

2014 Ward's 50 Top Performing L&H Insurers



To develop its annual list of the top 50 performing insurance companies, Ward Group analyzes the financial performance of nearly 800 life-health insurance companies domiciled in the United States and identifies the top performers based on objective data and subjective quality measures. Each company has passed all safety and consistency screens and achieved superior performance over the five years analyzed. This is the 24th consecutive year Ward Group has conducted the analysis.

The Ward's 50 life-health group of insurance companies produced a 21.8% statutory return on average equity from 2009 to 2013 compared to 8.1% for the life-health industry overall.

"Most insurers saw improvements in both financial returns and overall premium levels," explained Jeff Rieder, Partner and Head of Ward Group. "In clear signs of continued optimism, our research shows considerable investments are being made in technology, product enhancements and identifying ways to deliver a better customer experience. Companies will be challenged to manage the costs of these initiatives, but have strong financial positions to support the investments. Total policyholder surplus continues to grow and overall financial stability for the industry remains very strong. In selecting the Ward's 50, we identified companies that pass financial stability requirements and measure their ability to grow while maintaining strong capital positions and underwriting results."

Safety and Consistency

Insurance companies are evaluated and must pass minimum thresholds to be considered for the Ward's 50 designation. Each company must pass primary safety and consistency tests, including:

- Surplus and premiums of at least \$50 million for each of the five years analyzed
- Adjusted net income in at least four of the last five years.
- Compound annual growth in premiums between -10% and +40%

Performance Measurements

Companies that pass the safety and consistency tests are measured and scored on the following elements:

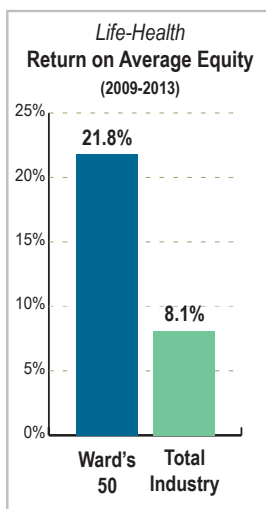
- Five Year Average Return on Average Equity
- Five Year Average Return on Average Assets
- Five Year Average Return on Total Revenue
- Five Year Growth in Revenue
- Five Year Growth in Surplus

Key Performance Benchmarks

An important objective of the Ward's 50 is to compare their performance as a group with the rest of the industry. In addition to achieving greater levels of income returns, the Ward's 50 benchmarks also outperformed in other key performance benchmarks. The Ward's 50 life-health group of companies outpaced the industry for five year policyholder surplus growth (42.5% compared to 25.3%) and net premium income growth (22.7% compared to 16.6%).

In addition to achieving higher financial returns, the Ward's 50 benchmark continues to achieve lower expense ratios. "The

expense ratio increased in 2013 for the life-health benchmark. We still find the Ward's 50 benchmarks comparing better than the industry average." said Rieder. In 2013, expenses relative to revenue were 14.0% lower for the Ward's 50 life-health group of companies.



2014 Ward's 50® Companies

Life and Health

(listed alphabetically)

Aetna Life Insurance Company
 AFLAC
 Alfa Life Insurance Corporation
 Amalgamated Life Insurance Company
 American Equity Investment Life Insurance Co.
 American Family Life Insurance Company
 American Fidelity Assurance Company
 American General Life Insurance Company
 American Republic Insurance Company
 Americo Financial Life and Annuity Insur. Co.
 Anthem Life Insurance Company
 Bankers Life & Casualty Company
 Berkley Life and Health Insurance Company
 Blue Cross and Blue Shield of Kansas
 BlueBonnet Life Insurance Company
 BMI Companies
 Central United Life Insurance Company
 CIGNA Group
 Combined Insurance Company of America
 Companion Life Insurance Company
 Continental Assurance Company
 Erie Family Life Insurance Company
 Farm Bureau Life Insurance Company
 Farmers New World Life Insurance Company
 Federated Life Insurance Company
 First Investors Life Insurance Company
 Forethought Life Insurance Company
 Funeral Directors Life Insurance Company
 General Re Life Insurance Corporation
 Great American Life Insurance Company
 HCC Life Insurance Company
 HM Life Insurance Company
 Homesteaders Life Company
 Liberty National Life Insurance Company
 Life Insurance Company of the Southwest
 LifeCare Assurance Company
 LifeWise Assurance Company
 M Life Insurance Company
 National Teachers Associates Life Insur. Co.
 National Western Life Insurance Company
 Ozark National Life Insurance Company
 Protective Life Insurance Company
 RiverSource Life Insurance Company
 Security Benefit Life Insurance Company
 Tennessee Farmers Life Insurance Company
 Trustmark Insurance Company
 United Insurance Company of America
 UnitedHealthcare Insurance Company
 Universal Guaranty Life Insurance Company
 USAA Life Insurance Company

An important objective of the Ward's 50 is to compare their performance as a group with the rest of the industry. Comparisons based on benchmarks set by the Ward's 50 group of companies are available for individual companies and the total industry. Visit www.wardinc.com for more information.