Vermont	Yearly Renewable Term—15	202	1.23	◉	◉	—	202	1.23	◉	◉	—
Union Central	Annual Renewable Term to 100	190	1.25	◉	◉	◉	190	1.25	◉	◉	◓
Southern Farm Bureau	Annual Renewable Term*	264	1.32	◉	◉	◉	254	1.27	◉	◉	◓
Equitable	Yearly Renewable Term	259	1.35	◉	◉	◉	180	0.92	◉	◉	◉
Northwestern Mutual	Term to Age 70—Increasing Premium	267	1.36	◓	◉	◉	239	1.22	◉	◉	◓
Massachusetts Mutual	Adjustable Premium Term	290	1.46	◓	◓	◉	292	1.49	○	○	◓
Bankers Life	One Year Term	302	1.42	◓	◓	◓	258	1.21	◉	◉	◓
Aetna	Flexi-Term	283	1.45	◓	◓	◓	271	1.39	◓	◓	◓
Massachusetts Mutual	Yearly Renewable Term	354	1.45	◓	◓	◓	352	1.36	○	◓	◓
Massachusetts Mutual	5 Year Renewable Term	392	1.43	◒	◓	◉	390	1.43	◒	○	◉
National Life of Vermont	Yearly Renewable Term—100	250	1.46	◓	◓	○	194	1.14	◉	◉	◓
Phoenix Mutual	Annual Renewable Term to Age 70	250	1.55	◓	◓	○	257	1.55	○	○	○
General American	Yearly Renewable Term to 95*	232	1.56	◓	○	○	214	1.35	◉	◓	○
Union Labor	Annual Renewable Term	237	1.56	◓	○	○	237	1.56	◓	○	◒
Minnesota Mutual	Adjustable III	568	1.64	◒	○	◉	407	1.29	○	◓	◉
Prudential	Annually Increasing Premium Term to 70	363	1.75	○	○	◓	289	1.33	◓	◓	◓
Aid Association for Lutherans	Yearly Renewable Term	313	1.56	○	○	○	239	1.24	◉	◉	◓
Mutual Benefit Life	Yearly Renewable Term	273	1.62	◓	○	◒	271	1.46	◓	○	◒
Minnesota Mutual	Convertible Annual Renewable Term	286	1.66	○	○	○	262	1.52	○	○	◒
Western & Southern Life	Annual Renewable & Convertible Term	329	1.66	○	○	○	307	1.55	○	○	○
John Hancock Mutual	Preferred Yearly Renewable Term*	343	1.66	○	○	○	313	1.49	○	○	◓
Connecticut Mutual	Yearly Renewable Term—7	261	—	○	—	—	261	—	○	—	—
General American	Yearly Renewable Term to 95	252	1.73	◓	○	◒	226	1.25	◉	◉	○
New York Life	Increasing Premium Term to Age 70	281	1.69	○	○	◒	293	1.73	◒	◒	●
Teachers Ins. & Annuity Assoc.	5 Year Renewable Term	222	1.72	○	○	◒	222	1.72	◒	◒	●
General American	Yearly Renewable Term to 70*	350	1.73	◒	○	○	316	1.57	◒	○	○
John Hancock Mutual	Yearly Renewable Term	363	1.78	◒	○	○	333	1.61	◒	◒	○
Guardian Life	Yearly Renewable Term—Scheduled*	357	1.79	◒	○	○	309	1.55	○	○	○
Union Labor	5 Year Level Term	395	1.82	◒	◒	◒	395	1.82	◒	●	●
Mutual of New York	Yearly Renewable Term	326	1.87	◒	◒	◒	322	1.84	◒	●	●
General American	Yearly Renewable Term to 70	376	1.88	◒	◒	◒	332	1.66	◒	◒	◒
Connecticut Mutual	Yearly Renewable Term	380	1.90	◒	◒	◒	322	1.62	◒	◒	◒
New England Mutual	Yearly Renewable Term to age 95 (RH)	361	1.94	◒	◒	◒	343	1.85	●	●	●
New England Mutual	Yearly Renewable Term to Age 95 (RU)	361	2.22	◒	●	●	343	2.08	◒	●	●
Guardian Life	Yearly Renewable Term-Maximum*	357	2.29	◒	●	●	309	1.98	○	●	●
Southern Farm Bureau	5 Year Renewable Term	510	2.17	●	●	●	494	2.15	●	●	●
Metropolitan	5 Year Renewable & Convertible Term	600	2.24	●	●	●	563	2.10	●	●	●
New England Mutual	5 Year Renewable & Convertible Term	495	2.28	●	●	●	483	2.15	●	●	●
Guardian Life	Yearly Renewable Term—Scheduled	517	2.64	●	●	●	469	2.40	●	●	●
Western & Southern Life	5 Year Renewable & Convertible Term	567	2.84	●	●	●	549	2.74	●	●	●
Guardian Life	Yearly Renewable Term—Maximum	517	3.14	●	●	●	469	2.83	●	●	●

