

Competitive Update for Survivorship NLG

In 2011, the competitive landscape for the No-Lapse Guarantee Survivorship Universal Life (NLG-SUL) product space continues to shift. Persistent low interest rates and high costs for financing heavy NLG reserve requirements continue to challenge NLG pricing and are driving multiple product repricings. However, we are also seeing the occasional pricing improvement, resulting in material changes to the product competitive environment. This report provides a summary of the following NLG-SUL competitive information:

- A sample listing of NLG-SUL price changes by carrier during 2010 and through May 2011.
- A listing of known future NLG-SUL price increases by carrier as of May 2011.
- A top-three competitive guaranteed lifetime coverage NLG-SUL cost summary as of May 2011.

Prudential PruLife SUL Protector (2011): Price Reduction Provides Very Competitive Guaranteed Premiums

In May 2011, Prudential provided a price reduction to the PruLife SUL Protector product. Illustration details for the repriced product are available for download at <http://www.pruxpress.com> and will be included in the June release of M Financial Group's illustration CD. As seen in the Appendix, PruLife SUL Protector (2011) provides best-in-class premiums for guaranteed lifetime coverage. PruLife SUL Protector (2011) is particularly competitive with age-last-birthday issue age qualification, which can result in a one year younger issue age as compared to age-nearest-birthday.

NLG-SUL Historical Repricings

The following changes have occurred in the survivorship NLG-UL market since January 2010:

M Carrier Products			
Carrier	Price Change #1		Price Change #2
ING	March 2011	Introduces new product	
John Hancock	February 2010	Price increase	December 2010 Price increase
Lincoln Benefit	May 2010	Price increase	
Lincoln Financial	March 2011	Price increase	
Nationwide	March 2011	Introduces new product with higher premiums; discontinues previous version	

M Financial Group regularly provides Product Illustration Comparisons that address changes in the marketplace, offer perspective on a wide array of products, and support Member Firm efforts to identify effective product solutions for clients. This insight serves as a significant competitive advantage for Member Firms.



NLG-SUL Competitive Update (continued)

M Carrier Products (continued)				
Carrier	Price Change #1		Price Change #2	
Prudential	January 2011	Crediting rate drop affecting cash values	May 2011	Price decrease
Sun Life	January 2010	Price increase and proprietary pricing discontinued	August 2010	Sun Life exits NLG market

Examples of Non-M Carrier Products				
Carrier	Price Change #1		Price Change #2	
Hartford	July 2010	Price increase	January 2011	Price decreases under age 60; minimal changes ages 61+
MetLife	April 2011	Price increase		
Principal	September 2010	Price increase		
Protective	November 2010	Price increase		
Transamerica	October 2010	Price increase		

Future NLG-SUL Price Increases

M Financial has been made aware of the following expected price increases and upcoming new product introductions:

Carrier	Timeframe	
Lincoln Benefit	May 2011	Price increase; lifting premium restriction and increasing face amount cap
Northwestern Mutual	July 2011	New NLG products (single life and survivorship)

Competitive Landscape as of May 2011

See the Appendix for an updated top-three competitive cost comparison of lifetime guaranteed coverage as of May 2011.

Listing of Products Included in the Competitive Comparisons	
Aviva Indexed SUL	Nationwide YourLife NLG SUL II
Hartford Bicentennial UL Joint Freedom II	Penn Mutual Survivorship Plus IUL
ING SUL-Guaranteed Death Benefit	Principal SUL Protector (SUL2R)
John Hancock SUL-G 11	Protective Centennial Survivor G UL
Lincoln Benefit Legacy Secure SL (2008)	Prudential PruLife SUL Protector (2011)
Lincoln National LifeGuarantee SUL (2011)	Transamerica TransACE Survivor 2010
MetLife Legacy Advantage SUL	

Competitive highlights are as follows:

- **Prudential's repriced PruLife SUL Protector (2011)** is a very competitive product with best-in-class guaranteed premiums for lifetime coverage. PruLife SUL Protector (2011) is most competitive for longer pays and the top two nonsmoker classes for issue ages 65/60 and below.

NLG-SUL Competitive Update (continued)

- **Lincoln National's LifeGuarantee SUL 2011** was repriced in March with increased premiums, but this product still provides very competitive guaranteed lifetime coverage premiums, including best-in-class, for standard nonsmoker underwriting and longer pays.
- **Aviva's Indexed SUL** provides best-in-class competitive lifetime guaranteed coverage for shorter pay funding and the best nonsmoker class. Aviva is also consistently competitive for all nonsmoker classes and issue ages for Single Pay funding.
- **Penn Mutual's Survivorship Plus IUL** offers best-in-class guaranteed lifetime coverage premiums at older ages 75/70 for all funding levels in the second best and standard nonsmoker classes.
- **Hartford's Bicentennial UL Joint Freedom II** provides very competitive guaranteed premiums for limited pay funding, including best-in-class premiums for the bottom two nonsmoker classes at ages 65/60 for 10-Pay funding.

