

# Top Performing L&H Insurers Set the Bar for Excellence



Annually, Ward Group analyzes the financial performance of nearly 800 life-health insurance companies domiciled in the United States and identifies the top performers. This group is called the Ward's 50 for the year. Each Ward's 50 company has passed all safety and consistency screens and achieved superior performance over the five years analyzed. The Ward's 50 life-health group of insurance companies produced a 18.7% return on average equity from 2006 to 2010 compared to 5.7% for the life-health industry overall. This is the 21st year Ward Group has conducted the analysis.

"The life-health industry has demonstrated the ability to manage the business very well during slow economic growth" explains Jeff Rieder, President of Ward Group. "While various sectors within the industry have been affected differently, it is important for companies to continue to focus on the fundamentals of maintaining profitable operations and make wise decisions to meet customer needs. In selecting the Ward's 50, we identify companies that pass financial stability requirements and measure their ability to grow while maintaining strong capital positions and underwriting results."

## Safety and Consistency Tests

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%

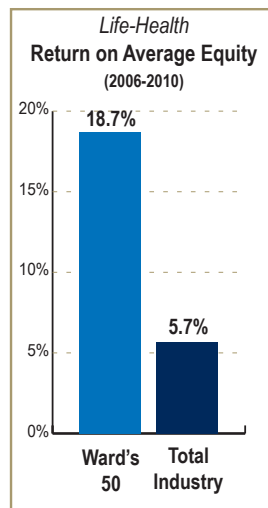
## Performance Measurements

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 (55.9% compared to 30.3%) and net premium income growth (57.6% compared to 4.7%).



In addition to performing well with financial returns, the Ward's 50 benchmark continues to achieve lower expense ratios. "The lower expense ratio is a good indicator these companies achieve better organizational efficiency relative to the industry," says Mr. Rieder. In 2010, expenses relative to revenue were 14.7% lower for the Ward's 50 life-health group.

## 2011 Ward's 50® Life-Health Companies (listed alphabetically)

Aetna Life Insurance Company  
AFLAC  
Amalgamated Life Insurance Company  
American Equity Investment Life Insurance Co.  
American Family Life Insurance Company  
American Fidelity Assurance Company  
American Republic Insurance Company  
Amica Life Insurance Company  
Assurity Life Insurance Company  
Auto-Owners Life Insurance Company  
Centurion Life Insurance Company  
CIGNA Group  
Columbian Mutual Life Insurance Company  
Combined Insurance Company of America  
Companion Life Insurance Company  
CUNA Mutual Insurance  
Farm Bureau Life Insurance Company of MI  
Federated Life Insurance Company  
Fidelity Investments Life Insurance Company  
Fidelity Security 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  
Health Net Life Insurance Company  
HM Life Insurance Company  
Homesteaders Life Company  
Humana Insurance Company  
Liberty National Life Insurance Company  
Life Insurance Company of the Southwest  
LifeWise Assurance Company  
National Guardian Life Insurance Company  
National Western Life Insurance Company  
New York Life Insurance Company  
Oxford Life Insurance Company  
Ozark National Life Insurance Company  
Protective Life Insurance Company  
Shelter Life Insurance Company  
Southern Farm Bureau Life Insurance Co.  
Standard Insurance Company  
Symetra Life Insurance Company  
Tennessee Farmers Life Insurance Company  
Thrivent Financial for Lutherans  
Trustmark Insurance Company  
United Healthcare Insurance Company  
United Insurance Company of America  
USAA Life Insurance Company  
USABLE 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](http://www.wardinc.com) for more information.



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