

INDIANA JANUARY 1, 2003
Formula for Level Term Insurance Premium Rate

$$SP_N = \frac{OB}{10} * \frac{1 - \frac{1}{1.0044^N}}{1 - \frac{1}{1.0044}}$$

where:

SP N = The single premium rate per \$100 for Level Term Insurance for a term of "N" months.

N = The number of months in the term of insurance.

OB = The monthly Outstanding Balance insurance rate:
 Single Life = \$0.69 per \$1,000
 Joint Life = \$1.15 per \$1,000

Example: Single Life, Level Term Insurance
 Term of insurance = 60 months

$$\begin{aligned} SP_N &= [0.69 * (1 - 1/1.0044^{60})] / [10 * (1 - 1/1.0044)] \\ &= [0.69 * (1 - 1/1.30137435)] / [10 * (1 - 0.99561928)] \\ &= [0.69 * (1 - 0.76841840)] / [10 * (0.00438072)] \\ &= [0.69 * (0.23158160)] / [10 * (0.00438072)] \\ &= [0.15979130] / [0.04380720] \\ &= 3.647604 \\ &= \$3.648 \text{ per } \$100 \text{ of Single Level Life for a term of 60 months} \end{aligned}$$

Rule of Anticipation Refund Formula

Level, Gross Life Insurance

$$\text{REFUND} = \text{Original_Premium} * \frac{\text{Remain_Rate}}{\text{Original_Rate}}$$

| Single Payment Loan | |
|---------------------|----------------|
| Single Life only | |
| Premium Example | Refund Example |

| | | | |
|---------------------------|-------------|-------------------------|------------|
| Loan Date | 01/05/2003 | Cancel Date | 09/05/2004 |
| 1st Pmt Date | 01/05/2008 | | |
| Loan Amount | \$5,309.47 | | |
| Interest Rate | 12.0000% | | |
| Original_Term | 60 | Remain_Term | 40 |
| Original_Rate_Single_Life | 0.03648 | Remain_Rate_Single_Life | 0.02537 |
| Original_Rate_Disability | N/A | Remain_Rate_Disability | N/A |
| Scheduled_Payment | \$10,000.00 | | |
| Original_Prem_Single_Life | \$364.80 | Refund_Single_Life | \$253.70 |
| Original_Prem_Disability | N/A | Refund_Disability | N/A |