$200,000 Age 35 Nonparticipating

COMPANY NAME	POLICY NAME	Male: First-year premium	Male: 10-year cost index	Male: Relative cost 5-year	Male: Relative cost 10-year	Male: Relative cost 20-year	Female: First-year premium	Female: 10-year cost index	Female: Relative cost 5-year	Female: Relative cost 10-year	Female: Relative cost 20-year
The 40 lowest-cost policies											
Massachusetts Indemnity & Life	Annual Renewable Term 100*	$137	1.22	◉	◉	◉	$137	1.22	◉	◉	◉
Fort Dearborn	Select Annual Renewable Term [RH]	255	1.42	◉	◉	◉	261	1.45	◉	◉	◉
North Amer. Co. for Life & Health	Leveler—Current Premiums*	330	1.42	◉	◉	◉	316	1.35	◉	◉	◉
First Colony	CA95*	306	1.53	◉	◉	◉	252	1.26	◉	◉	◉
Federal Kemper	T95	308	1.54	◉	◉	◉	268	1.34	◉	◉	◉
Massachusetts Indemnity & Life	Annual Renewable Term 100	179	1.73	◉	◉	◉	179	1.73	◉	◓	◓
Northwestern National	LT-10 [RH]	317	1.62	◓	◉	◉	289	1.46	◉	◉	◉
Northwestern National	LT-10 [RU]	317	1.62	◓	◉	◉	289	1.46	◉	◉	◉
Old Line Life	LT-10 [RH]	343	1.76	◓	◉	◉	310	1.56	◓	◉	◉
Jackson National Life	Yearly Renewable Term—100	273	1.90	◉	◓	◉	269	1.62	◉	◓	◉
ITT Life	Guaranteed Re-entry Annual Renewable Term [RH]	227	1.93	◉	◓	◉	210	1.61	◉	◉	◉
Continental Assurance Co.	Step 10	366	1.83	○	◉	◉	350	1.75	○	◓	◉
Lincoln National	LNL-10	310	1.84	◓	◉	—	316	1.75	◓	◓	—
Union Mutual	Yearly Renewable Term-70	244	1.85	◉	◓	◓	230	1.69	◉	◓	○
Southwestern Life	Renaissance Renewable & Convertible Term	337	1.92	◓	◓	◉	313	1.74	◓	◓	◓
Travelers	Yearly Renewable Term 10	263	1.98	◉	◓	—	257	1.78	◉	◓	—
Philadelphia Life	Electerm [RH]	324	1.99	◓	◓	◉	302	1.64	◓	◓	◉
Integon	First Class Term [RH]	290	2.07	◓	◓	◉	278	1.88	◓	◓	◉
Integon	First Class Term	286	1.96	◓	◓	◓	276	1.79	◓	◓	○
Southwestern Life	Renaissance Annual Renewable Term II	317	1.97	◓	◓	◓	293	1.76	◓	◓	◓
Integon	First Class Term [RU]	290	2.07	◓	◓	◓	278	1.88	◓	◓	○
Old Line Life	CE82 [RH]	249	2.27	◓	○	◓	243	1.99	◓	○	◓
Fort Dearborn	Select Annual Renewable Term [RU]	255	2.28	◉	○	○	261	2.14	◉	◒	◒
Federal Kemper	SR22/84 [RH]	270	2.29	◓	○	◓	268	2.05	◓	○	○
ITT Life	Guaranteed Re-entry Annual Renewable Term [RU]	227	1.93	◉	◓	●	210	1.61	◉	◉	●
Liberty National	Annually Renewable Term	360	2.09	○	○	◓	322	1.92	○	○	◓
Franklin Life	Challenger 90*	276	2.12	◓	○	○	290	1.93	◓	○	○
United Investors	Vitalife Annual Renewable Term	351	2.16	○	○	◓	323	1.91	○	○	◓
IDS	Yearly Renewable Term	361	2.18	○	○	◓	355	2.15	◒	◒	○
Alexander Hamilton	Annual Renewable Term 100	228	2.19	◉	○	◒	202	1.66	◉	◓	○
Crown Life	Select Yearly Renewable Term	280	2.19	◓	○	○	298	2.17	○	◒	◒
United Investors	Adjustable Annual Renewable Term	368	2.24	○	○	◓	338	1.99	○	○	◓
Old Line Life	Preferred Annual Renewable Term [RH]	383	2.27	○	○	◓	365	2.02	○	○	◓
First Colony	Select 20 [RH]	247	2.37	◓	○	○	257	2.10	◓	◒	◒
Life of Virginia	Yearly Renewable Term	308	2.17	○	○	○	280	1.94	◓	○	◒
American Agency Life	Ten Year Renewable & Convertible Term*	437	2.18	◒	○	◓	325	1.62	◓	◓	◉
American Agency Life	5 Year Renewable & Convertible Term*	377	2.21	○	○	○	312	1.70	◓	◓	◉
Great Southern	Termpacer	286	2.25	○	○	○	272	1.96	◓	○	○
First Colony	CA99*	365	2.29	○	○	○	365	2.12	◒	◒	◒
Sun Life of Canada	Nova Yearly Renewable Term	361	2.30	○	○	○	321	2.09	○	◒	◒
The 6 highest-cost policies											
Alexander Hamilton	5 Year Level Term	501	2.98	●	●	●	451	2.64	●	●	●
Guardsman	Yearly Renewable & Convertible Term	458	3.07	●	●	●	458	2.52	●	●	◒
ITT Life	5 Year Renewable & Convertible Term	573	3.71	●	●	●	487	2.98	●	●	●
Crown Life	5 Year Renewable Term	659	3.73	●	●	●	623	3.43	●	●	●
Old Line Life	Preferred Annual Renewable Term [RU]	383	3.74	●	●	●	365	3.04	●	●	●
Farmers New World	5 Year Renewable & Convertible Term	672	3.84	●	●	●	553	3.13	●	●	●

