

☛ 95hr_AC-ISCP_ab0588_pt01



(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

1995-96

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on Insurance, Securities and Corporate Policy...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

Assembly

Assembly Bill 588

October 2, 1995

November 30, 1995

Record of Committee Proceedings

AN ACT relating to state life insurance fund. Introduced by Representatives Jensen, Duff, Dobyms, Ziegelbauer, Kreibich, Ward, Schneiders, Ainsworth, Freese, Nass, Green, Silbaugh, Harsdorf, Ott, Seratti, Ladwig, Skindrud, and Walker; cosponsored by Senators Zien, Huelsman, Fitzgerald, and Cowles.

Referred to committee on Insurance, Securities & Corporate Policy.

PUBLIC HEARING HELD

Present: (11) Representatives Albers, Lorge, Lasee, Kreibich, Lazich, Hoven, Green, Baldus, Robson, Cullen, and Ziegelbauer

Absent: (2) Underheim and Notestein

Appearances For the Bill

- ▶ Representative Scott Jensen
- ▶ Representative John Dobyms
- ▶ Richard Koob-Wisconsin Association of Life Underwriters, Waukesha
- ▶ Thomas Rausch-Wisconsin Association of Life Underwriters, Fond du Lac
- ▶ Elwood Syverson-Wisconsin Association of Life Underwriters

Appearances Against the Bill

- ▶ Edward Marti-West Allis

Appearances for Information Only

- ▶ Peter Farrow-Office of Commissioner of Insurance

Registrations For the Bill

- ▶ Ron Kuehn-Wisconsin Association of Life Underwriters, Independant Insurance Agents of Wisconsin and Professional Insurance Agents
- ▶ Senator Dave Zien

Registrations Against the Bill

- ▶ Mark Reihl-Wisconsin State Council of Carpenters
- ▶ Margaret Hyatt-De Forest
- ▶ Alice Sundt-Madison
- ▶ Senator Brian Burke
- ▶ Judy Kelly-Madison
- ▶ Phil Neuenfeldt-Wisconsin State AFL-CIO

December 14, 1995

EXECUTIVE SESSION HELD

Present: (12) Representatives Albers,
Lasee, Underheim, Kreibich,
Lazich, Hoven, Green Baldus,
Notestein, Robson, Cullen,
and Ziegelbauer .

Absent: (1) Lorge

Moved by Representative Underheim, seconded by
Representative Green that Assembly Bill 588 be
recommended for passage.

Ayes: (8) Representatives Albers,
Lasee, Underheim, Kreibich,
Lazich, Hoven, Green, and
Ziegelbauer

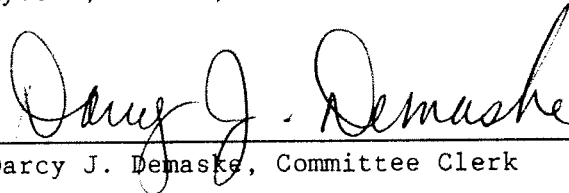
Noes: (4) Representatives Baldus,
Notestein, Robson, and
Cullen.

Absent: (1) Lorge.

Motion carried: be recommended for concurrence

Concurrence:

Ayes 8, Noes 4, Absent 1



Darcy J. Demaske

Darcy J. Demaske, Committee Clerk

Assembly Committee on Insurance, Securities, and Corporate Policy

DATE 12-14-95
 Moved by Underheim Seconded by Green
 AB 588 SB _____ Clearinghouse Rule _____
 AJR _____ SJR _____ Appointment _____
 A _____ SR _____ Other _____
 A/S Amdt _____
 A/S Amdt _____ to A/S Amdt _____
 A/S Sub Amdt _____
 A/S Amdt _____ to A/S Sub Amdt _____
 A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

- Be recommended for:
- Passage
 - Introduction
 - Adoption
 - Rejection
 - Indefinite Postponement
 - Tabling
 - Concurrence
 - Nonconcurrence
 - Confirmation

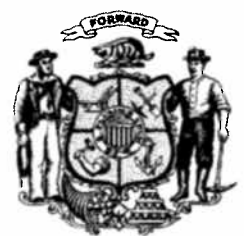
	Committee Member	Aye	No	Absent	Not Voting
1.	Rep. Sheryl Albers, Chair	X			
2.	Rep. William Lorge, Vice-Chair			X	
3.	Rep. Gregg Underheim	X			
4.	Rep. Robin Kreibich	X			
5.	Rep. Mary Lazich	X			
6.	Rep. Tim Hoven	X			
7.	Rep. Frank Lasee	X			
8.	Rep. Mark Green	X			
9.	Rep. Al Baldus		X		
10.	Rep. Barbara Notestein		X		
11.	Rep. Judy Robson		X		
12.	Rep. David Cullen		X		
13.	Rep. Robert Ziegelbauer	X			
14.					
15.					
16.					
17.					
18.					
Totals		8	4	1	

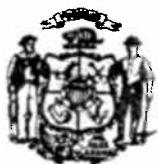
MOTION CARRIED

MOTION FAILED



WISCONSIN STATE LEGISLATURE





State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

December 1, 1995

STATE LIFE INSURANCE FUND
P.O. Box 7873
Madison, Wisconsin 53707-7873
(608) 266-0107
1-800-562-5558

Rep. Sheryl Albers,
Room 127 West
State Capitol

Re: A. B. 588

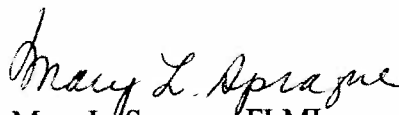
Dear Rep. Albers:

Enclosed is the information you requested regarding the State Life Insurance Fund of Wisconsin.

