

Ward Group Recognizes Top Performing Insurers



Annually, Ward Group analyzes the financial performance of over 900 life-health insurance companies domiciled in the United States and identifies the top performers. This group is called the Ward's 50. Each Ward's 50 company has passed all safety and consistency screens and achieved superior performance over the five years analyzed.

The Ward's 50 life-health insurance companies produced a 16.1% return on average equity from 2002 to 2006 compared to 12.6% for the life-health industry overall.

Changes in the insurance industry relating to market conditions, technology and customer demands have required companies to transform certain aspects of their operations. "Most companies understand the importance of remaining competitive and efficient in this changing environment," explains Jeff Rieder, President of Ward Group. "The best companies identify what is important to the organization and customers and focus on meeting these needs." Results from the Ward Group Benchmarking Programs confirm these findings and identify best practices that set the top performing companies apart from the rest of the industry.

Organizational Focus

Insurers can be successful regardless of business mix, ownership structure, distribution channel, size or geography. The best companies achieve organizational focus through certain key strategies:

- Identify product strengths/market niches
- Achieve scale to support the business
- Achieve distribution system efficiency
- Meet key customer service points

By focusing on these strategies, companies can be organized to operate more efficiently and reduce expenses. The average Ward's 50 company has 17% fewer employees and maintains a 6% lower expense ratio. "Top performers focus on performing every activity in a cost efficient manner", observed Mr. Rieder. For example, top performers

maintain 14% less square feet per employee, on average. The difference in space translates into savings of nearly \$1,400 per employee. For the typical insurance company, this amounts to a 0.20% reduction on the expense ratio.

Customer Focus

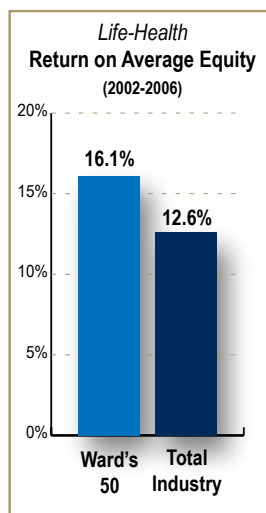
It is important to identify target customers and develop appropriate service levels.

Customer focus helps companies design products and develop organizational capabilities to meet demands. Companies often make decisions to meet customer demands without fully evaluating the long-term impact of the decision. Business may suffer as focus shifts to new services that do not fit core strengths or meet critical customer needs. Top performers judiciously service all customers, including policyholders, claimants, agents, employees and outside service partners.

Superior customer service and ease of doing business significantly improve customer loyalty and retention. Policy retention for the Ward's 50 outperforms the rest of the benchmark by over 5%, on average.

Results Focus

Defining a good strategy is important, but companies must also execute the strategic plan and stay committed to achieving successful results. It is important to define goals that advance the organization and measure performance throughout the process. Measuring performance determines if expected results are achieved and helps a company react appropriately when it falls short of goals. "Best practice performance requires every department to understand their contribution to the bottom line and focus on achieving common goals," added Mr. Rieder.



2007 Ward's 50 Life-Health Companies (listed alphabetically)

Aetna Life Insurance Company
 AFLAC
 AIG SunAmerica Life Insurance Company
 Alfa Life Insurance Corporation
 American Fidelity Assurance Company
 American National Insurance Company
 Americo Financial Life and Annuity Ins. Co.
 Auto-Owners Life Insurance Company
 BC Life & Health Insurance Company
 Beneficial Life Insurance Company
 BlueCross BlueShield of Mississippi
 Centurion Life Insurance Company
 CIGNA Group
 Cincinnati Life Insurance Company
 Combined Insurance Company of America
 Farm Bureau Life Insurance Company
 Farm Bureau Life Insurance Company of MI
 Federated Life Insurance Company
 Fidelity Investments Life Insurance Company
 Genworth Life Insurance Company
 Gerber Life Insurance Company
 Guardian Life Insurance Company of America
 The Hartford Life Insurance Company
 Liberty National Life Insurance Company
 Metropolitan Life Insurance Company
 Midland National Life Insurance Company
 National Life Insurance Company
 National Western Life Insurance Company
 Nationwide Life Insurance Company
 Northwestern Mutual Life Insurance Co.
 Pekin Life Insurance Company
 Primerica Life Insurance Company
 Principal Life Insurance Company
 Prudential Insurance Company of America
 Reliance Standard Life Insurance Company
 RiverSource Life Insurance Company
 Sentry Life Insurance Company
 Shelter Life Insurance Company
 Southern Farm Bureau Life Insurance Co.
 Standard Insurance Company
 State Farm Life Insurance Company
 Symetra Life Insurance Company
 Thrivent Life Insurance Company
 TIAA-CREF
 Union Security Insurance Company
 United Healthcare Insurance Company
 United Life Insurance Company
 USAA Life Insurance Company
 USABLE Life Insurance Company
 Western & Southern Life Insurance Company

The Ward's 50 benchmarks are available in *Ward's Results*, an insurance industry financial reference series. To learn more about *Ward's Results* or Ward Group's consulting and benchmarking services visit www.wardinc.com or contact Ward Group at (513) 791-0303.



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