$200,000 | Age 35 | Participating

COMPANY NAME	POLICY NAME	Male: First-year premium	Male: 10-year cost index	Male: Relative cost 5-year	Male: Relative cost 10-year	Male: Relative cost 20-year	Female: First-year premium	Female: 10-year cost index	Female: Relative cost 5-year	Female: Relative cost 10-year	Female: Relative cost 20-year
Metropolitan	One Year Term with Premium Adjustment	$247	1.50	◉	◉	◉	$233	1.33	◉	◉	◉
Northwestern Mutual	10 Year Term—Increasing Premium	245	1.60	◉	◉	◉	221	1.41	◉	◉	◉
Equitable	Yearly Renewable Term	304	1.69	◉	◉	◉	225	1.15	◉	◉	◉
Union Central	Annual Renewable Term to 100	200	1.77	◉	◉	◉	192	1.46	◉	◉	◉
Home Life	Yearly Renewable Term to 75	218	1.84	◉	◓	◓	218	1.84	◓	○	◒
National Life of Vermont	Yearly Renewable Term—15	220	1.84	◉	◓	—	220	1.84	◉	○	—
Massachusetts Mutual	Adjustable Premium Term	314	2.01	◓	◓	◉	316	1.75	○	◓	◉
Massachusetts Mutual	5 Year Renewable Term	486	1.72	◒	◉	◉	460	1.41	◒	◉	◉
Southern Farm Bureau	Annual Renewable Term*	288	1.85	◓	◓	◓	278	1.78	◓	◓	○
Bankers Life	One Year Term	316	1.94	◓	◓	◓	284	1.62	◉	◓	◓
Aetna	Flexi-Term	325	1.98	◓	◓	◓	307	1.65	◓	◓	◉
Northwestern Mutual	Term to Age 70—Increasing Premium	293	1.93	◓	◓	○	265	1.71	◓	◓	○
Western & Southern Life	Annual Renewable & Convertible Term	341	1.98	○	◓	◓	317	1.80	○	○	◓
Massachusetts Mutual	Yearly Renewable Term	402	2.05	◓	◓	○	398	1.61	◓	◓	◉
Prudential	Annually Increasing Premium Term to 70	381	2.14	○	○	◉	339	1.76	○	○	◓
Union Labor	Annual Renewable Term	275	2.18	◓	○	◓	275	2.18	○	◒	◒
John Hancock Mutual	Preferred Yearly Renewable Term*	387	2.13	○	○	◓	329	1.61	◓	◓	◉
General American	Yearly Renewable Term to 95*	254	2.19	◓	○	○	234	1.83	◓	○	◓
Guardian Life	Yearly Renewable Term—Scheduled*	371	2.19	○	○	◓	319	1.86	○	○	◓
Phoenix Mutual	Annual Renewable Term to Age 70	292	2.15	○	○	○	284	1.94	○	○	○
National Life of Vermont	Yearly Renewable Term—100	270	2.20	◓	○	◒	226	1.78	◉	○	◒
Minnesota Mutual	Adjustable III	782	2.21	●	○	◉	656	1.71	◒	◓	◉
Minnesota Mutual	Convertible Annual Renewable Term	298	2.25	○	○	○	274	1.94	○	○	○
Connecticut Mutual	Yearly Renewable Term—7	277	—	○	—	—	277	—	◒	—	—
Aid Association for Lutherans	Yearly Renewable Term	362	2.28	○	◒	○	304	1.89	○	○	○
Mutual Benefit Life	Yearly Renewable Term	293	2.37	◓	◒	●	291	1.90	◓	○	◒
Connecticut Mutual	Yearly Renewable Term	386	2.38	◒	◒	○	332	1.98	○	○	○
John Hancock Mutual	Yearly Renewable Term	411	2.39	◒	◒	○	353	1.87	○	○	◓
General American	Yearly Renewable Term to 95	280	2.49	○	◒	◒	248	1.97	◓	○	○
General American	Yearly Renewable Term to 70*	418	2.47	◒	◒	◒	380	2.01	◒	○	○
New York Life	Increasing Premium Term to Age 70	293	2.53	○	◒	●	309	2.21	○	◒	●
New England Mutual	**Yearly Renewable Term to Age 95 ([illegible])**	375	2.60	●	◒	○	367	2.24	●	◒	○
Mutual of New York	Yearly Renewable Term	334	2.63	◒	◒	●	328	2.22	◒	◒	◒
General American	Yearly Renewable Term to 70	450	2.63	●	◒	◒	400	2.15	●	◒	◒
Guardian Life	Yearly Renewable Term—Maximum*	371	3.21	○	●	●	319	2.74	○	●	●
Union Labor	5 Year Level Term	527	2.84	●	●	◒	527	2.84	●	●	●
Southern Farm Bureau	5 Year Renewable Term	650	3.02	●	●	●	604	2.76	●	●	●
New England Mutual	**Yearly Renewable Term to Age 95 ([illegible])**	375	3.09	●	●	●	367	2.58	◒	●	●
Metropolitan	5 Year Renewable & Convertible Term	838	3.12	●	●	●	756	2.81	●	●	●
Guardian Life	Yearly Renewable Term—Scheduled	565	3.44	●	●	●	513	3.10	●	●	●
New England Mutual	5 Year Renewable & Convertible Term	699	3.57	●	●	●	597	2.86	●	●	●
Western & Southern Life	5 Year Renewable & Convertible Term	663	3.74	●	●	●	639	3.31	●	●	●
Guardian Life	Yearly Renewable Term—Maximum	565	4.46	●	●	●	513	3.99	●	●	●

