



# VARIABLE LIFE & ANNUITY MAXIMUM PERFORMANCE SURVEY

Complete this confidential survey and receive a *free* analysis of the results from Problem Solving Enterprises. The survey should only take a few minutes to complete.

The purpose of this survey is to measure the effectiveness of VA/VUL performance illustration tools. How well do companies educate and manage the expectations of your customers? What problems do companies experience? What solutions work best? How does your experience compare?

If you prefer, you can conveniently complete this survey on-line on our fully secure website at:

[www.VariablePerformanceReports.com/Surveys.aspx](http://www.VariablePerformanceReports.com/Surveys.aspx)

Otherwise, you can print this survey out, complete it by hand, and return it to us (see contact info at end of survey).

Note that individual survey results and the identities of the companies/persons participating in this survey will be kept 100% confidential. Only data and statistics at a summary level and anonymous submitted comments will be included in our reports.

The following information will be used solely for the purpose of contacting you and returning your free analysis:

Person completing this survey:	
Title:	
Company name:	
Email address:	
Phone number:	

What area of the company do you represent? (circle one)

- (a) Home office - Marketing/Sales
- (b) Home Office - Actuarial/Financial
- (c) Home Office - IT
- (d) Home Office - Other
- (e) Field - Sales Management
- (f) Field - Agent or Broker
- (g) Field-Other

Questions (1) and (2) are for the purpose of measuring the approximate size of companies participating in this survey:

(2) Approximately how much in new VA/VUL deposits did your company receive in 2004:

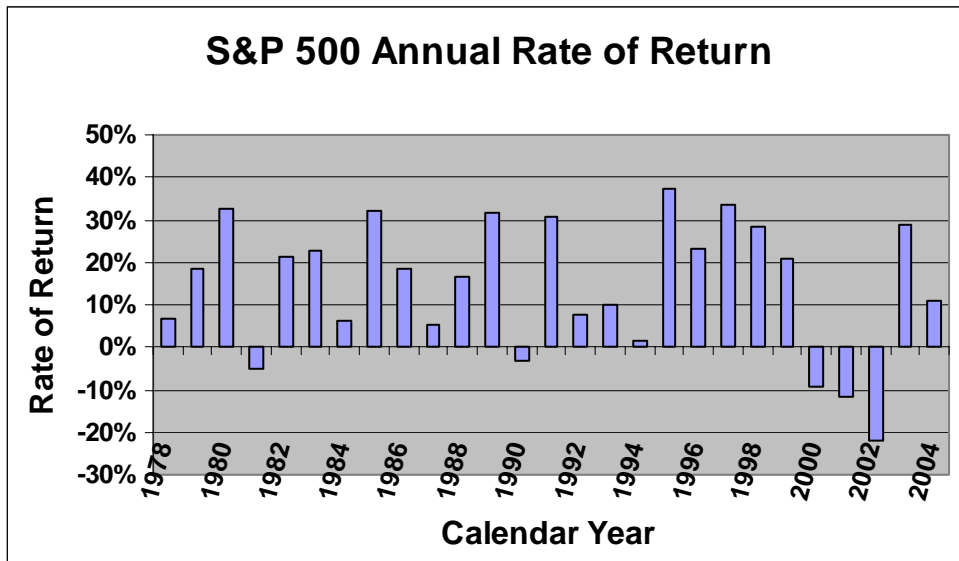
\$
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(3) Approximately how much in VA/VUL assets did your company manage as of year end 2004:

\$
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Customers of variable products are generally encouraged to look at long-term potential returns rather than short-term fluctuations. Short-term negative performance has historically been more than offset by subsequent periods of positive performance.

Questions (3) and (4) refer to the following chart of historical annual S&P returns:



- (4) During the period 2000 thru 2002, how much do you estimate that your new business premiums were affected by poor performance? (circle one)
- (a) Premiums remained level or increased
  - (b) Premiums decreased from 1 to 20%
  - (c) Premiums decreased from 21 to 40%
  - (d) Premiums decreased from 41 to 60%
  - (e) Premiums decreased over 60%
- (5) During the period 2000 thru 2002, how much do you estimate that your outflows (i.e. withdrawals, surrenders, etc) were affected by poor performance? (circle one)
- (a) Outflows remained level or decreased
  - (b) Outflows increased up to 20%
  - (c) Outflows increased from 21 to 40%
  - (d) Outflows increased from 41 to 60%
  - (e) Outflows increased over 60%

A goal of good performance reporting should be to help customers truly understand the long-term nature of their VA/VUL product at key decision-making times.