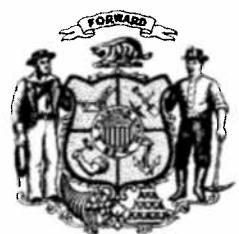
Due to the confidentiality of our policyholders, the number of representatives covered through the Fund can not be disclosed.

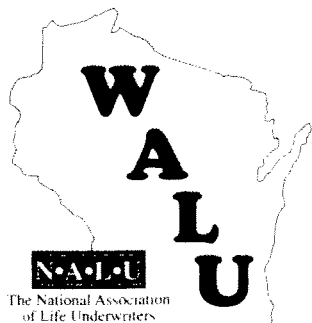
If further information regarding the Fund is desired, please contact me.

Sincerely,


Mary L. Sprague, FLMI
Administrative Officer

Enclosure





Wisconsin Association of Life Underwriters

THE ASSOCIATION FOR PROFESSIONAL LIFE, HEALTH AND MULTIPLE-LINE
INSURANCE AGENTS OF WISCONSIN

December 1, 1995

Susan K. Linck, CAE
Executive Vice President and CEO

Representative Sheryl Albers
State Capital
P.O.Box 8952
Madison, WI 53708-8952

DEC 04 1995

Dear Sheryl,

Here are the premium examples you requested. I have enclosed four examples of \$10,000-whole life policies from First Colony Life, Transamerica, All American and Farm Bureau Life Insurance Companies. I would believe these are very representative of policies currently available in the marketplace as it relates to premium. There are many variations on dividend usage, policy options and other variables that I didn't include so as to be as comparable as possible. Options can make a policy take on a totally different purpose, as it were. I believe that this is an important consideration when comparing policies. I believe an agent has a viable place in this industry and provides valuable insight and experience to the life insurance buying process. I take offense with mail order life insurance, car insurance and other subjective insurance products. I put the State Life Insurance fund in a similar category to Ed McMahon selling life insurance for Globe Life. The life insurance industry has constantly strived to improve the service we provide our clients through continuing education, whether mandated or not. We believe in "policing" our ranks to remove the occasional "bad apple." Ours is a time honored and yet frequently misunderstood and brow-beaten industry. Agents are frequently compared with used-car salespeople and I believe this is a disservice to those people who have put forth the effort to improve our industry. It is ironic that the very program that we fought so long for; Continuing Education, would bypass our competition: the State Life Fund. As you are aware, The State Life Fund isn't allowed to use agents. What a slick circumvention. So the State Life Fund has the advantage of not paying any premium taxes, (putting our companies at a marketing and

cont....

expense disadvantage), doesn't have to comply with commissioner rulings as it relates to agents, (because they don't have any and aren't even allowed to use any), policyholders get free advice and service from the licensed agents that are required to comply with rulings, pay income, sales and property taxes (I don't believe I need to expand on this point) and take continuing education to maintain their licenses.

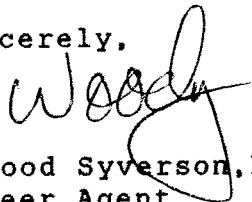
I would love to see the state start a free personal injury attorney department, or a free real estate brokerage firm, or an interest bearing savings account program for the public and see if there might be an out-cry. This may be an overstated analogy, but it isn't far from wrong.

The State Life Fund has outlived its purpose. Let it go the way of all dinosaurs.

If you won't let people give money to your committee members, do you think candy would be okay? (JUST A JOKE!)

Thank you for allowing me to be a part of this vital process. I truly appreciate your candor, honesty and pragmatic approach to government. Our district is indeed lucky to have you as our representative.

Sincerely,



Elwood Syverson, LUTCF
Career Agent

ENC: 7 or so items
CC: Susan Linck

PS: Please do not consider this as an offer to sell life insurance to you or your family. These illustrations are intended for comparison use only.

SUMMARY OF LIFE PREMIUMS

Annual premiums based on \$10,000 Whole Life or Universal Life insurance, preferred non-smoker status

	FIRST COLONY	TRANSAMERICA	ALL AMERICAN
MALE AGE 60	\$469	\$480	\$325
FEMALE AGE 41	\$200	\$194	\$116
MALE AGE 13	\$126	\$110	\$ 88

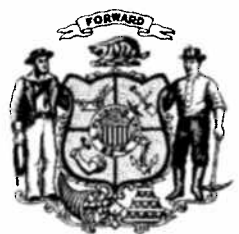
See attachment for company financial ratings

WE'VE GOT TOP RATINGS!