$200,000 Age 45 Nonparticipating

COMPANY NAME	POLICY NAME	Male: First-year premium	Male: 10-year cost index	Male: Relative cost 5-year	Male: Relative cost 10-year	Male: Relative cost 20-year	Female: First-year premium	Female: 10-year cost index	Female: Relative cost 5-year	Female: Relative cost 10-year	Female: Relative cost 20-year
The 40 lowest-cost policies											
Fort Dearborn	Select Annual Renewable Term(RH)	$459	2.78	⦿	⦿	⦿	$461	2.62	⦿	⦿	⦿
Massachusetts Indemnity & Life	Annual Renewable Term 100*	263	3.18	⦿	⦿	⦿	263	3.18	⦿	⦿	⦿
Jackson National Life	Yearly Renewable Term-100	357	3.50	⦿	⦿	⦿	309	2.57	⦿	⦿	⦿
Lincoln National	LNL-10	530	3.70	⦿	⦿	—	408	2.90	⦿	⦿	—
Integon	First Class Term	491	3.98	⦿	◓	⦿	387	3.17	⦿	⦿	◓
Massachusetts Indemnity & Life	Annual Renewable Term 100	351	4.28	⦿	◓	⦿	351	4.28	○	◒	○
Integon	First Class Term (RH)	506	4.31	⦿	◓	⦿	398	3.43	⦿	⦿	⦿
Integon	First Class Term (RU)	506	4.31	⦿	◓	⦿	398	3.43	⦿	⦿	◓
First Colony	CA95*	740	3.70	○	⦿	⦿	324	1.62	⦿	⦿	⦿
North Amer. Co. for Life & Health	Leveler—Current Premiums*	806	3.80	○	⦿	⦿	652	3.03	○	⦿	⦿
Northwestern National	LT-10 (RH)	733	3.85	○	⦿	⦿	552	2.90	◓	⦿	⦿
Old Line Life	LT-10 (RH)	748	3.90	○	⦿	⦿	587	3.05	○	⦿	⦿
Federal Kemper	T95	780	3.90	○	⦿	⦿	626	3.13	○	⦿	⦿
Travelers	Yearly Renewable Term 10	432	3.84	⦿	◓	—	372	3.28	⦿	◓	—
Philadelphia Life	Electerm (RH)	574	4.11	◓	◓	⦿	414	2.90	⦿	⦿	⦿
Southwestern Life	Renaissance Renewable & Convertible Term	655	4.15	◓	◓	⦿	550	3.52	◓	◓	◓
ITT Life	Guaranteed Re-entry Annual Renewable Term (RH)	483	4.28	◓	◓	⦿	388	3.42	◓	◓	⦿
Northwestern National	LT-10 (RU)	733	3.85	○	⦿	◓	552	2.90	◓	⦿	⦿
Liberty National	Annual Renewable Term	590	4.23	○	◓	⦿	465	3.21	◓	⦿	⦿
Southwestern Life	Renaissance Annual Renewable Term II	589	4.35	○	◓	⦿	500	3.56	○	◓	⦿
State Mutual	Execterm II—Term to Age 75 (RH)	627	4.52	○	◓	⦿	559	3.95	○	○	◓
Federal Kemper	SR22/84 (RH)	430	4.56	◓	◓	◓	386	3.94	◓	○	◓
Old Line Life	Preferred Annual Renewable Term (RH)	634	4.78	○	◓	⦿	518	3.68	◓	◓	⦿
Continental Assurance Co.	Step 10	840	4.20	◒	◓	⦿	594	2.97	○	⦿	⦿
Crown Life	Select Yearly Renewable Term	453	4.48	⦿	○	○	415	3.80	◓	○	○
Great Southern	Termpacer	391	4.50	⦿	○	○	338	3.28	⦿	◓	○
Life of Virginia	Yearly Renewable Term	508	4.67	◓	○	◓	460	4.21	○	○	○
IDS	Yearly Renewable Term	605	4.71	◓	○	◓	595	4.06	◒	○	◓
Fort Dearborn	Select Annual Renewable Term (RU)	459	5.00	⦿	○	○	461	4.13	⦿	○	○
United Life & Accident	Dynamic Annual Renewable Term (RH)	469	5.09	◓	○	◓	437	4.28	○	◒	◓
Old Line life	CE82 (RH)	424	5.38	◓	○	◓	353	4.04	◓	○	◓
First Colony	Select 20 (RH)	403	5.48	⦿	◒	◓	375	4.78	◓	◒	○
United Investors	Vitalife Annual Renewable Term	635	4.83	○	○	◓	471	3.58	◓	◓	⦿
United Investors	Adjustable Annual Renewable Term	650	4.91	○	○	◓	486	3.65	◓	◓	⦿
Franklin Life*	Challenger 90*	466	4.93	◓	○	○	434	3.98	○	○	○
Alexander Hamilton	Annual Renewable Term 100	382	4.95	⦿	○	◒	306	3.50	⦿	◓	○
First Colony	CA99*	691	5.05	○	○	◓	603	4.73	◒	◒	○
United Life & Accident	Dynamic Annual Renewable Term (RU)	469	5.09	◓	○	○	437	4.28	○	◒	◒
ITT Life	Guaranteed Re-entry Annual Renewable Term (RU)	483	4.28	◓	◓	●	388	3.42	◓	◓	●
Union Mutual	Yearly Renewable Term 70	435	4.70	◓	○	◒	345	3.48	◓	◓	○
Travelers	5 Year Level Term	817	5.02	◒	○	◓	729	4.38	◒	◒	○
The 6 highest-cost policies											
Alexander Hamilton	5 Year Level Term	1091	6.92	●	●	●	941	6.06	●	●	●
Guardsman	Yearly Renewable & Convertible Term	960	7.24	●	●	●	876	5.01	●	●	◒
Crown Life	5 Year Renewable Term	1217	7.53	●	●	●	1085	6.58	●	●	●
ITT Life	5 Year Renewable & Convertible Term	1221	8.16	●	●	●	933	6.17	●	●	●
Farmers New World	5 Year Renewable & Convertible Term	1344	8.90	●	●	●	1061	6.97	●	●	●
Old Line Life	Preferred Annual Renewable Term (RU)	634	9.34	●	●	●	518	6.92	●	●	●

$200,000 Age 45 Participating

COMPANY NAME	POLICY NAME	Male: First-year premium	Male: 10-year cost index	Male Relative cost: 5-year	Male Relative cost: 10-year	Male Relative cost: 20-year	Female: First-year premium	Female: 10-year cost index	Female Relative cost: 5-year	Female Relative cost: 10-year	Female Relative cost: 20-year
National Life of Vermont	Yearly Renewable Term—15	$350	3.27	◉	◉	—	$350	3.27	◉	◓	—
Southern Farm Bureau	Annual Renewable Term*	604	3.73	◉	◉	◉	548	3.50	◓	◓	◓
Union Central	Annual Renewable Term to 100	380	3.76	◉	◉	◉	282	2.99	◉	◉	◉
Northwestern Mutual	10 Year Term—Increasing Premium	507	3.81	◉	◉	◉	431	3.22	◓	◉	◉
Equitable	Yearly Renewable Term	531	4.11	◉	◓	◓	348	2.52	◉	◉	◉
Prudential	Annually Increasing Premium Term to 70	516	4.16	◓	◓	◉	482	3.75	○	○	◓
Union Labor	Annual Renewable Term	495	4.25	◓	◓	◉	495	4.25	◒	◒	○
Massachusetts Mutual	Adjustable Premium Term	584	4.37	◓	◓	◉	450	3.31	◓	◓	◉
Metropolitan	One Year Term With Premium Adjustment	465	4.22	◓	◓	◓	366	3.14	◉	◓	◓
Guardian Life	Yearly Renewable Term—Scheduled*	591	4.30	◓	◓	◓	489	3.53	○	◓	◓
Connecticut Mutual	Yearly Renewable Term—7	453	—	◓	—	—	453	—	◒	—	—
National Life of Vermont	Yearly Renewable Term—100	434	4.52	◉	◓	○	374	3.79	◓	○	◒
General American	Yearly Renewable Term to 95*	398	4.66	◉	○	◓	354	3.55	◉	◓	◓
Aetna	Flexi-Term	617	4.46	○	◓	◓	473	3.36	◓	◓	◉
New England Mutual	Yearly Renewable Term to Age 95 (RH)	513	4.59	○	○	◉	465	3.90	◒	○	◓
Home Life	Yearly Renewable Term to 75	474	4.81	◓	○	◓	474	4.81	◒	●	●
Massachusetts Mutual	5 Year Renewable Term	1082	4.07	●	◓	◉	938	3.13	●	◉	◉
John Hancock Mutual	Preferred Yearly Renewable Term*	681	4.64	○	○	◓	489	3.16	◓	◉	◉
Minnesota Mutual	Convertible Annual Renewable Term	506	4.74	◓	○	○	416	3.87	○	○	○
Connecticut Mutual	Yearly Renewable Term	698	4.77	○	○	◓	558	3.78	○	○	◓
Bankers Life	One Year Term	654	4.54	○	○	○	545	3.60	○	○	○
Western & Southern Life	Annual Renewable & Convertible Term	599	4.61	○	○	○	501	3.89	◒	○	○
Minnesota Mutual	Adjustable III	1621	4.67	●	○	◉	1300	2.95	●	◉	◉
Aid Association for Lutherans	Yearly Renewable Term	737	4.77	◒	○	◓	615	4.00	◒	○	○
Mutual of New York	Yearly Renewable Term	456	4.78	◓	○	◒	394	3.83	◓	○	◒
Phoenix Mutual	Annual Renewable Term to Age 70	534	4.81	○	○	○	439	3.93	○	○	○
Massachusetts Mutual	Yearly Renewable Term	818	5.11	◒	○	○	760	3.70	○	○	◓
New York Life	Increasing Premium Term to Age 70	483	5.20	◓	◒	◒	407	4.37	○	◒	◒
Mutual Benefit Life	Yearly Renewable Term	523	5.36	◓	◒	●	479	4.10	◓	○	●
John Hancock Mutual	Yearly Renewable Term	807	5.40	◒	◒	○	615	3.92	◒	○	◓
General American	Yearly Renewable Term to 95	468	5.47	○	◒	◒	394	4.06	◓	○	○
Northwestern Mutual	Term to Age 70—Increasing Premium	651	5.54	◒	◒	◒	555	4.67	◒	◒	●
New England Mutual	Yearly Renewable Term to Age 95 (RU)	513	5.92	◒	●	○	465	4.78	◒	●	◒
Guardian Life	Yearly Renewable Term—Maximum*	591	6.44	◓	●	●	489	5.09	○	●	●
General American	Yearly Renewable Term to 70*	804	5.70	●	◒	◒	626	4.53	●	◒	◒
Teachers Ins. & Annuity Assoc.	5 Year Renewable Term	532	6.07	●	●	◒	532	6.07	●	●	●
General American	Yearly Renewable Term to 70	864	6.20	●	●	◒	664	4.84	●	●	◒
Southern Farm Bureau	5 Year Renewable Term	1512	6.44	●	●	●	1260	4.71	●	◒	◒
Metropolitan	5 Year Renewable & Convertible Term	1515	6.52	●	●	●	1252	5.20	●	●	●
Guardian Life	Yearly Renewable Term—Scheduled	965	6.83	●	●	●	863	6.05	●	●	●
Western & Southern Life	5 Year Renewable & Convertible Term	1322	8.07	●	●	●	1064	6.44	●	●	●
New England Mutual	5 Year Renewable & Convertible Term	1451	8.28	●	●	●	1123	6.10	●	●	●
Guardian Life	Yearly Renewable Term—Maximum	965	8.96	●	●	●	863	7.61	●	●	●

