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SUMMARY: Assurity Life reports 2008 financial results

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Assurity Life today announced statutory financial results for 2008, highlighted by increases in operating earnings, premium income and benefits to policyholders.

“Assurity posted excellent operating earnings in 2008,” Assurity Chairman, President and CEO Tom Henning, CLU, ChFC, CFA, said at the company’s annual meeting in Lincoln. “Our net gain from operations after dividends and federal income tax was up 40 percent to more than \$18.6 million over last year, a \$5.4 million increase.”

Despite unprecedented turmoil in the financial markets, Assurity maintained its strong financial position and capital levels, Henning said.

“We entered 2008 with a very strong capital position, enabling us to weather this difficult economic environment,” Henning said. Assurity’s total surplus, including the asset valuation reserve (AVR), stood at \$233 million at year-end 2008. Henning said although the total was down \$36 million from 2007, the company’s capital levels continue to be very strong. As of Dec. 31, 2008, Assurity’s ratio of surplus and AVR to assets was 10.8 percent. A key gauge of financial strength, the capital ratio is the industry’s benchmark for an insurer’s ability to meet its future obligations.

Both total assets and investment income were down slightly as a result of market declines, Henning said. Assets ended the year at \$2.16 billion, down 1.3 percent, while investment income totaled \$123.4 million, less than one-half of 1 percent below 2007.

“While no company is immune to market turmoil, our overall conservative investment philosophy and risk management practices have held us in good stead,” Henning said. “Our capital levels and financial strength have positioned us to withstand the current recessionary climate, just as we have for the past 119 years.”

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Today's economic conditions demonstrate the importance of Assurity's financial strength to the long-term interests of our policyholders and our mission of "helping people through difficult times," Henning said.

"In 2008 Assurity provided a record \$237 million in benefits to policyholders," Henning said. Dividends to policyholders accounted for \$24.9 million of that total, while other living benefits of \$165.7 million constituted a variety of payments, including monthly income for retirees and beneficiaries, as well as disability income, critical illness and long-term care benefits. Death benefits amounted to \$46.4 million.

Despite the economic downturn, Assurity's premium income from all lines of business increased to \$274.2 million in 2008.

Assurity Life serves customers across the nation, offering disability income, critical illness, hospital indemnity, accident, long-term care and life insurance and annuities through our individual and employer-focused distributors and direct mail. Retirement plans are available through Assurity Advisors[®] Inc., a subsidiary of Assurity Life.

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