

- 2) What are the Traditional Whole Life Premiums, Cash Values @65 and Paid-Up Insurance @65 using the **2017 CSO Table [APLII F3]**?

	Male Premium	CV@65	Paid-Up	Female Premium	CV@65	Paid-Up
a. Payable for 76 years	\$2,955.34	\$119,702	\$194,096	\$1,970.96	\$111,716	\$192,041
b. Payable to age 65	\$2,661.79	\$37,657	\$106,858	\$2,436.07	\$34,972	\$107,225
c. Payable for 20 years	\$4,404.05	\$154,179	\$250,000	\$4,050.40	\$145,433	\$250,000
d. Single Payment	\$74,988.58	\$154,179	\$250,000	\$69,939.72	\$145,433	\$250,000

- 3) Change the 2.5% Guaranteed Interest Rate [APLII G3] to 3.5%

- a. What happened to the Guaranteed Cash Values?

The guaranteed cash values increased proportionately with the Increases Interest Rate.

- b. Explain why by referring to the Prospective Premium Determination and Valuation method.

This is because an increase in the guaranteed interest rate will directly affect all the factors that are used to determine the amount of premium to be paid. Thus, an increased interest rate will lead to an increase in the value of the policy.