EXHIBIT 1
Key Differences Between the Investment and Fair-Value Methods

	Investment Method	Fair Value Method
Initial Investment	Measure the investment asset at the transaction price, plus all direct costs, such as broker fees and other external costs.	Measure the investment asset at the transaction price, and expense all direct costs, such as broker fees and other external costs, as incurred.
Continuing Costs	Capitalize policy premiums and other continuing costs to maintain the policy as part of the investment asset.	Report policy premiums and other continuing costs in the same financial line used to report changes in fair value on the income statement.
Remeasurement	Test for impairment when new information shows this is necessary. If impairment exists, record an impairment loss equal to the difference between carrying value and fair value. Changes in interest rates do not need to be considered.	Remeasure the entire investment at fair value for each reporting period, and recognize changes in fair value in earnings for the period in which the changes occur.
Proceeds from Underlying Policy When Insured Dies	Recognize a gain in earnings.	Report the net life insurance proceeds received (proceeds received less the balance in the investment account) in the same financial reporting line used to report changes in fair value on the income statement.