

# Griffith, Ballard & Company

## Valuation Interest Rate Calculations

For use during Valuation Year 2011

*Based on Actual Rates through June 30, 2011*

### MOODY'S CORPORATE AVERAGE YIELDS

Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
5.32%	5.05%	5.05%	5.15%	5.37%	5.55%	5.56%	5.66%	5.55%	5.56%	5.33%	5.30%
12-Month Average: 2010:			5.75%	2009:	6.80%	2008:	6.21%	36-Month Average: 2010:			6.25%

### CURRENT YEAR PROJECTED AVERAGES

	Average	projected if future monthly average changes by					
		-0.50%	+0.50%	-1.00%	+1.00%	-2.00%	+2.40%
12-month average	5.37%	5.37%	5.37%	5.37%	5.37%	5.37%	5.37%
36-month average	5.97%	5.97%	5.97%	5.97%	5.97%	5.97%	5.97%
Lower	5.37%	5.37%	5.37%	5.37%	5.37%	5.37%	5.37%

### PROJECTED VALUATION RATES, BASED ON ABOVE

	Rate	Change from prior yr.	projected if future monthly average changes by					
			-0.50%	+0.50%	-1.00%	+1.00%	-2.00%	+2.40%
Life Formula	3.75%	-0.25%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
Life Reserve*	4.00%	0.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Life Nonfor Fctr	5.00%	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Flex Prem DA**	4.25%	0.00%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
Single Prem DA**	4.25%	-0.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
Immed Annuity	5.00%	-0.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

\* Minimum change from prior year rate is 0.50%

\*\* for Type C, 10 years and fewer, issue-year basis

### SINGLE PREMIUM DEFERRED ANNUITY

ISSUE-YEAR BASIS	2011				2010				
	Duration	Ref*	A	B	C	Ref*	A	B	C
5 Years or Less		5.37%	5.00%	4.50%	4.25%	5.75%	5.25%	4.75%	4.50%
5+ to 10 Years		5.37%	5.00%	4.50%	4.25%	5.75%	5.25%	4.75%	4.50%
10+ to 20 Years		5.37%	4.75%	4.25%	4.25%	5.75%	5.00%	4.50%	4.25%
Greater than 20 Years		5.37%	4.25%	4.00%	4.00%	5.75%	4.25%	4.00%	4.00%

### FLEXIBLE PREMIUM DEFERRED ANNUITY

ISSUE-YEAR BASIS	2011				2010				
	Duration	Ref*	A	B	C	Ref*	A	B	C
5 Years or Less		5.37%	5.00%	4.50%	4.25%	5.75%	5.25%	4.75%	4.25%
5+ to 10 Years		5.37%	4.75%	4.50%	4.25%	5.75%	5.00%	4.75%	4.25%
10+ to 20 Years		5.37%	4.50%	4.25%	4.00%	5.75%	4.75%	4.25%	4.25%
Greater than 20 Years		5.37%	4.00%	3.75%	3.75%	5.75%	4.25%	4.00%	4.00%

\* 12- preceding month average (if greater than 10 years, use 36- preceding month average, if lower)

### DYNAMIC MINIMUM ANNUITY NONFORFEITURE RATES

Five-Year Constant Maturity Treasury (Monthly Average) and Related Minimum Guarantee Rates

	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10
5-Yr CMT:	2.23%	2.34%	2.48%	2.36%	2.43%	2.58%	2.18%	2.00%	1.76%	1.47%
Minimum Rate:	1.00%	1.10%	1.25%	1.10%	1.20%	1.35%	1.00%	1.00%	1.00%	1.00%
	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
5-Yr CMT:	1.41%	1.18%	1.35%	1.93%	1.99%	2.26%	2.11%	2.17%	1.84%	1.58%
Minimum Rate:	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Applicable Federal Interest Rate for Purposes of Sn. 807\*: 2011: 3.46% 2010: 3.81% 2009: 4.06%

\* Note, use the maximum of this and the life reserve valuation rate

use: 4.00% 4.00% 4.06%