The comment below is submitted by Tomasz Serbinowski (UT) in response to the Globe Life comment, submitted June 17, 2020 on APF 2020-07.

I believe that slide 5 in Globe Life's deck may be misleading.  I believe that lower NF rate results in lower reduced paid-up benefits but, assuming I understand the slides, the reduction is less than what is being shown.

Slide 5 shows the amount of reduced paid-up insurance for female, issue age 45, non-smoker, at duration 10 per $1,000 of cash value.  But looking at slide 4, different NF rates result in different cash values. So, if the amount of insurance is such that the cash value at 4% is $1,000, then the cash value using 2% is $1,450 resulting in a reduced paid up amount of $18,435 x 1.45 = $26,731.  It is still lower than $32,263 but the reduction is not as dramatic as illustrated.

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**, Actuary**

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