M Financial will continue to monitor the NLG marketplace and provide updates as needed. Up-to-date competitive illustration comparisons for single life and survivorship versions for UL, VUL, and NLG are available via the M Insurance website. For questions, please contact any member of M Financial's Product Management team at 800.656.6960.

For More Information

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This information has been taken from sources we believe to be reliable but there is no guarantee as to its accuracy. This material is not intended to present an opinion on legal or tax matters. Please consult with your attorney or tax advisor, as applicable.

Appendix: Top 3 NLG-SUL Products for Lifetime Guaranteed Coverage

The following comparisons include the following assumptions:

- Funding: Level Pay, 10-Pay, and Single Pay to guarantee coverage for life
- Nonsmoker classes only
- Face amount equal to \$5 million

Best Class					2nd Best Class					Level Pay					Standard Class					
Carrier	Class	% Base	Target Prem	% Inc'	Carrier	Class	% Base	Target Prem	% Inc'	Carrier	Class	% Base	Target Prem	% Inc'	Carrier	Class	% Base	Target Prem	% Inc'	
M Carrier Product																				
Male 55 / Female 50					Male 55 / Female 50					Male 55 / Female 50					Male 55 / Female 50					
Pru: SUL Protector (2011)**	1/4	100	28,428	26,428	Pru: SUL Protector (2011)**	2/4	100	29,304	27,245	Pru: SUL Protector (2011)**	2/2	100	41,369	34,203	LNL: LifeGuarantee SUL (2011)	2/2	100	41,369	34,203	
Pru: SUL Protector (2011)	1/4	100	29,859	27,750	Pru: SUL Protector (2011)	2/4	100	30,608	28,447	Pru: SUL Protector (2011)**	4/4	100	36,694	34,277	Pru: SUL Protector (2011)**	4/4	100	36,694	34,277	0
LNL: LifeGuarantee SUL (2011)	1/2	100	33,234	28,702	MeiLife: Legacy Adv. SUL	2/3	100	29,595	30,328	MeiLife: Legacy Adv. SUL	2/3	100	38,517	35,817	Harford: Bient. UL Joint Freedom II	3/3	100	38,517	35,817	5
Male 65 / Female 60					Male 65 / Female 60					Male 65 / Female 60					Male 65 / Female 60					
Pru: SUL Protector (2011)**	1/4	100	47,530	44,066	Pru: SUL Protector (2011)**	2/4	100	49,483	45,894	Pru: SUL Protector (2011)**	2/2	100	68,834	57,733	LNL: LifeGuarantee SUL (2011)	2/2	100	68,834	57,733	
Pru: SUL Protector (2011)	1/4	100	49,823	46,178	Pru: SUL Protector (2011)	2/4	100	52,104	48,312	Pru: SUL Protector (2011)	3/3	100	69,316	59,228	Harford: Bient. UL Joint Freedom II	3/3	100	69,316	59,228	3
MeiLife: Legacy Adv. SUL	1/3	100	45,856	46,875	MeiLife: Legacy Adv. SUL	2/3	100	48,470	49,547	MeiLife: Legacy Adv. SUL	2/2	100	67,623	59,321	Principal: SUL Protector (SUL2R)	2/2	100	67,623	59,321	3
Male 75 / Female 70					Male 75 / Female 70					Male 75 / Female 70					Male 75 / Female 70					
Pru: SUL Protector (2011)**	1/3	100	115,000	77,033	Penn Mut.: Survivorship Plus IUL	2/3	100	120,950	83,748	Penn Mut.: Survivorship Plus IUL	3/3	100	127,350	102,312	Penn Mut.: Survivorship Plus IUL	3/3	100	127,350	102,312	
Penn Mut.: Survivorship Plus IUL	1/3	100	115,350	81,439	Harford: Bient. UL Joint Freedom II	2/3	100	98,010	87,841	Harford: Bient. UL Joint Freedom II	2/2	100	121,855	102,329	Principal: SUL Protector (SUL2R)	2/2	100	121,855	102,329	0
Pru: SUL Protector (2011)**	1/4	100	85,863	82,531	Pru: SUL Protector (2011)**	2/4	100	94,406	90,689	LNL: LifeGuarantee SUL (2011)	2/2	100	103,259	102,585	LNL: LifeGuarantee SUL (2011)	2/2	100	103,259	102,585	0

