

Security Life

INSURANCE COMPANY OF AMERICA

10901 Red Circle Drive, Minnetonka, Minnesota 55343-9137

January 27, 2010

To Our Business Associates:

Thank you for your business partnership with Security life. We have weathered the financial meltdown with a strong balance sheet and solid operating gains. We believe this justifies our belief in and commitment to our current business partners. You have continued to produce good volumes of profitable business in order to benefit both of our organizations.

2009 Positives:

1. Formed and capitalized a New York affiliated company, Security Health Insurance Company of America, New York. We wanted the ability to write our products in all 50 states to meet the needs of a number of our strategic partners.
2. Security life was admitted to do business in 7 Northeastern states (Maine, Vermont, New Hampshire, New Jersey, Massachusetts, Rhode Island and Connecticut) and accomplishes our goal of being able to write in all 50 states. Form and rate filings are still pending in some of these jurisdictions.
3. We continue to develop and enhance our shelf products, in addition to providing the tailored benefit plans we build in connection with many of our partners. In either case, we can provide speed to market that is not easily matched.
4. NEA (National Education Association) chose Security Life to provide dental and vision coverage to its members and retirees. This endorsement was won against the largest competitors in our industry. Our ability to perform was recognized.
5. Our balance sheet and investment portfolio withstood the financial services and real estate meltdowns. Our industry leverage ratios will improve over 2008. We are uniquely situated for growth.
6. Production from our individual and retiree products continues to increase.

Challenges:

1. Grow top line premium. This has been difficult with rising unemployment. Retention of groups continues to be strong but the number of insured's per group has declined somewhat. Voluntary sales are up.
2. Acquisitions: Finding opportunities to increase our footprint in our designated marketing space is an ongoing goal.
3. Continue to add new distribution sources and e-commerce tools.
4. Maintain and grow our balance sheet in a difficult environment.

Security Life is committed to being your good business partner. The purpose of our business is to "create customers and to serve them so well as to make a profit" (Peter Drucker).

Gil C. Rohde, Jr.
President/CEO