- (6) On a 1 to 5 scale, how important are the following factors in determining whether customers take the appropriate long-term view of VA/VUL performance? (Select one from each row with an X)

1=Not Important ... 3=Average ... 5=Very Important	(1)	(2)	(3)	(4)	(5)	Don't Know
Effective agent education on performance						
Effective customer education on performance						
Communicating with customers about performance						
Quality of educational tools for VA/VUL products						
Quality of sales tools for VA/VUL products						
Agent incentives to educate customers						
Suitability of the initial VA/VUL sale						

- (7) On a 1 to 5 scale, how good do you think your company is with respect to each of these factors? (Select one from each row with an X)

1=Not Good ... 3=Average ... 5=Very Good	(1)	(2)	(3)	(4)	(5)	Don't Know
Effective agent education on performance						
Effective customer education on performance						
Communicating with customers about performance						
Quality of educational tools for VA/VUL products						
Quality of sales tools for VA/VUL products						
Agent incentives to educate customers						
Suitability of the initial VA/VUL sale						

- (8) Comments? Are there other factors that are important? How do you measure the effectiveness of your company's communication methods?



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Various sales and educational tools can be developed to better understand and minimize the risks and fluctuations in the performance of VA/VUL, as well as demonstrate the unique benefits of your VA/VUL plan.

Questions (8) thru (11) are intended to measure the use, quality, and effectiveness of such tools:

(9) How many of your customers would you estimate make use of the following sales, educational or investment tools/programs offered by your company?

Make one selection for each line with an X	0 to 24%	25 to 49%	50 to 74%	75% or more	Not offered
Risk-tolerance based asset allocation strategies					
Dollar cost averaging investment strategies					
Showing the benefits of diversification.					
Tools showing the benefits of long-term versus short-term investing					
Tools showing the disadvantages of chasing last year's high returns					
Showing historical risk/return fluctuations (best/worst year, years to recover, standard deviation measures, charts, etc)					
Tools to determine sales suitability					
Tools showing the cost-of-waiting to save.					
Tools showing tax benefits compared to alternative investments					
Tools showing the benefits of riders that you offer (e.g. guaranteed minimum death or living benefit riders).					
Retirement planning tools					
Savings objective tracking and follow-up programs.					
Retirement distribution planning tools					

(10) Comments? Other tools that you use? Tools you would like to use but are not available?

(11) On a 1 to 5 scale, how effective do you perceive these tools to be in helping your customers understand the benefits of these various strategies or your VA/VUL benefits?

1=Not Effective ... 3=Average ... 5=Very Effective	(1)	(2)	(3)	(4)	(5)	Don't Know
Risk-tolerance based asset allocation strategies						
Dollar cost averaging investment strategies						
Showing the benefits of diversification.						
Tools showing the benefits of long-term versus short-term investing						
Tools showing the disadvantages of chasing previous year's high returns						
Showing historical risk/return fluctuations (best/worst year, years to recover, standard deviation measures, charts, etc)						
Tools to determine sales suitability						
Tools showing the cost-of-waiting to save.						
Tools showing tax benefits compared to alternative investments						
Tools showing the benefits of riders that you offer (e.g. guaranteed minimum death or living benefit riders).						
Retirement planning tools						
Savings objective tracking and follow-up programs.						
Retirement distribution planning tools						

(12) Comments? How do you measure the effectiveness of your sales, educational and communication tools? Why do you think tools are effective or ineffective?



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(13) On a 1 to 5 scale, how true are the following statements with respect to your company's performance reporting:

1=Absolutely false ... 3=At times true ... 5=Absolutely true	(1)	(2)	(3)	(4)	(5)	Don't Know
Performance reporting is treated as more of a compliance requirement than a sales tool						
Sales/educational tools we have are too complicated to be useful						
Compliance performance reports are more of a detriment than a benefit to sales and persistency						
Periodic performance reports take way too long to produce each period						
Our performance reports and tools contain too many errors and inconsistencies						
Our administrative system provides little or no support for historical performance illustrations						
Updating our performance reporting is a barrier to the timely release of new and enhanced products						
Performance reporting is a strain on our internal technical resources						
We have a shortage of resources dedicated to providing the sales support and tools that we need						

(14) Any other comments on this survey that you wish to provide?

Thank you for completing our survey. You can return this survey to us by any of the following means:

Email: [chuck@myactuary.com](mailto:chuck@myactuary.com)

Fax: 847-551-1795

Mail: Problem Solving Enterprises, Inc., 35W841 Burr Oak Lane, West Dundee, IL 60118