Alphabetical summary table

This table provides 10-year cost indexes for every term policy in our survey, including those not shown in the Ratings for space reasons. It is arranged alphabetically by company, and may serve to provide a rough idea of whether a company's term policies are low or high in cost. For more detailed information, see the Ratings on pages 386-397. Policies marked with an * are available to "preferred risks" only. Abbreviations: P = Participating; N = Nonparticipating; RH = Revertible policy analyzed on the assumption that the buyer stays healthy; RU = Revertible policy analyzed on the assumption that the buyer's health worsens midway through the period analyzed.

		$50,000						$200,000					
		Male/age			Female/age			Male/age			Female/age		
Company & policy name	Type	25	35	45	25	35	45	25	35	45	25	35	45
Aetna Life Insurance & Annuity													
Flexi-Term	P	○	○	○	◓	○	◓	◓	◓	◓	◓	◓	◓
Aid Association for Lutherans													
Yearly Renewable Term	P	◓	○	○	◓	○	○	○	◒	○	◉	○	○
Alexander Hamilton													
5 Year Level Term	N	○	○	◒	○	◒	◒	●	●	●	◒	●	●
Annual Renewable Term 100	N	—	—	—	—	—	—	◉	○	○	◉	◓	◓
American Agency Life Insurance													
10 Year Renewable and Convertible Term*	N	◉	◓	◓	◓	◉	◉	◓	○	○	◓	◓	◉
5 Year Renewable and Convertible Term*	N	◉	◓	○	◉	◉	◉	◓	○	○	◓	◓	◉
Bankers Life (Iowa)													
One Year Term	P	—	—	—	—	—	—	◓	◓	○	◉	◓	○
Connecticut Mutual Life Insurance													
Yearly Renewable Term	P	○	○	○	○	◓	◓	◒	◒	○	◒	○	○
Yearly Renewable Term-7	P	—	—	—	—	—	—	—	—	—	—	—	—
Continental Assurance													
Adjustable Premium Annual Renewable Term	N	○	○	○	○	○	◓	○	○	◒	○	○	◓
Step 10	N	—	—	—	—	—	—	◓	◉	◓	○	◓	◉
Crown Life Insurance													
Select Yearly Renewable Term	N	◒	○	○	●	◒	○	◒	○	○	◒	◒	○
Yearly Renewable Term	N	◒	◒	◒	●	◒	◒	●	●	●	●	●	●
5 Year Renewable Term	N	●	●	●	●	●	●	●	●	●	●	●	●
Equitable Life Assurance Society of the U.S.													
Yearly Renewable Term	P	—	—	—	—	—	—	◉	◉	◓	◉	◉	◉
Farmers New World Life Insurance													
5 Year Renewable and Convertible Term	N	◒	●	●	○	◒	●	●	●	●	●	●	●
Federal Kemper Life Assurance													
T95	N	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉
SR22/84	RH	—	—	—	—	—	—	○	○	◓	○	○	○
SR22/84	RU	—	—	—	—	—	—	◒	●	●	◒	●	●
First Colony Life Insurance													
CA95*	N	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉
Select 20	RH	◓	◓	○	◓	◓	○	◓	○	◒	○	◒	◒
CA99*	N	◓	◓	◓	○	◓	○	○	○	○	○	◒	◒
Select 20	RU	◓	◓	○	◓	◓	○	◓	○	◒	○	◒	◒
Fort Dearborn													
Annual Renewable Term	N	◒	○	○	◒	◒	◒	●	◒	◒	●	●	●
Select Annual Renewable Term	RH	—	—	—	—	—	—	◉	◉	◉	◉	◉	◉
Select Annual Renewable Term	RU	—	—	—	—	—	—	○	○	○	○	◒	○
Franklin Life Insurance													
Challenger 90*	N	—	—	—	—	—	—	◓	○	○	○	○	○
Challenger 90	N	—	—	—	—	—	—	○	○	◒	○	◒	◒
General American Life Insurance													
Yearly Renewable Term to 95*	P	○	○	○	◓	◓	◓	○	○	○	◓	○	◓
Yearly Renewable Term to 70*	P	○	○	◒	○	○	◒	○	◒	◒	○	○	◒
Yearly Renewable Term to 95	P	○	○	◒	○	○	○	○	◒	◒	◉	○	○
Yearly Renewable Term to 70	P	○	◒	◒	○	○	◒	◒	◒	●	◒	◒	●
Great Southern													
Termpacer	N	◓	◉	◉	◓	◉	◉	○	○	○	○	○	◓
Guardian Life Insurance Co. of America													
Yearly Renewable Term—Scheduled* [1]	P	●	◒	○	◒	◒	○	○	○	◓	○	○	◓
Yearly Renewable Term—Scheduled [1]	P	●	●	●	●	●	●	●	●	●	●	●	●
Yearly Renewable Term—Maximum* [1]	P	●	●	●	●	●	●	●	●	●	●	●	●
Yearly Renewable Term—Maximum [1]	P	●	●	●	●	●	●	●	●	●	●	●	●
Guardsman Life Insurance													
Yearly Renewable and Convertible Term	N	○	◒	●	◒	○	◒	●	●	●	●	●	●

