

# Securian's Financial Strength –

## *Questions and Answers*

All information as of 2/27/09 unless otherwise noted

### **How is the turmoil in the economy and financial markets affecting Securian?**

Securian Financial Group remains strongly positioned to withstand the impact of the current turmoil in the financial markets, including the financial problems experienced by troubled financial institutions.

- We take a long-term approach to our business, and we have purposefully built our capital strength to weather economic shocks and market volatility.
- Our balance sheet is very strong, and we have a high quality, well-diversified investment portfolio.

### **Is Securian able to withstand the downturn in the investment markets?**

Going into this environment, Securian had the highest surplus-to-liability ratio in its history, strongly positioning us in the current turbulent environment.

Our corporate investment philosophy and disciplined process help limit our exposure to risky investments.

- Among our peer group\*, the most current data available shows that we ranked first based on our ratio of capital and surplus-to-liabilities (A.M. Best Statistical Study, 9/30/2008).
- 96.9 percent of our bond portfolio in our life insurance affiliate's general account was investment grade, as of December 31, 2008.
- The mortgage portfolio in our life insurance affiliate's general account includes investments throughout the country and has significant diversification by property type. We have no mortgage delinquencies in our investment portfolio as of December 31, 2008.

Capital surplus and liabilities are factors used by major independent ratings agencies that analyze the financial soundness and claims paying ability of insurance companies. The guarantees of the general account are backed by the financial strength and claims paying ability of the applicable life insurance company affiliate.

Securian and its affiliates are part of a mutual holding company structure. We believe this allows us to focus on long-term growth. Publicly traded companies can be subject to greater short-term pressures from Wall Street.

### **How does Securian keep its balance sheet so strong?**

Our strong balance sheet results from a focus on quality, diversification, effective asset-liability management and constant monitoring of our investments.

We seek to limit our exposure to risky investments. Securian takes a bottom-up, analytical approach to selecting, buying and monitoring investments. We do not rely solely on ratings, but look beyond the obvious to assess potential investments, using a variety of stress tests. Once we buy an investment, we continually monitor and track very specific performance characteristics.

### **How does Securian differ from companies experiencing financial problems?**

Securian's numerous strengths help position us well in the current economic environment:

- We are among the most highly rated financial institutions in America based on financial strength and claims-paying ability.
- Our asset quality and capital strength are among the very highest in the insurance industry.
- Our businesses are well-diversified, and we have strong franchises in all of our markets.
- Securian does not rely on the capital markets to fund its day-to-day operations. We strive to maintain a high level of liquidity.

For almost 130 years, Securian Financial Group and its affiliates have maintained financial strength through economic and market downturns.

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## Is Securian participating in the federal Troubled Asset Relief Program (TARP) plan?

Securian has not applied for either the Capital Purchase Program (CPP) or the Troubled Asset Relief Program (TARP). We continue to monitor both the federal government's assistance programs and regulatory developments that may affect the insurance industry. Our goal is to ensure that we remain well-positioned in the redefined financial services marketplace.

## Have Securian's ratings changed?

We continue to be highly rated by the major independent rating agencies that analyze the financial soundness and claims-paying ability of insurance companies. For more information about our ratings and where they rank relative to other ratings, please visit [securian.com/about/financials.asp](http://securian.com/about/financials.asp)

## Can ratings be trusted?

Ratings assigned by rating agencies should not be the only criteria for evaluating a company. It is important to take a closer look at a company by examining:

- The company's history and how it has held up financially in times of trouble.
- The company's focus. Does it put shareholders or policyholders first?
- Size. Size doesn't automatically translate into financial strength.
- The ratings and views of multiple rating agencies. Taking in multiple points of view and perspectives can provide a more in-depth evaluation.

Reading each rating agency's report is an excellent way to gain a deeper understanding of a company. For the most part, rating agencies do a good job. They offer an important and a useful resource to help consumers sort through the complexities of insurance companies.

\* Our group of peer companies consists of Aegon USA, AXA Financial, CUNA Mutual, Great West Life, Guardian Life, Hartford, ING, Lincoln Financial, Manulife, Mass Mutual, Metropolitan Life, Nationwide, New York Life, Northwestern Mutual, Pacific Life, Principal Financial, Prudential, Standard Life, Western & Southern.

Since 1880, Securian Financial Group, Inc. and its affiliates have provided financial security for individuals and businesses in the form of insurance, investments and retirement plans. Now one of the nation's largest financial services providers, it is the holding company parent of a group of companies that offer a broad range of financial services.



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400 Robert Street North, St. Paul, MN 55101-2098  
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