	A.M. BEST	DUFF & PHELPS	STANDARD & POORS	MOODY'S
TRANSAMERICA OCCIDENTAL	A+	AA+	AA+	Aa3
TRANSAMERICA LIFE & ANNUITY	A+	AA+	AA+	Aa3
FIRST COLONY LIFE	A++	AA+	AA+	Aa3
SUN LIFE OF CANADA	A++	AAA	AAA	Aa1
SUN LIFE OF CANADA (U.S.)	A++	AAA	AAA	Aa1
UNITED OF OMAHA	A+	AA	AA	Aa2
CNA/VALLEY FORGE	A	AAA	AA	Aa3



WISCONSIN STATE LEGISLATURE



STATEMENT OF POLICY COST AND BENEFIT INFORMATION

ALL INQUIRIES REGARDING THIS POLICY SHOULD BE SENT TO THE HOME OFFICE OF THE COMPANY ADDRESSED AS FOLLOWS:

STATE LIFE INSURANCE FUND OF WISCONSIN
 OFFICE OF THE COMMISSIONER OF INSURANCE
 P. O. BOX 7873
 MADISON, WI. 53707-7873

DIVIDENDS ILLUSTRATED BELOW ARE NOT GUARANTEED AND ARE BASED ON THE CURRENT DIVIDEND SCALE. SUCH ILLUSTRATIONS ARE NEITHER ESTIMATES NOR PROJECTIONS OF FUTURE RESULTS. AN EXPLANATION OF THE INTENDED USE OF THE LIFE INSURANCE SURRENDER COST INDEX, LIFE INSURANCE NET PAYMENT COST INDEX AND EQUIVALENT LEVEL ANNUAL DIVIDEND IS PROVIDED IN THE LIFE INSURANCE BUYER'S GUIDE.

DATE STATEMENT PREPARED: 12/01/1995

NAME: PRINTOUT SAMPLE

Sex: MALE

PLAN: 20 PAY LIFE MALE-1980 CSO 4%

ISSUE AGE: 13

AMOUNT OF INSURANCE \$ 10000.00 TO AGE 100

ANNUAL PREMIUMS ARE \$ 114.80 TO AGE 33

POLICY YEAR	ANNUAL PREMIUM	GUARANTEED SURRENDER VALUE	ANNUAL DIVIDEND	PAYMENT INDEX	SURRENDER INDEX	EQUIVALENT LEVEL DIVIDEND
1	114.80	10.90	10.50	10.48	9.44	1.00
2	114.80	98.60	17.00	10.18	5.60	1.30
3	114.80	188.20	23.50	9.88	4.20	1.60
4	114.80	279.80	30.10	9.59	3.40	1.89
5	114.80	374.00	36.40	9.30	2.86	2.18
6	114.80	471.20	42.80	9.02	2.43	2.46
7	114.80	571.90	49.10	8.75	2.06	2.73
8	114.80	676.50	55.40	8.48	1.74	3.00
9	114.80	785.60	61.90	8.22	1.44	3.26
10	114.80	899.50	68.70	7.96	1.15	3.52
11	114.80	1018.60	75.70	7.70	.87	3.78
12	114.80	1143.00	83.10	7.44	.60	4.04
13	114.80	1273.00	90.90	7.18	.34	4.30
14	114.80	1408.70	99.10	6.92	.07	4.56
15	114.80	1550.20	107.80	6.65	.19-	4.83
16	114.80	1697.60	116.90	6.39	.45-	5.09
17	114.80	1851.00	126.50	6.12	.70-	5.36
18	114.80	2010.60	136.50	5.85	.96-	5.63
19	114.80	2176.50	146.90	5.57	1.22-	5.91
20	114.80	2348.80	157.80	5.30	1.47-	6.18
AGE						
60	.00	5299.40	350.90	8.64-	11.47-	10.77

THE EFFECTIVE ANNUAL POLICY LOAN INTEREST RATE IS VARIABLE UP TO A MAXIMUM OF 8%. INTEREST IS ACCRUED DAILY AND IS PAYABLE AT THE END OF THE POLICY YEAR.

POLICY SPECIFICATION PAGE

INSURED : PRINTOUT SAMPLE AGE : 13
 PLAN : 20 PAY LIFE MALE-1980 CSO 4%
 FACE AMOUNT : \$10000.00 PROPOSAL DATE : 12/01/1995
 ANNUAL PREMIUM : \$114.80 PAYABLE TO AGE : 33

TABLE OF GUARANTEED VALUES

VALUES SHOWN APPLY TO THE END OF POLICY YEAR PROVIDED ALL PREMIUMS DUE ARE PAID AND THERE IS NO INDEBTEDNESS, VALUES FOR DURATIONS NOT SHOWN OR FRACTIONAL DURATIONS WILL BE FURNISHED UPON REQUEST.

ISSUE AGE : 13

POLICY YEAR	CASH/LOAN VALUE	PAID-UP INSURANCE
1	10.90	84
2	98.60	734
3	188.20	1360
4	279.80	1962
5	374.00	2547
6	471.20	3117
7	571.90	3675
8	676.50	4222
9	785.60	4759
10	899.50	5288
11	1018.60	5807
12	1143.00	6317
13	1273.00	6816
14	1408.70	7305
15	1550.20	7782
16	1697.60	8248
17	1851.00	8703
18	2010.60	9146
19	2176.50	9578
20	2348.80	10000
AGE 65	5979.80	10000

RESERVES AND CASH VALUES ARE CALCULATED AT 5% INTEREST AND 1980 CSO (ALB) MORTALITY. A DETAILED DESCRIPTION OF THE BASIS FOR THESE VALUES HAS BEEN FILED WITH THE OFFICE OF THE COMMISSIONER OF INSURANCE.



