

SUBJECT:

Table Shaving for UL(01), JSUL(01), JSVUL(00), and Pension JSVUL(00)

Effective April 1, 2002, "Table Shaving" will become part of the Underwriting process for some (but not all) General American products. The products being made eligible for table shaving are: UL(01), JSUL(01), JSVUL(00), and Pension JSVUL(00). Of all the riders that are available on these particular products, the only riders that can be table shaved are ABTR, EPTR, SCTR and JSCTR.

TABLE SHAVING PARAMETERS

Based on the following parameters, Underwriting will determine which applicants qualify for table shaving, thereby resulting in a policy being issued as a Standard risk rather than Rated. For joint life policies, both insureds will be eligible for table shaving; however, if either life is uninsurable, then neither life can be table shaved.

1. Table shaving will be available for substandard medical risks only. Other substandard risks, such as occupation, avocation, aviation, hazard, alcohol and drug abuse will be excluded.
2. We will shave certain combinations of table ratings/flat extras to standard. The maximum table ratings and flat extras eligible for table shaving are summarized below.
 - a. We will table shave to standard table ratings up to table D (4 tables).
 - b. We will table shave to standard permanent flat extras up to \$5.00 per thousand.
 - c. We will table shave to standard temporary flat extras with an average rating over five years up to \$5.00 per thousand. (E.g. a \$12.50 per thousand flat extra over 3 years would have an average rating of \$7.50 over 5 years, which would not be eligible for table shaving.)
 - d. We will table shave to standard table rating and flat extra combinations with an average rating over five years up to \$5.00 per thousand. For the purposes of determining eligibility in these combinations, each table rating is converted to a permanent flat extra of \$2.50 per thousand. (E.g. Table B plus \$5 per thousand temporary flat extra for 3 years would convert to \$5.00 for the table rating and \$3.00 for the temporary flat extra, resulting in an average rating over five years of \$8.00 per thousand, which would not be eligible for table shaving.)
3. Facultatively reinsured policies (including substandard shopping) are not eligible for table shaving. If prior coverage was facultative in the past, then current coverage might not be eligible for table shaving.
4. The maximum issue age for table shaving will be 75.
5. The maximum face amount will be \$10,000,000 of shaved coverage per franchise (MetLife, NEF, and General American). If the face amount exceeds this limit, there are two possible options for the policy owner: 1) one non-table shaved policy or 2) two policies – one table shaved policy and one non-table shaved policy for the difference between the total face amount and the \$10,000,000 table shaved portion.

ADMINISTRATIVE GUIDELINES

On Monday, April 1, Underwriting will begin applying table shaving rules as applications are being underwritten. Thus, pending applications that have not yet been approved, automatically become eligible for table shaving, regardless of when they were signed. If an app is subsequently approved as a shaved standard risk, the policy issue date may be no earlier than 4/1/2002. In addition, a signed illustration matching the issued policy will be a delivery requirement.

Any applications that have already been through the underwriting process and were assigned a rating will not be automatically re-underwritten. This applies to those that have not yet been issued, and also to those issued but not yet paid.

If a policy is already in force (issued and paid) a **current date exchange** can be requested if the exchange is suitable for the client. However, please keep in mind that current date exchanges require full underwriting, and any surrender charges due on the policy being exchanged will be collected. Original date exchanges will not be allowed.

Term conversions (without underwriting) to a product with table shaving from a policy that is not shaved would be issued with the original risk classification of the term policy. Only if new underwriting evidence of insurability is submitted at the time of conversion would the new policy be eligible for table shaving.

A requested base **increase** on a policy that is table shaved requires new underwriting. Therefore, the increase piece can be shaved if the insured still qualifies and is re-approved for table shaving. However, if the original base policy was not table shaved, then the increase will not be shaved.