



December 8, 2009

Dear Agent,

We are writing to provide an update to the current situation at Standard Life Insurance Company of Indiana ("Standard Life" or the "Company"). Recently, a letter updating our contract holders was placed on our website, <http://www.standardlifeofindiana.com>. You are welcome to share this with any of your Standard Life customers.

As you know, the Marion County Circuit Court placed Standard Life under an Order of Rehabilitation ("Order") on December 18, 2008. The Order included a moratorium on all voluntary withdrawals, surrenders and transfers of funds. The moratorium has been extended by the Marion Circuit Court until March 31, 2010. The moratorium is intended to allow time for market conditions to further stabilize.

Since going into Rehabilitation, the credit markets have improved and as a result the Company's bond portfolio continues to show significant signs of recovery. As of the end of September 2009, statutory capital and surplus remains positive and the unrealized loss position of the portfolio has improved materially. Our efforts to reduce costs, improved financial markets and the introduction of new asset managers all have had a positive impact on assets supporting our contract holder obligations. Unfortunately, we still have a number of performing but illiquid assets that if sold before maturity would not be in the best interests of our policyholders.

We continue to credit interest on deferred contracts, pay death benefit claims, review hardship requests and honor requests for RMD, monthly interest, and periodic payments on immediate annuities. In addition, many contracts have been annuitized allowing an income stream for many of our customers. This is consistent with the purpose of purchasing an annuity to provide income in retirement and for financial planning. In summary, at this time, we continue to do all that is allowed to honor the promises that were made to our customers prior to the Order of Rehabilitation.

If you have any questions, please feel free to contact a service representative at Standard Life by writing or calling us at (800) 767-7749.

Sincerely yours,

A handwritten signature in black ink that reads "Randolph Lamberjack". The signature is written in a cursive style with a large, sweeping initial "R".

Randolph Lamberjack  
Special Deputy Rehabilitator