You are an actuarial student in the group life department of MutualOne, an insurance company in the United States. Most of your communication is directed to your immediate supervisor, so it should be well written but not formal.About MutualOneMutualOne sells group life insurance in the northeastern United States. Most of the current book of business is in the 2-to-500 size market and a smaller portion in the 500-to-3,000 size market. Nearly all of MutualOne’s group life business was sold as a benefit add-on to their medical insurance sales. Management has decided to grow via acquisitions. Therefore, the group life department is completing an assessment of their assumption-setting process in preparation for an impending acquisition.Your TasksYour supervisor, Allison, needs to present a summary of the group life assumption-setting process to management, who are not very familiar with the life products. Allison has asked you to write a summary ( two pages maximum) describing the three major categories of assumptions used by actuaries (economic, demographic, and experience-based) as they relate to group life claim cost projections.In addition to describing the three major categories of assumptions, Allison asked that your summary answer the following questions:•Provide two specific assumption types within each category that are material to formingclaim costs for a group life insurer?•What are some potential consequences of getting these assumptions wrong?