Best Class					10-Pay					Standard Class				
Carrier	Class	% Base	Target Prem	% Inc'	Carrier	Class	% Base	Target Prem	% Inc'	Carrier	Class	% Base	Target Prem	% Inc'
M Carrier Product														
Male 55 / Female 50					Male 55 / Female 50					Male 55 / Female 50				
Aviva: Indexed SUL	1/3	100	37,400	63,088	Pru: SUL Protector (2011)**	2/4	100	29,304	65,173	Harford: Bient. UL Joint Freedom II	3/3	100	38,517	77,577
Harford: Bient. UL Joint Freedom II	1/3	100	34,726	63,205	Harford: Bient. UL Joint Freedom II	2/3	100	34,726	67,164	LNL: LifeGuarantee SUL (2011)	2/2	100	41,389	78,719
Pru: SUL Protector (2011)**	1/4	100	28,428	63,372	Pru: SUL Protector (2011)	2/4	100	30,608	67,755	Pru: SUL Protector (2011)**	4/4	100	36,694	80,484
Male 65 / Female 60					Male 65 / Female 60					Male 65 / Female 60				
MeiLife: Legacy Adv. SUL	1/3	100	45,856	96,771	Harford: Bient. UL Joint Freedom II	2/3	100	61,798	100,452	Harford: Bient. UL Joint Freedom II	3/3	100	69,316	119,840
Aviva: Indexed SUL	1/3	100	64,650	98,163	MeiLife: Legacy Adv. SUL	2/3	100	48,470	102,286	LNL: LifeGuarantee SUL (2011)	2/2	100	68,834	121,282
Harford: Bient. UL Joint Freedom II	1/3	100	61,798	98,312	Pru: SUL Protector (2011)**	2/4	100	49,483	103,123	Principal: SUL Protector (SUL2R)	2/2	100	67,623	123,146
Male 75 / Female 70					Male 75 / Female 70					Male 75 / Female 70				
Aviva: Indexed SUL	1/3	100	115,000	145,333	Penn Mut.: Survivorship Plus IUL	2/3	100	120,950	150,815	Penn Mut.: Survivorship Plus IUL	3/3	100	127,350	180,320
Penn Mut.: Survivorship Plus IUL	1/3	100	115,350	146,851	Harford: Bient. UL Joint Freedom II	2/3	100	98,010	157,421	LNL: LifeGuarantee SUL (2011)	2/2	100	103,259	184,516
Harford: Bient. UL Joint Freedom II	1/3	100	98,010	153,072	MeiLife: Legacy Adv. SUL	2/3	100	90,121	173,291	Principal: SUL Protector (SUL2R)	2/2	100	121,855	185,414

Best Class					Single Pay					Standard Class				
Carrier	Class	% Base	Target Prem	% Inc'	Carrier	Class	% Base	Target Prem	% Inc'	Carrier	Class	% Base	Target Prem	% Inc'
M Carrier Product														
Male 55 / Female 50					Male 55 / Female 50					Male 55 / Female 50				
Aviva: Indexed SUL	1/3	100	37,400	490,714	Pru: SUL Protector (2011)**	2/4	100	29,304	528,043	Aviva: Indexed SUL	3/3	100	45,400	642,242
Pru: SUL Protector (2011)**	1/4	100	28,428	513,469	Aviva: Indexed SUL	2/3	100	41,350	535,478	Pru: SUL Protector (2011)**	4/4	100	36,694	651,899
Pru: SUL Protector (2011)	1/4	100	29,859	536,578	Pru: SUL Protector (2011)	2/4	100	30,608	548,906	Harford: Bient. UL Joint Freedom II	3/3	100	38,517	653,877
Male 65 / Female 60					Male 65 / Female 60					Male 65 / Female 60				
Aviva: Indexed SUL	1/3	100	64,650	763,702	Pru: SUL Protector (2011)**	2/4	100	49,483	833,742	Principal: SUL Protector (SUL2R)	2/2	100	67,623	1,010,282
Pru: SUL Protector (2011)**	1/4	100	47,530	804,547	Aviva: Indexed SUL	2/3	100	71,550	845,306	Aviva: Indexed SUL	3/3	100	78,450	1,025,017
MeiLife: Legacy Adv. SUL	1/3	100	45,856	823,848	Harford: Bient. UL Joint Freedom II	2/3	100	61,798	857,624	Harford: Bient. UL Joint Freedom II	3/3	100	68,316	1,029,572
Male 75 / Female 70					Male 75 / Female 70					Male 75 / Female 70				
Aviva: Indexed SUL	1/3	100	115,000	1,136,486	Penn Mut.: Survivorship Plus IUL	2/3	100	120,950	1,242,049	Penn Mut.: Survivorship Plus IUL	3/3	100	127,350	1,493,122
Penn Mut.: Survivorship Plus IUL	1/3	100	115,350	1,207,896	Harford: Bient. UL Joint Freedom II	2/3	100	98,010	1,290,544	Principal: SUL Protector (SUL2R)	2/2	100	121,855	1,510,902
Harford: Bient. UL Joint Freedom II	1/3	100	98,010	1,249,350	Aviva: Indexed SUL	2/3	100	128,200	1,382,015	Harford: Bient. UL Joint Freedom II	3/3	100	119,465	1,558,413

* Percentage increase in premium solve from lowest premium solve in class
 ** To reflect age-last-birthday and possible qualification for younger age as compared to age-nearest-birthday.