Company & policy name	Type	$50,000						$200,000					
		Male/age			Female/age			Male/age			Female/age		
		25	35	45	25	35	45	25	35	45	25	35	45
Home Life Insurance													
Yearly Renewable Term to 75	P	○	○	○	○	◒	●	◉	◓	○	◉	○	●
IDS Life Insurance													
Yearly Renewable Term	N	○	◓	○	○	○	○	○	○	○	○	◒	○
Integon Life Insurance													
First Class Term	RH	—	—	—	—	—	—	◓	◓	◓	◓	◓	◉
First Class Term	RU	—	—	—	—	—	—	◓	◓	◓	◓	◓	◉
First Class Term	N	—	—	—	—	—	—	◓	◓	◓	◓	◓	◉
ITT Life [2]													
5 Year Renewable and Convertible Term	N	◒	●	●	●	●	●	●	●	●	●	●	●
Guaranteed Re-entry Annual Renewable Term	RH	—	—	—	—	—	—	◉	◓	◓	◉	◉	◓
Guaranteed Re-entry Annual Renewable Term	RU	—	—	—	—	—	—	◉	◓	◓	◉	◉	◓
Jackson National Life Insurance													
Yearly Renewable Term-100	N	—	—	—	—	—	—	◓	◓	◉	○	◓	◉
John Hancock Mutual Life Insurance													
Yearly Renewable Term	P	●	●	●	●	●	●	○	◒	◒	◒	○	○
*Preferred Yearly Renewable Term**	P	—	—	—	—	—	—	○	○	○	○	◓	◉
Liberty National Life Insurance													
Annually Renewable Term	N	◓	◓	○	◓	◓	◓	○	○	◓	◓	○	◉
Life Insurance Co. of Virginia													
Yearly Renewable Term	N	◓	◓	◉	◓	◓	◓	◓	○	○	◓	○	○
Lincoln National Life Insurance													
LNL-10	N	—	—	—	—	—	—	◓	◉	◉	◓	◓	◉
Manufacturers Life Insurance													
Select 10	N	◓	◓	○	○	◓	◉	○	◒	◒	○	○	○
Yearly Renewable Term-70	N	◓	◓	◓	○	◉	◉	○	◒	○	○	◓	◓
Massachusetts Indemnity & Life Insurance [2]													
Annual Renewable Term 100	N	◉	◉	◉	◉	◉	◉	◉	◉	◓	◉	◓	◒
Modified Term	N	●	●	●	●	●	●	○	●	◒	○	●	●
*Annual Renewable Term 100**	N	—	—	—	—	—	—	◉	◉	◉	◉	◉	◉
Massachusetts Mutual Life Insurance													
5 Year Renewable Term	P	○	◓	○	○	○	○	◓	◉	◓	○	◉	◉
Yearly Renewable Term	P	◒	○	◒	◒	◒	◒	◓	◓	○	◓	◓	○
Adjustable Premium Term	P	—	—	—	—	—	—	◓	◓	◓	○	◓	◓
Massachusetts Savings Bank Life Insurance													
Yearly Renewable Term	P	◉	◉	◉	◉	◉	◉	—	—	—	—	—	—
5 Year Renewable Term	P	◓	◉	◉	◓	◉	◉	—	—	—	—	—	—
Metropolitan Life Insurance													
One Year Term with Premium Adjustment	P	◉	◉	◓	◉	◉	◉	◉	◉	◓	◉	◉	◓
5 Year Renewable and Convertible Term	P	◒	●	●	◒	●	●	●	●	●	●	●	●
Minnesota Mutual Life Insurance													
Adjustable III	P	○	○	○	◓	◓	◉	○	○	○	◓	◓	◉
Convertible Annual Renewable Term	P	◒	◒	○	◒	◒	○	○	○	○	○	○	○
Mutual Benefit Life Insurance													
Yearly Renewable Term	P	○	◒	◒	○	◒	◒	○	◒	◒	○	○	○
Mutual Life Insurance Co. of New York													
Yearly Renewable Term	P	○	◒	○	◒	○	○	◒	◒	○	●	◒	○
National Life of Vermont													
Yearly Renewable Term-15	P	◉	◓	◉	◓	○	◓	◉	◓	◉	◉	○	◓
Yearly Renewable Term-100	P	◓	○	◓	◉	◓	○	◓	○	◓	◉	○	○
New England Mutual Life Insurance													
Yearly Renewable Term to Age 95	RH	○	○	◓	○	○	◓	◒	◒	○	●	◒	○
Yearly Renewable Term to Age 95	RU	◒	◒	◒	◒	◒	◒	●	●	●	●	●	●
5 Year Renewable and Convertible Term	P	◒	●	●	◒	◒	●	●	●	●	●	●	●
New York Life Insurance													
Increasing Premium Term to Age 70	P	◓	○	○	○	○	○	○	◒	◒	◒	◒	◒
New York Savings Bank Life Insurance													
5 Year Renewable and Convertible Term	P	◉	◉	◓	◉	◉	◓	—	—	—	—	—	—
North American Company for Life & Health Insurance													
*Leveler—Current Premiums** [1]	N	—	—	—	—	—	—	◉	◉	◉	◉	◉	◉
*Leveler—Guaranteed Premiums** [1]	N	—	—	—	—	—	—	○	◒	◒	○	●	●

[1] *This is a "flexible premium" policy; see story.*

[2] *This company is rated B+ for financial stability by Best's Insurance Reports, a trade source CU considers reliable. Unless you have independent knowledge of a company's financial condition, we advise buying from a company rated A or A+.*

