**296.** For two universal life insurance policies issued on (60), you are given:

(i) Policy 1 has a level death benefit of 100,000.
(ii) Policy 2 has a death benefit equal to 100,000 plus the account value at the end of the month of death.

For each policy:
(i) Death benefits are paid at the end of the month of death.
(ii) Account values are calculated monthly.
(iii) Level monthly premiums of $G$ are payable at the beginning of each month.
(iv) Mortality rates for calculating the cost of insurance:
  a. Follow the Illustrative Life Table.
  b. Assume UDD for fractional ages.
(v) Interest is credited at a monthly effective rate of 0.004.
(vi) The interest rate used for accumulating and discounting in the cost of insurance calculation is a monthly effective rate of 0.004.
(vii) Level expense charges of $E$ are deducted at the beginning of each month.

At the end of the $36^{th}$ month the account value for Policy 1 equals the account value for Policy 2.

Calculate the ratio of the account value for Policy 1 at the end of the $37^{th}$ month to the account value of Policy 2 at the end of the $37^{th}$ month.

(A) 1.0015

(B) 1.0035

(C) 1.0055

(D) 1.0075

(E) 1.0095