



February 11, 2009

Dear Standard Life of Indiana Policyholder,

I am writing to you to let you know of important news related to your Standard Life Insurance Company of Indiana (“Standard Life of Indiana”) policy.

Standard Life of Indiana like many other insurance companies was greatly affected by the recent economic downturn and the current recession. In light of this, Standard Life of Indiana has consented to an Order of Rehabilitation, which was effective December 18, 2008. The Indiana Department of Insurance (“IDOI”) took action after determining that the Company’s investment portfolio had deteriorated under current market conditions. All new sales have been halted, and we are focused on the protection of our current policyholders. **Our top priority is the safety and security of our policyholder’s money.**

Operations at Standard Life of Indiana will continue as normal with the exception of executive management authority and responsibilities. All customer service functions and personnel will continue uninterrupted to best serve our policyholders. Under Rehabilitation, Jim Atterholt, Commissioner of Insurance for the State of Indiana serves as the Rehabilitator. He has appointed Randolph Lamberjack as Special Deputy Rehabilitator to oversee the daily operations of the Company.

So, what does this mean to you as a policyholder? All Company operations and facilities remain operational with full existing employee support for normal operations.

The following are services that we expect to continue during the Rehabilitation:

- Annuity accounts that mature are expected to be honored.
- Interest crediting rates will continue as guaranteed in your contract.
- Contracts in payout will continue.
- Required Minimum Distributions (“RMD”) from retirement accounts will continue.
- Monthly Earned Interest only payments as elected will continue as guaranteed in your contract.
- Death benefits will continue.

**The only provision that is currently frozen is the ability to transfer, take either a partial or full withdrawal or surrender of contract values for a minimum period of 6 months. This is to allow the Rehabilitator time to put in place a long term plan for the rehabilitation of Standard Life of Indiana. We apologize for this disruption and we look forward to being of continued service to you going forward.**



In the past month, Standard Life of Indiana employees have come together to accomplish much toward the ultimate goal of rebuilding and rehabilitating the Company. It will take a great deal of effort from all of our employees, but the successful rehabilitation of Standard Life of Indiana is our goal, so that the Company can restore all aspects of capitalization and recover as a fully functioning life insurance and annuity company as it had since 1934.

Should you have questions or need any assistance, you are certainly encouraged to contact your Standard Life Agent or to call our Customer Service Department at 1-800-222-3216 or go to our Consumer web site [www.standardlifeofindiana.com](http://www.standardlifeofindiana.com) for additional information.

Sincerely,

Randolph Lamberjack  
Special Deputy Rehabilitator,  
For the Commissioner of the Indiana Department of Insurance as Rehabilitator,  
Standard Life Insurance Company of Indiana

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