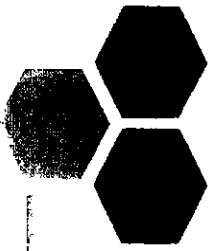




Summary of Recommended Assumption Changes

	Current Assumption	Recommended Assumption
Terminal Pay	6.00% load on active retirement liability	5.00% load on active retirement benefit, and 2.25% load on active termination and death (ordinary) benefits
Pre-Retirement Non-Disabled Mortality	1994 Group Annuity Mortality (GAM) tables for males and females	Male and female tables equal to 65% of the 1994 GAM tables for males and females
Termination	Age-based table	10-year service-based select period and ultimate age-based table (decrease in termination rates during select period)
Non-Duty Disability	Cliff age-based table (two rates, cliff at age 50)	More appropriate age-based table at all ages
Duty Disability	Cliff age-based table (two rates, cliff at age 50)	More appropriate age-based table at all ages
Retirement	Age-based table for all ages, same for males and females	Three separate tables based on type of retirement; Early, Normal and Rule of 75



Summary of Method Changes

	Current Method	Recommended Method
Decrement timing	Beginning-of-year for all decrements	Middle-of-year for all decrements
Central Rate Bridge	Method used by Towers	GRS will adjust assumptions to match company practice and policies
DROP I to Active	Towers valued DROP I continuing actives using all service (except DROP I service) and new final average compensation	GRS will reflect that DROP I is a bridged benefit of the original DROP I benefit plus the new accrual.