



Sample Term Sheet

S-forward

(Life & Longevity Markets Association)

29 October 2010

Sample Term Sheet S-forward



Please see accompanying document:
'Technical Note: The S-forward' for further background on this product

Description:

Forward contract linked to the survival rate of a particular cohort of a reference mortality index
Indicative terms and conditions dated [•]

General Terms

Party A	[Floating Rate Payer]
Party B	[Fixed Rate Payer]
Currency	[•]
Exposure Start Year	[•] <i>[The start of the period in which the Realised Survival Rate will be determined. This is expected to be expressed as a year (e.g. 2010) for which the Survivorship Index is published rather than a specific date].</i>
Exposure End Year	[•] <i>[The end of the period in which the Realised Survival Rate will be determined. This is expected to be expressed as a year (e.g. 2020) for which the Survivorship Index is published rather than a specific date].</i>
Trade Date	[•] <i>[Date of entering into transaction]</i>
Effective Date (if different from Trade Date)	[•] <i>[Date which is the first day of the term of the transaction]</i>
Termination Date	[•] <i>[Such date to allow time lag following publication of Index level]</i>
Notional Amount	£[•]MM
XYZ Longevity Index	'[XYZ Longevity Index]' of Survivorship Index values as defined in the Index Description and published by [LLMA] or any successor publisher displayed on Bloomberg Screen [XXXX] or website [www.xxxxxxxx.com] or any successor service.
Calculation Agent	[Party A or B or firm x]

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Payments and Termination Details:	
Party A payment on the Termination Date	Notional x Realised Survival Rate
Party B payment on the Termination Date	Notional x Fixed Rate
Fixed Rate	[•]% [To be agreed on the Trade Date]
Realised Survival Rate	This is given by the Survivorship Index (Reference Population, Cohort, Exposure End Year) divided by the Survivorship Index (Reference Population, Cohort, Exposure Start Year)
Survivorship Index	The index of the [relative] number of lives in the Cohort based on a specified base date, as defined by the Index Description Document for the [XYZ Longevity Index].
Cohort	Generational group of one gender with the same age at the Exposure Start Year, as defined in the Index Definition Document for the [XYZ Longevity Index].
Reference Period	Period between Exposure Start Year and Exposure End Year
Reference Population	Specification of population that defines the [XYZ Longevity Index]. For example, England & Wales national population males, or UK male assured lives.
Age Definition	As given by the Index Description
Delay in publication	If the relevant survival index values for the XYZ Longevity Index have not been published on or prior to any date for which they fall to be applied for the purposes of this transaction, [the Calculation Agent shall determine the Realised Survival Rate in good faith, taking into consideration all available information that it deems relevant].
Index Description:	The description of the Index published by LLMA and known as Index Definition Document Version [x.x], dated [dd-mmm-yyyy], which is available on website [www.xxxxxxxx.com] [as amended by the LLMA from time to time].
Provisions relating to valuations	[•]

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