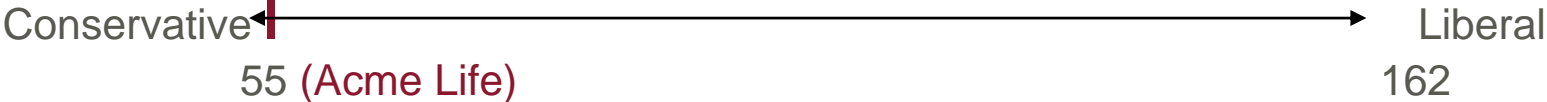


Underwriting Review

- Acme Life’s Underwriting Requirement score is the most conservative when compared to the other 60+ companies we have reviewed.



Weighted Variables considered are:

Variable	Rank	Variable	Rank
Non-med limits	10%	MD Exam	30%
Labs	10%	EKG	40%
TM	20%	APS	40%
IR/PHI	20%	MVR	30%

Underwriting Review — Requirement Scoring

Data



UNDERWRITING REQUIREMENT SCORECARD				Acme Life - Level Term	
Weight 1 - 5 (1 = very significant; 5 = somewhat significant)					
Score 1 - 10 (1 - conservative; 5 = moderate or unknown; 10 = liberal/aggressive)				8/17/2007	
Requirement	Weight	Score	Result		
Non-med/Para	2	2	4	1=\$1; 3=@\$100k; 6=>\$100k; 8=\$500k; 10=>\$500k	Age 18+
MD exam	4	3	12	age 35: 1=@\$1mm; 3->\$1mm; 5=>\$2.5mm; 8=>\$3mm; 10=>\$5mm	
			3-age ave	age 55+: 1=@\$500k; 3=>\$500k; 5=>\$1mm; 8=>\$2mm; 10=>\$3mm	
				age 65+: 1=\$1; 3=@\$100k; 5=>\$500k; 8=>\$1mm; 10=>\$2mm	
Blood/Urine	1	2	2	1=\$1; 3=>\$50k; 5=@\$100k; 8=>\$100k; 10=>\$250k	Age 18+
EKG	3	3	9	age 35: 1=<\$1mm; 3=@\$1mm; 5=>\$1mm; 8=>\$2.5mm; 10=>\$3.5mm	
			3-age ave	age 55+: 1=@\$100k; 3=>\$100k; 5=>\$250k; 8=>\$500k; 10=>\$1mm	
				age 65+: 1=<\$100k; 3=@\$100k; 5=>\$100k; 8=>\$250k; 10=>\$500k	
Treadmill	4	2	8	age 55+: 1=>\$2mm; 3=>\$3mm; 5=>\$5mm; 8=>\$7.5mm; 10=>\$10mm	
			2-age ave	age 65+: 1=@\$1mm; 3=>\$1mm; 5=>\$2mm; 8=>\$5mm; 10=>10mm	
CXR	5			NS: 1=>\$2mm; 3=>\$3mm; 5=>\$5mm; 7=none or unknown	Ignore
			ave	S: 1=>\$1mm; 3=>\$2mm; 5=>\$5mm; 7=none or unknown	
APS Guideline	2	4	8	<=age 50: 1=@\$100k; 3>\$250k; 5=>\$500k; 8=>\$1mm; 10=>\$2.5mm	
			2-age ave	>age 50: 1=@\$100k; 3>\$250k; 5=>\$500k; 8=>\$1mm; 10=>\$2.5mm	
IR/PHI	3	2	6	1=<\$250k; 3=>\$500k; 5=>\$1mm; 8=>\$3mm; 10=>\$10MM	
MVR	2	3	6	1=\$1; 3=@\$100k; 5=>\$100k; 8=>\$500k; 10=>\$2mm	
	Total		55	A low score indicates conservative requirements = lower pricing	
Low	21				
High	210				

Underwriting Review – Underwriting Scoring Data



CLIENT UNDERWRITING SCORECARD

Amended 7/06

VARIABLE	WEIGHT (1 - 5)	SCORE (1 - 10)	RESULT	Weight - 1 = not significant; 5 = very significant Score - 1 = conservative/favorable; 10 = aggressive/unfavorable
Company			Liberty Life-SC	8/20/2007
				Definition
UW Manual	5	3	15	Aggressiveness of Manual
Staff Experience	4	3	12	More experienced is more favorable, conservative
Marketing Pressure	2	3	6	Less pressure is more favorable, conservative
Distribution	4	3	12	Captive agency is conservative, brokerage aggressive
Preferred Criteria	4	2	8	High participation is aggressive
Audit Procedures	3	2	6	Consistent audits is favorable, conservative
Audit Results	4	2	8	Good results are favorable, conservative
Work Load	2	3	6	Heavy work load is unfavorable, aggressive
Medical Director	5	3	15	Risk tolerance
Medical Testing	4	2	8	Testing limit requirements
UW Education/Training	4	3	12	Strong emphasis is favorable, conservative
Knowledge of Results	3	2	6	The more the company knows, the more favorable
Claims Results	5	3	15	The more favorable, the more conservative
Competition	1	2	2	Versus conservative/aggressive companies
		Total	131	
Low	50			
High	500			