

Financial Stability The financial condition of a life insurance organization is an important factor in public confidence. In this regard we believe the fundamental factors listed below are significant. The following is a COMPARATIVE ANALYSIS of these basic factors, comparing

STANDARD LIFE & CASUALTY INSURANCE COMPANY

with 25 of the largest United States life insurance companies.

Since these 25 companies have an average of over 100 years of life insurance experience, and own a major portion of the invested assets and life insurance in force of all the companies, a favorable comparison of these factors can be indicative of financial stability.

BASIC SIGNIFICANT FACTORS — AS OF DECEMBER 31, 2006 DERIVED FROM THE ANNUAL STATEMENT

(The Companies listed below are 25 of the largest by the amount of **Admitted Assets** held for the protection of their policyholders.)

Solvency A wide margin of Assets over Liabilities can be a significant safety factor. This indicates financial soundness and a Company's ability to meet all obligations as they become due.

Assets for each \$100 of Liabilities as of Dec. 31, 2006.

Aetna Life Insurance Company, CT	\$110.37
Allstate Life Insurance Company, IL	104.44
American Family Life Assurance Co., GA	109.08
American General Life Ins. Co., TX	119.06
AXA Equitable Life Assurance Society, NY	105.19
Connecticut General Life Ins. Co., CT	112.62
Great-West Life and Annuity Ins. Co., CO	105.22
Guardian Life Ins. Co. of America, NY	115.03
Hartford Life Insurance Company, CT	102.29
Jackson National Life Ins. Company, MI	105.82
John Hancock Life Ins. Co., MA	105.27
Lincoln National Life Ins. Co., IN	102.93
Massachusetts Mutual Life Ins. Co., MA	106.88
MetLife Insurance Co. of Connecticut, CT	106.57
Metropolitan Life Insurance Co., NY	103.39
Nationwide Life Insurance Co., OH	102.84
New York Life Insurance Company, NY	111.04
Northwestern Mutual Life Ins. Co., WI	108.77
Pacific Life Insurance Company, CA	103.88
Principal Life Insurance Company, IA	102.95
Prudential Insurance Co. of America, NJ	102.49
Riversource Life Insurance Company, MN	104.56
State Farm Life Insurance Company, IL	113.63
Transamerica Life Insurance Company, IA	102.84
Transamerica Occidental Life Ins. Co., CA	110.54

AVERAGE OF 25 OF THE LARGEST LIFE CO'S \$105.31

STANDARD LIFE & CASUALTY **\$126.34**

Surplus Funds (Including Capital, if any)
Per \$100 of Policy Reserves:

A high surplus ratio may indicate a company's ability to take emergencies in stride. It shows the proportion of surplus funds to the policy reserve liabilities.

AVERAGE OF 25 OF THE LARGEST LIFE CO'S \$12.69

STANDARD LIFE & CASUALTY **\$30.23**

Liquid Assets Assets in Bonds, Stocks
Cash and Short-Term Investments
for each \$100 of Liabilities: A high ratio may indicate a more liquid investment position to cover unforeseen emergency cash requirements that may arise.

AVERAGE OF 25 OF THE LARGEST LIFE CO'S \$48.55

STANDARD LIFE & CASUALTY **\$107.02**

**Surplus to Life Insurance
in Force** Ratio of Surplus for each \$1000 of Life
Insurance in Force: A high ratio of
surplus to life insurance in force may indicate further proof of
financial strength and stability.

AVERAGE OF 25 OF THE LARGEST LIFE CO'S \$9.04

STANDARD LIFE & CASUALTY **\$43.06**

FINANCIAL STATEMENT SUMMARY AS OF DECEMBER 31, 2006

Admitted Assets	Policy Reserves
\$20,646,694.00	\$14,240,296.00
Total Liabilities	Total Income
\$16,341,958.00	\$ 5,275,120.00
Gross Surplus (Incl. Capital, if any)	Insurance in Force
\$ 4,304,735.00	\$99,963,000.00

Conclusion Based on the financial results achieved in the year ended 2006, the analysis made of the above organization is favorable in comparison with the aggregate averages of 25 of the LARGEST COMPANIES.