STATEMENT OF POLICY COST AND BENEFIT INFORMATION

ALL INQUIRIES REGARDING THIS POLICY SHOULD BE SENT TO THE HOME OFFICE OF THE COMPANY ADDRESSED AS FOLLOWS:

STATE LIFE INSURANCE FUND OF WISCONSIN
 OFFICE OF THE COMMISSIONER OF INSURANCE
 P. O. BOX 7873
 MADISON, WI. 53707-7873

DIVIDENDS ILLUSTRATED BELOW ARE NOT GUARANTEED AND ARE BASED ON THE CURRENT DIVIDEND SCALE. SUCH ILLUSTRATIONS ARE NEITHER ESTIMATES NOR PROJECTIONS OF FUTURE RESULTS. AN EXPLANATION OF THE INTENDED USE OF THE LIFE INSURANCE SURRENDER COST INDEX, LIFE INSURANCE NET PAYMENT COST INDEX AND EQUIVALENT LEVEL ANNUAL DIVIDEND IS PROVIDED IN THE LIFE INSURANCE BUYER'S GUIDE.

DATE STATEMENT PREPARED: 12/01/1995

NAME: PRINTOUT SAMPLE

Sex: FEMALE

PLAN: 20 PAYMENT LIFE FEMALE-80 CSO 4%

ISSUE AGE: 42

AMOUNT OF INSURANCE \$ 10000.00 TO AGE 100

ANNUAL PREMIUMS ARE \$ 213.00 TO AGE 62

POLICY YEAR	ANNUAL PREMIUM	GUARANTEED SURRENDER VALUE	ANNUAL DIVIDEND	PAYMENT INDEX	SURRENDER INDEX	EQUIVALENT LEVEL DIVIDEND
1	213.00	103.90	21.10	19.29	9.40	2.01
2	213.00	288.50	33.50	18.71	5.31	2.59
3	213.00	478.80	46.20	18.14	3.67	3.16
4	213.00	675.20	59.20	17.56	2.64	3.74
5	213.00	877.90	72.40	16.99	1.86	4.31
6	213.00	1087.30	86.10	16.42	1.20	4.88
7	213.00	1303.40	100.20	15.85	.60	5.45
8	213.00	1526.40	114.60	15.28	.05	6.02
9	213.00	1756.70	129.50	14.70	.47-	6.60
10	213.00	1994.40	144.70	14.13	.97-	7.17
11	213.00	2239.60	160.50	13.56	1.45-	7.74
12	213.00	2492.90	176.70	12.99	1.93-	8.31
13	213.00	2754.50	193.30	12.42	2.39-	8.88
14	213.00	3025.10	210.20	11.85	2.85-	9.45
15	213.00	3305.30	227.50	11.28	3.30-	10.02
16	213.00	3596.20	245.30	10.72	3.76-	10.58
17	213.00	3898.40	263.60	10.16	4.21-	11.14
18	213.00	4212.60	282.70	9.60	4.66-	11.70
19	213.00	4539.10	302.60	9.04	5.12-	12.26
20	213.00	4878.20	323.40	8.48	5.57-	12.82
AGE						
60	213.00	4212.60	282.70	9.60	4.66-	11.70

THE EFFECTIVE ANNUAL POLICY LOAN INTEREST RATE IS VARIABLE UP TO A MAXIMUM OF 8%. INTEREST IS ACCRUED DAILY AND IS PAYABLE AT THE END OF THE POLICY YEAR.

POLICY SPECIFICATION PAGE

INSURED : PRINTOUT SAMPLE AGE : 42
 PLAN : 20 PAYMENT LIFE FEMALE-80 CSO 4%
 FACE AMOUNT : \$10000.00 PROPOSAL DATE : 12/01/1995
 ANNUAL PREMIUM : \$213.00 PAYABLE TO AGE : 62

TABLE OF GUARANTEED VALUES

VALUES SHOWN APPLY TO THE END OF POLICY YEAR PROVIDED ALL PREMIUMS DUE ARE PAID AND THERE IS NO INDEBTEDNESS, VALUES FOR DURATIONS NOT SHOWN OR FRACTIONAL DURATIONS WILL BE FURNISHED UPON REQUEST.

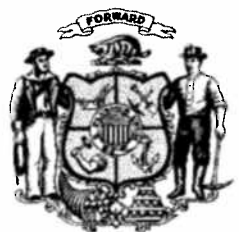
ISSUE AGE : 42

POLICY YEAR	CASH/LOAN VALUE	PAID-UP INSURANCE
1	103.90	374
2	288.50	1006
3	478.80	1618
4	675.20	2212
5	877.90	2789
6	1087.30	3350
7	1303.40	3896
8	1526.40	4427
9	1756.70	4945
10	1994.40	5449
11	2239.60	5942
12	2492.90	6423
13	2754.50	6895
14	3025.10	7357
15	3305.30	7812
16	3596.20	8260
17	3898.40	8702
18	4212.60	9139
19	4539.10	9571
20	4878.20	10000
AGE 65	5296.40	10000

RESERVES AND CASH VALUES ARE CALCULATED AT 5% INTEREST AND 1980 CSO (ALB) MORTALITY. A DETAILED DESCRIPTION OF THE BASIS FOR THESE VALUES HAS BEEN FILED WITH THE OFFICE OF THE COMMISSIONER OF INSURANCE.



