

June 2009

Fort Dearborn Life Insurance Company – Facts about our Company

The recent turmoil in the financial markets has had a significant impact on banks and other financial institutions over the past year. While rating agencies and regulators continue to monitor the insurance industry, Fort Dearborn Life Insurance Company (“Fort Dearborn Life”) is uniquely positioned in terms of both its financial strength and its opportunities for profitable growth in the future.

Financial Strength

- Fort Dearborn Life is highly rated by both A.M. Best and Standard & Poor’s.
 - **A.M. Best** – Rated “A+” (Superior, 2nd highest of 15 ratings) – Affirmed December 22, 2008
 - **Standard & Poor’s** – Rated “A+” (Strong, 5th highest of 21 ratings) – Affirmed August 1, 2008
- Fort Dearborn Life is a privately held subsidiary of Health Care Service Corporation (HCSC), a Mutual Legal Reserve Company, and the largest non-investor owned health care insurance provider in the United States. HCSC had more than \$6.0 billion of statutory surplus as of December 31, 2008, making it one of the most financially sound health insurers in the country.
- Fort Dearborn Life’s sole focus, like that of HCSC, is supporting our policyholders. As of March 31, 2009, Fort Dearborn Life had more than \$288 million of statutory capital and surplus to support its policyholders.
- As of March 31, 2009, Fort Dearborn Life had 93.2% of its portfolio invested in fixed income securities (bonds) and 0.08% invested in preferred and common stock. This low exposure to preferred and common stock reduces the overall volatility of the investment portfolio. Of the fixed income securities, 94.5% were considered “investment grade.” In general, Fort Dearborn Life invests its money very conservatively and diversifies its risk across many industries.
- Fort Dearborn Life has no short- or long-term debt that could impact its ability to pay policyholders.
- We have a disciplined approach to matching our asset maturities to meet our liabilities, resulting in more than adequate liquidity to meet cash flow needs. As of March 31, 2009, Fort Dearborn Life had more than \$176 million in cash and cash equivalents to ensure our ability to meet policyholder obligations.
- Our exposure to the bonds of any one company is less than 1.0% of the total market value of Fort Dearborn Life investments, which minimizes the risk of loss related to any one company.
- The total market value of all Fort Dearborn Life investments was approximately \$2.6 billion as of March 31, 2009, an increase of approximately \$460 million from January 1, 2008.

In summary, Fort Dearborn Life is a financially strong insurance company with conservative investments that support our commitment to meeting all policyholder obligations, regardless of financial market volatility.