FREQUENTLY ASKED QUESTIONS – POST CLOSING

A. WHAT IS GOING TO HAPPEN TO MY STANDARD LIFE POLICY?

On March 2, 2011, Standard Life Insurance Company of Indiana (“Standard Life”) closed a transaction with Guggenheim Life and Annuity Company (“Guggenheim Life”) by which Guggenheim Life is reinsuring policies issued by Standard Life. The Marion County Circuit Court (the “Court”) approved this reinsurance transaction as part of a reorganization of Standard Life, which will ultimately lead to the conclusion of the Rehabilitation of Standard Life. Standard Life acted in this transaction through the Commissioner of the Indiana Department of Insurance (the "Department") in his Court appointed role as Standard Life's Rehabilitator ("Rehabilitator"), and through its Special Deputy Rehabilitator.

The most important effect of this transaction is that your policy will be reinsured by a strong company with adequate capital and your policy will retain 100 percent of its contractual cash value. Initially, Guggenheim Life is reinsuring Standard Life policies on an indemnity reinsurance basis. Guggenheim Life has agreed to endeavor to assume all the Standard Life policies, subject to compliance with applicable law. You will receive more information on the assumption process in the coming months.

Guggenheim Life is a subsidiary of Guggenheim Partners, LLC, a privately held, global financial services firm headquartered in New York and Chicago with more than $100 billion in assets under supervision. Guggenheim Partners provides investment management, investment advisory, insurance, investment banking and capital markets services.

Under the terms of the reorganization, the Court has modified all multi-year guarantee annuity policies under the plan name commonly referred to as Total Command. For those holding Total Command policies, the Court's order approving the reorganization recognized that current market conditions required some reduction in the interest rate for these policies. The same Court order also approved enhancing these policies by adding an option for lifetime annuitization and eliminating certain charges and fees at the death of the annuitant.

B. WHY IS GUGGENHEIM LIFE AND ANNUITY COMPANY REINSURING STANDARD LIFE'S POLICIES?

For more than two years, the Rehabilitator has directed a rehabilitation process to protect the policyholders of Standard Life, whose policies were jeopardized by the deterioration of Standard Life's investment portfolio. The Rehabilitator determined that in order to reach that goal it would be necessary to find a financially strong insurance company that would cover all Standard policyholders. After evaluating many alternatives, the Rehabilitator determined that proceeding with Guggenheim Life was the most prudent alternative. Among other things, the Rehabilitator considered the terms of the reinsurance transaction and the financial strength of Guggenheim Life. Prior to the consummation of the transaction with Standard Life, Guggenheim Life was predominantly a reinsurer of annuities; at December 31, 2010, it had total assets of $2.8 billion and total statutory surplus of $190.6 million. The completion of this transaction brings scale and enhanced operational capacity to Guggenheim Life.

C. WILL I NOW HAVE TO DEAL WITH AN UNFAMILIAR COMPANY TO KEEP MY POLICY?

Fortunately, former Standard Life employees who have worked with you through the past two years will continue to serve Standard Life Policyholders on behalf of Guggenheim Life. For the immediate future, please use the same mailing address and telephone numbers you have been using.

In the coming weeks, policyholders will receive mailings explaining the role of Guggenheim Life and the reinsurance process.

D. <u>IS THE REHABILITATION OVER?</u>

The closing on March 2, 2011 marked the successful reorganization of Standard Life. However, a number of steps will need to be taken before all of the terms approved by the Court are satisfied. **In approximately one year**, the Rehabilitator will ask the court to liquidate whatever remains of Standard Life. By that time, it is expected that virtually all of the Standard Life policies will have been assumed by Guggenheim Life.

E. <u>DOES THIS CLOSING RETURN OUR POLICIES TO BUSINESS AS USUAL?</u>

As you may know, through the Rehabilitation process there has been a moratorium on loans and cash surrender rights for Standard Life policies. That moratorium will continue for another six (6) months, ending September 2, 2011**,** while Guggenheim Life takes the necessary steps to try to assume Standard Life policies. Through that period, Standard Life policyholders will be able to take advantage of the liquidity options currently available and are expected to receive the same level of service from the dedicated former employees of Standard Life of Indiana. You will receive more information on the assumption process in the coming months.

F. <u>WHAT CAN YOU TELL US ABOUT GUGGENHEIM?</u>

Guggenheim Life is a subsidiary of Guggenheim Partners, LLC, a privately held, global financial services firm headquartered in New York and Chicago with more than $100 billion in assets under supervision. Guggenheim Partners provides investment management, investment advisory, insurance, investment banking and capital markets services. Over the past decade, Guggenheim Partners has built an asset management enterprise that includes more than $45 billion in insurance general account assets under management. In 2010, a Guggenheim Partners-led group of investors acquired Security Benefit Corporation, based in Topeka, Kansas.

Guggenheim Life has its principal place of business in Indianapolis, Indiana. Prior to the transaction with Standard Life, Guggenheim Life has been predominately a reinsurer of fixed annuities and at December 31, 2010 had total assets of $2.8 and statutory surplus of $190.6 million. This transaction brings scale and enhanced operational capacity to Guggenheim Life.

G. What is Reinsurance?

Reinsurance is a form of transfer of the contractual liabilities to policyholders from one insurer to a new insurer. There are two forms of reinsurance: indemnity reinsurance and assumption reinsurance. In indemnity reinsurance, the new carrier agrees with the old carrier that it will be responsible for the financial obligations under the assumed policies but the holders of the underlying policies still have a direct relationship only with the old carrier. In assumption reinsurance, the new carrier assumes the policy itself and the holder now has a direct relationship with the new carrier. In both cases, the assets underlying the reinsured policies are transferred to the new carrier and the original insurance company is not sold or acquired.

Guggenheim Life is currently reinsuring the Standard Life policies on an indemnity basis. It has agreed to endeavor to assume all the Standard Life policies, subject to compliance with applicable law. You will receive more information on the assumption process in the coming months.

H. Do I have any say or choice in this matter?

Policyholders do not have a choice about the reinsurance transaction between Guggenheim Life and Standard Life. However, policyholders will have choices as to the future of their policies.

Consumers' interests have been represented throughout the rehabilitation process by the Rehabilitator. The existing moratorium on loan and cash surrender rights for Standard Life policies is scheduled to end on September 2, 2011, six months after the closing. Through that period, as approved by the Court, the following procedures will be followed:

- Payment of all valid death claims in full.
- Ability to access earned interest, where available.
- Maturities honored based on contract provisions.
- Hardship withdrawals and income payments in accordance with Court-approved procedures.
- Annual 10 percent withdrawals without penalty on contracts expressly providing for such withdrawals.

Policyholders will have a choice of keeping their policies in force or surrendering them at contractual cash value following the expiration of the six-month moratorium period.

In addition, subject to applicable law, policyholders may have the opportunity to have their policy assumed by Guggenheim Life. In other cases, Guggenheim Life or another insurance company may offer policyholders the opportunity to replace their policies. You will be getting more information on these options in the following months.

Neither Standard Life nor Guggenheim Life provides legal or tax advice to its contract holders. For legal or tax advice concerning your specific situation, you are encouraged to consult with your attorney, accountant or tax advisor.