WISCONSIN STATE LEGISLATURE



STATEMENT OF POLICY COST AND BENEFIT INFORMATION

ALL INQUIRIES REGARDING THIS POLICY SHOULD BE SENT TO THE HOME OFFICE OF THE COMPANY ADDRESSED AS FOLLOWS:

STATE LIFE INSURANCE FUND OF WISCONSIN
 OFFICE OF THE COMMISSIONER OF INSURANCE
 P. O. BOX 7873
 MADISON, WI. 53707-7873

DIVIDENDS ILLUSTRATED BELOW ARE NOT GUARANTEED AND ARE BASED ON THE CURRENT DIVIDEND SCALE. SUCH ILLUSTRATIONS ARE NEITHER ESTIMATES NOR PROJECTIONS OF FUTURE RESULTS. AN EXPLANATION OF THE INTENDED USE OF THE LIFE INSURANCE SURRENDER COST INDEX, LIFE INSURANCE NET PAYMENT COST INDEX AND EQUIVALENT LEVEL ANNUAL DIVIDEND IS PROVIDED IN THE LIFE INSURANCE BUYER'S GUIDE.

DATE STATEMENT PREPARED: 12/01/1995

NAME: PRINTOUT SAMPLE

Sex: FEMALE

PLAN: TERM TO AGE 65 FEMALE - 1980 CSO 4%

ISSUE AGE: 42

AMOUNT OF INSURANCE \$ 10000.00 TO AGE 65

ANNUAL PREMIUMS ARE \$ 68.50 TO AGE 65

POLICY YEAR	ANNUAL PREMIUM	GUARANTEED SURRENDER VALUE	ANNUAL DIVIDEND	PAYMENT INDEX	SURRENDER INDEX	EQUIVALENT LEVEL DIVIDEND
1	68.50	0.00	0.00	6.85	6.85	0.00
2	68.50	31.30	15.40	6.13	4.68	0.72
3	68.50	61.50	18.20	5.81	3.95	1.04
4	68.50	90.60	20.80	5.59	3.59	1.26
5	68.50	118.70	23.10	5.42	3.38	1.43
6	68.50	145.30	25.50	5.28	3.24	1.57
7	68.50	170.40	27.70	5.14	3.15	1.71
8	68.50	193.30	29.80	5.03	3.10	1.82
9	68.50	214.00	31.80	4.92	3.07	1.93
10	68.50	231.90	33.50	4.82	3.06	2.03
11	68.50	246.40	35.10	4.72	3.07	2.13
12	68.50	257.40	36.50	4.64	3.10	2.21
13	68.50	264.10	37.40	4.56	3.14	2.29
14	68.50	266.50	37.90	4.50	3.20	2.35
15	68.50	264.20	37.90	4.44	3.27	2.41
16	68.50	257.50	37.90	4.39	3.35	2.46
17	68.50	246.10	37.90	4.34	3.44	2.51
18	68.50	229.10	37.90	4.30	3.53	2.55
19	68.50	205.40	37.90	4.27	3.63	2.58
20	68.50	173.20	37.90	4.24	3.74	2.61
AGE 60	68.50	229.10	37.90	4.30	3.53	2.55

THE EFFECTIVE ANNUAL POLICY LOAN INTEREST RATE IS VARIABLE UP TO A MAXIMUM OF 8%. INTEREST IS ACCRUED DAILY AND IS PAYABLE AT THE END OF THE POLICY YEAR.

POLICY SPECIFICATION PAGE

INSURED : PRINTOUT SAMPLE AGE : 42
 PLAN : TERM TO AGE 65 FEMALE - 1980 CSO 4%
 FACE AMOUNT : \$10000.00 PROPOSAL DATE : 12/01/1995
 ANNUAL PREMIUM : \$68.50 PAYABLE TO AGE : 65

TABLE OF GUARANTEED VALUES

VALUES SHOWN APPLY TO THE END OF POLICY YEAR PROVIDED ALL PREMIUMS DUE ARE PAID AND THERE IS NO INDEBTEDNESS. VALUES FOR DURATIONS NOT SHOWN OR FRACTIONAL DURATIONS WILL BE FURNISHED UPON REQUEST.

ISSUE AGE : 42

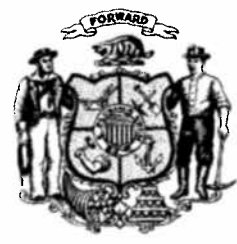
POLICY YEAR	CASH/LOAN VALUE	PAID-UP INSURANCE
1	.00	0
2	31.30	357
3	61.50	698
4	90.60	1026
5	118.70	1345
6	145.30	1651
7	170.40	1949
8	193.30	2233
9	214.00	2508
10	231.90	2771
11	246.40	3020
12	257.40	3259
13	264.10	3483
14	266.50	3698
15	264.20	3905
16	257.50	4113
17	246.10	4324
18	229.10	4540
19	205.40	4767
20	173.20	5000

AGE 65 .00 0

RESERVES AND CASH VALUES ARE CALCULATED AT 5% INTEREST AND 1980 CSO (ALB) MORTALITY. A DETAILED DESCRIPTION OF THE BASIS FOR THESE VALUES HAS BEEN FILED WITH THE OFFICE OF THE COMMISSIONER OF INSURANCE.