[3] *This company is rated B for financial stability by Best's Insurance Reports.*

Continued

Alphabetical summary table

Continued

Company & policy name	Type	$50,000 Male/age			$50,000 Female/age			$200,000 Male/age			$200,000 Female/age		
		25	35	45	25	35	45	25	35	45	25	35	45
Northwestern Mutual Life Insurance													
10 Year Term—Increasing Premium	P	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉
Term to Age 70—Increasing Premium	P	◓	◓	◒	◉	◓	◒	◉	◓	◒	◉	◓	◒
Northwestern National Life Insurance													
LT-10	RH	◉	◉	◉	◓	◉	◉	◉	◉	◉	◉	◉	◉
LT-10	RU	◉	◉	◉	◓	◉	◉	◉	◉	◉	◉	◉	◉
Old Line Life Insurance Co. of America													
LT-10	RH	◉	◉	◉	◉	◉	◉	◓	◉	◉	◓	◉	◉
LT-10	RU	◉	◉	○	◉	◉	◓	◓	○	◒	◓	○	◒
Preferred Annual Renewable Term	RH	—	—	—	—	—	—	○	○	◓	○	○	◓
CE82	RH	—	—	—	—	—	—	○	○	○	○	○	○
CE82	RU	—	—	—	—	—	—	○	○	○	○	○	○
Preferred Annual Renewable Term	RU	—	—	—	—	—	—	●	●	●	●	●	●
Philadelphia Life Insurance													
Electerm	RH	—	—	—	—	—	—	◓	◓	◓	○	◓	◉
Electerm	RU	—	—	—	—	—	—	◒	●	●	◒	◒	○
Phoenix Mutual Life Insurance													
Annual Renewable Term to Age 70	P	◓	◓	◓	◓	◓	◓	◓	○	○	○	○	○
Prudential Insurance Co. of America													
Annually Increasing Premium Term to 70	P	—	—	—	—	—	—	○	○	◓	◓	○	○
Southern Farm Bureau Life Insurance													
5 Year Renewable Term	P	◒	●	●	◒	●	◒	●	●	●	●	●	◒
*Annual Renewable Term**	P	—	—	—	—	—	—	◉	◓	◉	◉	◓	◓
Southwestern Life													
Renaissance Renewable and Convertible Term	N	—	—	—	—	—	—	◓	◓	◓	◓	◓	◓
Renaissance Annual Renewable Term II	N	—	—	—	—	—	—	◓	◓	◓	◉	◓	◓
State Mutual Life Assurance Co. of America													
Yearly Renewable Flexterm Level Term	N	○	○	◒	○	○	◒	◒	●	●	○	◒	●
Execterm II—Term to Age 75	RH	—	—	—	—	—	—	○	○	◓	○	◒	○
Execterm II—Term to Age 75	RU	—	—	—	—	—	—	○	◒	○	○	◒	○
Sun Life of Canada													
Nova Yearly Renewable Term	N	◓	◓	○	◓	○	○	○	○	◒	○	◒	◒
Teachers Insurance & Annuity Association of America													
5 Year Renewable Term	P	◒	●	●	◒	●	●	○	●	●	◒	●	●
Transamerica Occidental Life Insurance													
Trendsetter 20	N	—	—	—	—	—	—	○	◒	◒	◒	●	◒
Travelers Insurance													
5 Year Level Term	N	◒	○	○	●	◒	○	◒	◒	○	◒	◒	◒
Yearly Renewable Term-10	N	—	—	—	—	—	—	◓	◓	◓	○	◓	◓
Union Central													
Annual Renewable Term to 100	P	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉
Union Labor [3]													
Annual Renewable Term	P	◓	◓	◉	◓	○	○	○	○	◓	○	◒	◒
5 Year Level Term	P	○	◒	○	○	●	◒	◒	●	◒	●	●	●
Union Mutual Life Insurance													
Yearly Renewable Term-70	N	—	—	—	—	—	—	◉	◓	○	◉	◓	◓
United Investors													
Vitalife Annual Renewable Term	N	◉	◉	◉	◉	◉	◉	○	○	○	◓	○	◓
Adjustable Annual Renewable Term	N	○	◓	◓	○	◓	◉	○	○	○	○	○	◓
United Life & Accident													
Yearly Renewable Term	N	◒	◒	●	●	●	●	—	—	—	—	—	—
Dynamic Annual Renewable Term	RH	—	—	—	—	—	—	◒	○	○	◒	◒	◒
Dynamic Annual Renewable Term	RU	—	—	—	—	—	—	◒	○	○	◒	◒	◒
Washington National													
Annual Renewable Term 90	N	◉	◉	○	◉	◉	◉	◒	◒	●	○	○	○
Western & Southern Life Insurance													
Annual Renewable and Convertible Term	P	○	◓	○	○	◓	○	○	◓	○	○	○	○
5 Year Renewable and Convertible Term	P	●	●	●	●	●	●	●	●	●	●	●	●

[1] *This is a "flexible premium" policy; see story.*

[2] *This company is rated B+ for financial stability by Best's Insurance Reports, a trade source CU considers reliable. Unless you have independent knowledge of a company's financial condition, we advise buying from a company rated A or A+.*

[3] *This company is rated B for financial stability by Best's Insurance Reports.*

Are you a good insurance risk?

Applying for life insurance turns your medical history and health habits into an open book for the insurance industry. No company would want to sell you a policy if you were terminally ill: You'd be not just a risk to the company, but a sure loss. By contrast, companies are eager to insure you if you are the very model of vim, vigor, and vitality: The chances of paying off on your policy any time soon are slim.

Your occupation and even your hobbies also affect how a company views you. If you work as a stunt man or a window washer, or if you like to sky-dive in your spare time, you can expect to pay extra for life insurance, or maybe even have trouble getting it.

Insurance companies often play detective to learn as much as they can about your health and habits. The rates you pay reflect the kind of risk a company judges you to be.

Medical sleuthing

The detective work begins with the application you fill out. You answer a number of questions about your medical history—whether you've been to a doctor in the past year, whether you've recently had X-rays, when you last smoked cigarettes. Sometimes those answers are enough for the company's underwriter to assess you as a risk.

Often, though, the company wants to check the facts for itself. It may ask that a paramedic come to your house to measure your height and weight, take your blood pressure, and collect blood and urine samples. Or it may want you to take a physical in a doctor's office. (Either way, the company will pay for the exam.)

A person's age and the amount of insurance applied for determine whether the company will ask for an exam and what kind it will be. "If a person is 45 or 50, a company may not offer as much insurance without an exam as it would if he were 25," says Kenneth Stelzer, president of the Home Office Reference Laboratory, which performs laboratory tests for most of the insurance industry.

At Lincoln National, for example, a 25-year-old can apply for as much as $250,000 of insurance without taking a medical exam. A 40-year-old can apply for $150,000. At New York Life, a 25-year-old can usually get $1-million worth of insurance without an exam; a 40-year old can usually get only $200,000.

A company may also check to see if there's a file on you at the Medical Information Bureau, an insurance-company trade group whose members exchange information about prospective policyholders. When you apply for life, health, or disability insurance, you usually sign a form giving the company permission to turn over information about your medical condition to the Bureau.

A company typically reports such things as blood pressure, electrocardiogram results, and any illnesses you've had. Sometimes it also notes your driving habits, hobbies, and avocations, especially ones that pose a risk to life or health.

If you once told a company you were a skydiver, that fact is probably somewhere in the Bureau's files. So the next time you apply for insurance, remember to tell the new company about your hobby, since they'll find out about it anyway.

A company might also learn about you through an investigative report made by the company itself or by an outside firm like Equifax Services, an Atlanta-based firm specializing in such reports. The investigator will usually interview you either in person or on the phone to confirm what you said in your application. Often an investigator will also talk to your spouse, friends, or business associates about your habits and sometimes your financial affairs.

In former years, investigators often interviewed neighbors as well. These days, according to Equifax, they don't do much of that, partly because neighbors don't know each other as well as they used to some years ago.

Occasionally an investigator uncovers something an applicant forgot to mention; trips to the Middle East several times a year, for example, or the pint of whiskey sipped for dessert every day. Such facts can be red flags to an insurer.

Investigators scrutinize your smoking habits, since smoking separates good risks from bad in the life-insurance business. They might check your driving record too; companies aren't keen about insuring drunk drivers. "Some companies routinely request that information; others don't," says John Rahiya, an Equifax vice president. "We don't check it for a majority of companies, but more seem to be asking for it."

Measuring the risk

Once the company gathers information, it "underwrites" you. That is, it determines what rate you'll pay—standard, substandard, or preferred.

If you're a standard risk, you have no significant health problems and your chances of dying are about average for your age group. In 1984, 87 percent of all policies were issued at standard rates.

If you're a substandard risk, you have a greater than average chance of dying within the next few years. Someone who has had heart surgery, for example, may be a substandard risk. If you're a poor risk, the company will restrict the amount of coverage you can buy, or charge you more for the insurance.

The amount of additional premium you pay depends on the severity of your illness or impairment. Someone with mild high blood pressure would pay less than someone whose blood pressure was extremely high and uncontrolled.

Companies turn down very few applicants for life insurance—about 2 percent in 1984. People with medical conditions such as mild diabetes or some forms of cancer would once have suffered automatic rejection. Now they're insurable, albeit usually at higher rates.

One condition companies definitely don't want to insure is AIDS. A few companies ask questions about the disease on their applications and screen applicants for it, using blood tests. Both steps are controversial, and some states want to prohibit companies from taking them, a prospect that doesn't thrill the industry.

"I know of no other disease where we're prevented from learning about adverse information the applicant already knows," says David Hopper, vice president of reinsurance for Lincoln National.

"Preferred" rates are the best rates that a company offers. To get them, you must show that your risk of dying is much lower than average. Not all companies offer preferred rates, but those that do often have stringent requirements for qualifying.

Southern Farm Bureau, for example, will consider your driving record and whether you maintain a regular exercise program in assessing you as a potential preferred risk.

At the North American Company for Life and Health, you can't hold a pilot's license and your parents must not have contracted cardiovascular disease before their 60th birthdays if you want to be considered a preferred risk.

At John Hancock, preferred means that you are in exceptionally good physical condition with normal build and average weight and height and that your family history indicates above-average longevity. John Hancock also requires that your "financial stability, habits, character, business, and home environment be of high standard."

Something to keep in mind about preferred rates, however, is that one company's standard rate may be lower than another company's preferred. If you look at the Ratings, you'll see that preferred policies are scattered throughout, not clustered at the top.

Your insurance application is not the place to tell little white lies. If you misstate something important . . . you could be putting your dependents in financial jeopardy.

If you don't smoke, most insurance companies give you a price break. Nonsmokers almost always pay less than smokers, often as much as 40 or 50 percent less, depending on the kind of policy they buy and the company's rating schemes.

Some companies have smoker and nonsmoker rates in their standard class; some also have both in their preferred class. At other companies, the nonsmoker rate is the preferred rate.

Former smokers can qualify for nonsmoker rates. To do so, you must usually have stopped smoking for at least a year. All of the prices quoted in our Ratings reflect nonsmoker rates.

Telling the truth

Your insurance application is not the place to tell little white lies. If you misstate something important, such as a major illness, and you die within two years of taking out the policy, you could be putting your dependents in financial jeopardy. The insurance company can deny all or part of the claim.

Companies say they are not always getting truthful information about applicants' smoking habits. "We're seeing a higher percentage of people applying for nonsmoker rates than we believe qualify," says Don Clough, a vice president at State Mutual of America, the company that pioneered nonsmoker rates. Based on the percentage of people in the general population who smoke, companies say they should be finding more smokers among their applicants.

Some companies are beginning to track down fibbers by requiring tests for cotinine, a byproduct of nicotine that lingers in the urine for several days. Other companies are keeping close tabs on their agents to make sure they are reporting accurate information to the companies.

If you've lied about your smoking habits and you subsequently die of lung cancer, a company might reduce the amount they'll pay your survivors. Instead of receiving the full face amount of the policy, your survivors might get a sum that represents what the premiums you paid would have bought at the company's smoker rate.

While you have an obligation to tell the truth when you apply for insurance, the investigative companies that keep files on you also have an obligation to collect and maintain accurate information. To see that they do, the Fair Credit Reporting Act gives you the right to see your files and make corrections if necessary.

To obtain a copy of your record at the Medical Information Bureau, write to the Bureau at P.O. Box 105, Essex Station, Boston, Mass. 02112. Or phone 617-426-3660. The Bureau discloses medical information only to a medical professional you designate. It gives nonmedical information to you directly.

To obtain a copy of your investigative report from Equifax Services, contact the local Equifax office listed in the telephone directory. There are some 600 of them around the country. You can also write to the director of consumer affairs, Equifax Services, P.O. Box 4081, Atlanta, Ga. 30302. ■