WISCONSIN STATE LEGISLATURE



STATEMENT OF POLICY COST AND BENEFIT INFORMATION

ALL INQUIRIES REGARDING THIS POLICY SHOULD BE SENT TO THE HOME OFFICE OF THE COMPANY ADDRESSED AS FOLLOWS:

STATE LIFE INSURANCE FUND OF WISCONSIN
 OFFICE OF THE COMMISSIONER OF INSURANCE
 P. O. BOX 7873
 MADISON, WI. 53707-7873

DIVIDENDS ILLUSTRATED BELOW ARE NOT GUARANTEED AND ARE BASED ON THE CURRENT DIVIDEND SCALE. SUCH ILLUSTRATIONS ARE NEITHER ESTIMATES NOR PROJECTIONS OF FUTURE RESULTS. AN EXPLANATION OF THE INTENDED USE OF THE LIFE INSURANCE SURRENDER COST INDEX, LIFE INSURANCE NET PAYMENT COST INDEX AND EQUIVALENT LEVEL ANNUAL DIVIDEND IS PROVIDED IN THE LIFE INSURANCE BUYER'S GUIDE.

DATE STATEMENT PREPARED: 12/01/1995

NAME: PRINTOUT SAMPLE

Sex: MALE

PLAN: SINGLE PREMIUM LIFE MALE-1980 CSO 4%

ISSUE AGE: 13

AMOUNT OF INSURANCE \$ 10000.00 TO AGE 100

ANNUAL PREMIUMS ARE \$ 1345.80 TO AGE 14

POLICY YEAR	ANNUAL PREMIUM	GUARANTEED SURRENDER VALUE	ANNUAL DIVIDEND
1	1345.80	1301.50	83.70
2	0.00	1342.80	83.40
3	0.00	1384.30	86.50
4	0.00	1426.00	89.60
5	0.00	1468.40	92.30
6	0.00	1511.60	95.10
7	0.00	1556.20	98.00
8	0.00	1602.50	101.10
9	0.00	1650.70	104.50
10	0.00	1701.10	107.80
11	0.00	1754.00	110.90
12	0.00	1809.50	114.20
13	0.00	1867.60	117.60
14	0.00	1928.50	121.40
15	0.00	1992.00	125.30
16	0.00	2058.10	129.20
17	0.00	2126.90	133.40
18	0.00	2198.30	137.80
19	0.00	2272.30	142.70
20	0.00	2348.80	148.00
AGE 60	.00	5299.40	350.90

THE EFFECTIVE ANNUAL POLICY LOAN INTEREST RATE IS VARIABLE UP TO A MAXIMUM OF 8%. INTEREST IS ACCRUED DAILY AND IS PAYABLE AT THE END OF THE POLICY YEAR.

POLICY SPECIFICATION PAGE

INSURED : PRINTOUT SAMPLE AGE : 13
 PLAN : SINGLE PREMIUM LIFE MALE-1980 CSO 4%
 FACE AMOUNT : \$10000.00 PROPOSAL DATE : 12/01/1995
 ANNUAL PREMIUM : \$1345.80 PAYABLE TO AGE : 14

TABLE OF GUARANTEED VALUES

VALUES SHOWN APPLY TO THE END OF POLICY YEAR PROVIDED ALL PREMIUMS DUE ARE PAID AND THERE IS NO INDEBTEDNESS, VALUES FOR DURATIONS NOT SHOWN OR FRACTIONAL DURATIONS WILL BE FURNISHED UPON REQUEST.

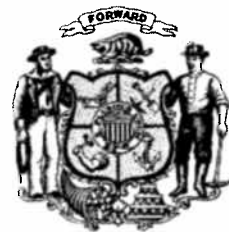
ISSUE AGE : 13

POLICY YEAR	CASH/LOAN VALUE	PAID-UP INSURANCE
1	1301.50	10000
2	1342.80	10000
3	1384.30	10000
4	1426.00	10000
5	1468.40	10000
6	1511.60	10000
7	1556.20	10000
8	1602.50	10000
9	1650.70	10000
10	1701.10	10000
11	1754.00	10000
12	1809.50	10000
13	1867.60	10000
14	1928.50	10000
15	1992.00	10000
16	2058.10	10000
17	2126.90	10000
18	2198.30	10000
19	2272.30	10000
20	2348.80	10000
AGE 65	5979.80	10000

RESERVES AND CASH VALUES ARE CALCULATED AT 5% INTEREST AND 1980 CSO (ALB) MORTALITY. A DETAILED DESCRIPTION OF THE BASIS FOR THESE VALUES HAS BEEN FILED WITH THE OFFICE OF THE COMMISSIONER OF INSURANCE.



WISCONSIN STATE LEGISLATURE



Special Whole Life



Protection and security for your family

FARM BUREAU LIFE'S Special Whole Life

Your investment in protection for your family.

The future can bring great rewards and happiness. It can also present serious problems if proper planning has not been done.

Your death, and even your retirement, could have severe financial repercussions on your family. Farm Bureau's Special Whole Life insurance policy can help you provide the protection and peace of mind that you want...and provide financial support when it is needed the most.

THE TIME YOUR FAMILY NEEDS IT MOST

In the event of your death, a number of other concerns may be present. Money may be needed for:

- funeral expenses
- legal fees



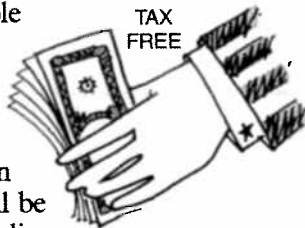
- family living expenses
- mortgage or rental expense
- educational expenses
- inheritance taxes
- and more!

In later years, social security benefits, pensions, savings and other investments may not always provide a comfortable retirement for you and your family.

Are you or your family prepared to handle these financial situations?

WHAT IS SPECIAL WHOLE LIFE PROTECTION?

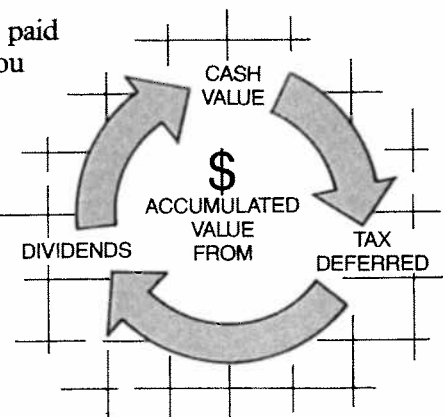
Farm Bureau's Special Whole Life policy provides a level amount of guaranteed protection throughout the remainder of your life, as long as the policy remains in force. Your beneficiaries will be paid this benefit (less any policy loan) in the event of your death. Death benefits are generally exempt from both federal and state income tax.



The premium payments for Special Whole Life remain level throughout the life of the policy. These

payments increase the cash value of your policy and provide an additional benefit to you.

Dividends are also paid on this policy. If you desire, they may eventually grow to the point that you would no longer have to make premium payments. You also have other dividend options that can be utilized.



BENEFITS DURING YOUR LIFETIME

Special Whole Life offers lifetime insurance protection. In addition, your premium rates are level and guaranteed for life. Term insurance generally does not offer these benefits.

This policy also builds up a guaranteed cash value. If you require additional funds in order to send a son or daughter to college, for example, you may



borrow against the cash value of this policy. Your life insurance benefit will be reduced by the amount borrowed. In addition, the cash value you have available for future loans would be reduced.

The cash value accumulated by this policy may also be beneficial as time goes by and your insurance needs decrease. At that time, you may wish to use a portion of the cash value for retirement or other purposes.

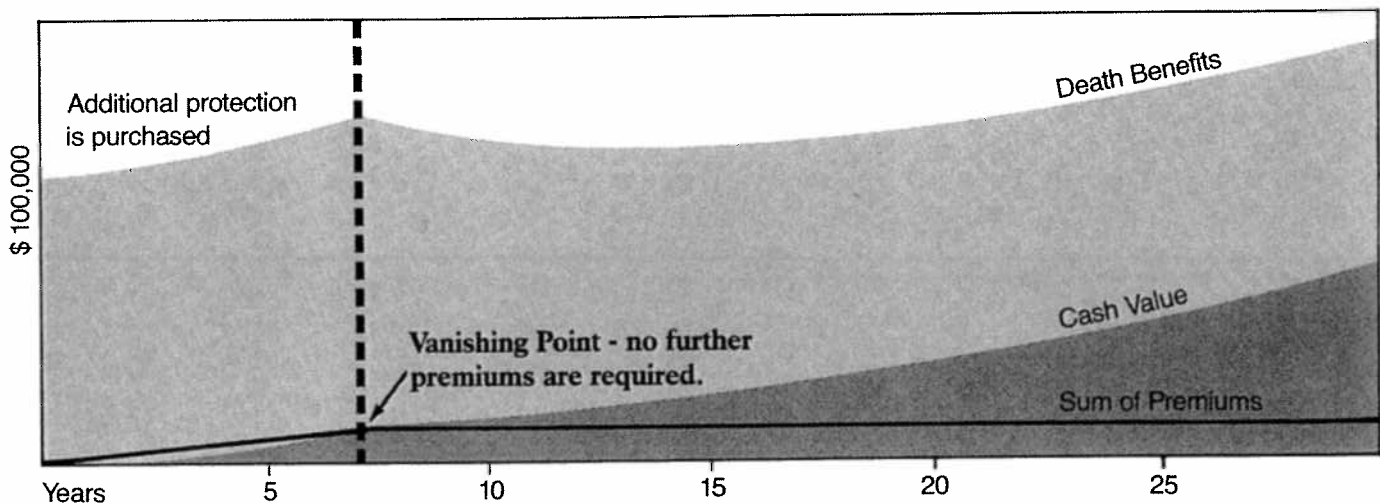
HOW DIVIDENDS* ADD UP FOR YOU

Farm Bureau Life has been paying dividends to policyholders since it was founded in 1945. In addition, Farm Bureau Life has shown one of the highest dividend returns in the industry for its Special Whole Life policy over the last ten years. The dividends may be utilized by you under one of the following options:

- **CASH** - You may elect to have the dividend paid to you each year that the policy is in force.
- **EARN INTEREST** - The dividend may be left with Farm Bureau Life to earn interest at a competitive rate.
- **REDUCE YOUR PREMIUM** - Your annual premium may be reduced by the dividend

amount. It is also possible that your premiums and dividends may eventually be sufficient to pay all future premiums.

- **BUY MORE PROTECTION** - You may use the dividend to buy additional insurance coverage under this policy. It is also possible to use this option to reach the **vanishing point** of your policy. This is a point where premium payments are no longer required. It is achieved by purchasing additional protection with your dividends in the early years of your policy. Then, by surrendering a portion of that additional protection along with future dividends, sufficient funds would be available to make your premium payments. Your policy would become self-supporting at that point (see example).



The above example shows the point where the sum of dividends and the surrendering of additional protection that has been purchased is sufficient to pay all future premiums on a \$100,000 policy for a 35-year old male, non-tobacco product user. Premiums will vanish as shown if the current dividend scale, which is not guaranteed, remains in effect.

*Dividends are not guaranteed.

OPTIONAL BENEFITS

For an additional premium, the following riders may be added to the Special Whole Life policy:

Term Insurance: Additional protection is available to the primary insured with this rider. This option allows you to increase your coverage for minimal dollars. You also have an option to convert this to permanent life insurance at any time up to the policy's anniversary date nearest to your 65th birthday.

Family Term Insurance: Provides decreasing term insurance on the spouse of the primary insured until the policy anniversary nearest the primary insured's 65th birthday. This rider also provides level term insurance on each insured child from age 7 days to the child's 23rd birthday or until the policy anniversary nearest the primary insured's 65th birthday.

Children's Term Insurance: Provides level term insurance on each insured child as described under Family Term Insurance Rider.

Waiver of Premiums: Under this optional benefit, the policy will be kept in full force without payment of premiums during total and permanent disability of the primary insured.

Accidental Death Benefit: Provides for payment of a selected additional benefit amount if the primary insured should die by accidental means.

Guaranteed Purchase Option: This rider provides that on each of one or more option dates, a new policy may be purchased on the life of the primary insured without evidence of insurability. The face amount of the new policy depends on the basic amount chosen for this rider.

Farm Bureau Life is rated A+ (Superior) by A.M. Best Company, a leading national insurance rating organization. This rating has been awarded to Farm Bureau Life each year since the ratings were established.

This literature describes in brief the highlights of Farm Bureau Life's Special Whole Life insurance policy and its benefits. Certain limitations and exclusions apply to the coverages described. The contract is contained only in the policy. Contact your Farm Bureau agent or Farm Bureau Life for more information.

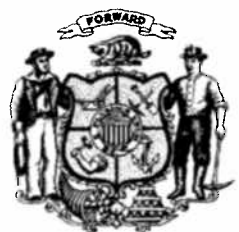
Representatives of the Farm Bureau Family of Financial Planning Services offer a wide variety of services and products to help you plan for financial security. In addition to business and farm protection, they offer a wide range of auto, home, life, health and financial planning for your personal insurance needs. Let your Farm Bureau agent show you why *belonging really does make a difference.*

FARM BUREAU LIFE
INSURANCE CO.
WEST DES MOINES, IOWA


FARM BUREAU
FAMILY OF FINANCIAL PLANNING SERVICES



WISCONSIN STATE LEGISLATURE



Healthy dividends boost value of State Life Fund

By Matt Pommer

The Capital Times

Ed Marti dipped into his State Life Fund dividends and started giving out "legal campaign contributions" to legislators at a hearing last week.

A stunned committee chair Sheryl Albers, R-North Freedom, got a \$2 bill. Others, equally mortified, got \$1 bills. All the money was quickly returned, but Marti of West Allis had caught their attention.

Marti, now retired, told how he had purchased a State Life Fund policy for \$10,000 when he was 41 years old. He paid \$436 per year for the first five years. Then the fund's annual dividends began to pay the premium costs. He let the excess dividends accumulate, and now he expects to have about \$50 per month extra for his retirement.

The State Life Fund has been

operated by the state government since 1911. Now it allows a state resident to buy up to \$10,000 in life insurance. It pays no agent commissions, nor does it advertise.

The legislative hearing learned that produces dramatic results.

Peter Farrow, an administrator in the Office of Insurance Commissioner, said the way to measure the performance of a life insurance company is to measure it against other companies engaged in the same type of business.

"The total expenses for the fund as a percentage of premium income in 1993 was 12 percent, the lowest among peer groups. Examples of other insurers' expense ratios range from 28.4 percent to 1,186 percent of premium income," said Farrow.

"In 1993 the fund's dividend to policyholder ratio as a percent of premium income, which shows the

money that the fund pays back to its policyholders, was 149.8 percent. The closest among its peer group was 9.2 percent," continued Farrow.

The dividends aren't always mentioned by those in the private insurance industry.

Richard Koob, a life insurance underwriter, provided details of premiums that he said showed that private sector insurance has lower premiums in some cases.

His data didn't compare any dividends from the private sector companies.

Thomas Rausch, vice president of the state's life underwriters, called the State Life Fund a "redundancy" that is unneeded in today's world.

"In short, we believe that the State Life Fund should have its activities curtailed as an inappropriate activity of state government," he said in a statement to the committee.

The bill before the Assembly Insurance Securities and Corporate Policy Committee would ban the new sales of insurance by the State Life Fund. The nearly 31,000 persons who have \$224 million insurance in coverage would be allowed to continue their policies.

The committee took no action on the bill. Albers is asking comparable data, measuring her own insurance against the State Life Fund, her staff said.

Later Marti said curtailing sales could hurt the fund's dividends. He also is planning to mail them his token campaign contributions. That ought to remind committee members of the witness who showed up at a committee hearing with a bag of cash.

Smoking

Continued from Page 3A

chased, Gadow said. In some cases, however, the establishment may also hold the vending license and therefore be responsible.

Under city ordinance, vendors found in violation the law for the first time can have the citation waived if they agree to discuss ways to improving their record with city health staff.

Violation is punishable by a fine of \$25 to \$100 for the first of-

fense, and up to \$200 for subsequent infractions.

"Neo-fascist tactics," says Ricardo Gonzalez, the former City Council member who owns the Cardinal Bar, one of the establishments the report cited for selling tobacco to one of the Youth Connection agents.

"In this country there's more child abuse than in any other country on the face of the earth," Gonzalez said. "And they tell me about a 16- or 17-year-old smoking a cigarette. I mean, give me a break."

