

Get to know *US*Able Life

Our Company. Our Financials. Our Products. Our Enrollment Services. Our Value.



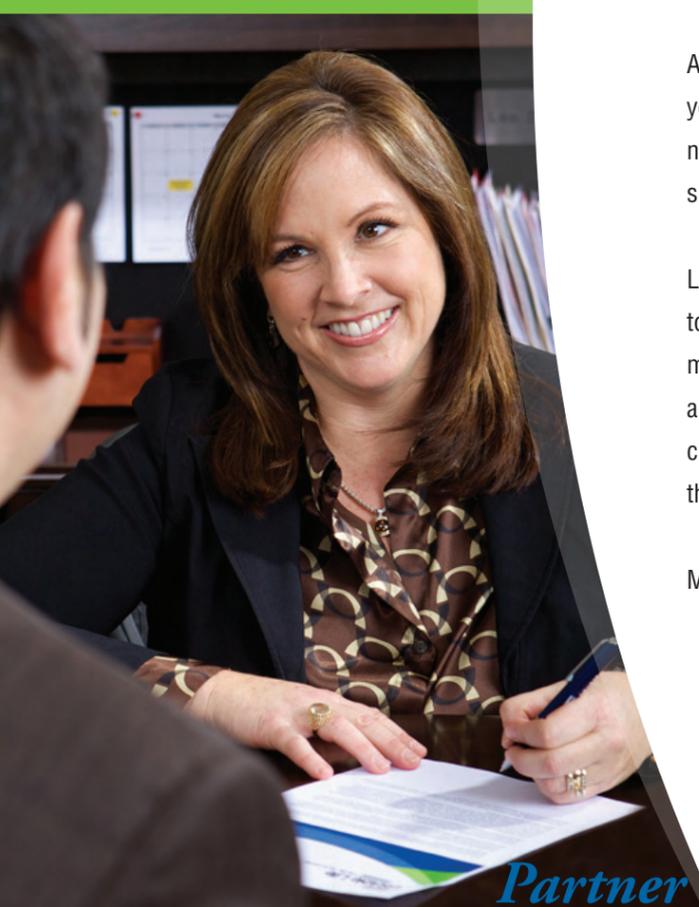
USAble Life
Live life. You're covered.™



Strong



Stable



Partner

Our Company

There are hundreds of insurance companies out there that offer similar products and services. So what makes us different? It's our commitment to ensure you can live life with the peace of mind that you're covered. We've been in the business of serving our customers for close to 30 years and have become a trusted, reliable name in the industry.

By integrating our life, disability and ancillary health products with those of our health plan owners, USABLE Life is uniquely positioned to offer our customers a competitive spectrum of products and services. Established in 1980, we offer a full line of group, group voluntary and individual products. We are licensed to sell our products in 48 states and the District of Columbia. Headquartered in Little Rock, Arkansas, we have regional offices across the country and are supported by a team of more than 500 employees dedicated to providing superior service to our members. With strong financial ratings, 2009 revenue of more than \$390 million and assets in excess of \$390 million, we're an established and financially stable company.

At USABLE Life, our purpose is to deliver protection and peace of mind. Whether you are a customer, employer group or producer, we're there for you when you need us the most. With experience, financial stability, high-quality products such as life, disability and worksite, we are committed to your needs.

Life is stressful enough without having to worry about financial protection due to a disability or a critical illness diagnosis. That's why we take great pride in making sure our customers get the answers they need and their policy benefits and claims checks are there when they need them the most. Our promise - customers can live life knowing their covered and that we'll be there for them through the entire process should something unexpected occur.

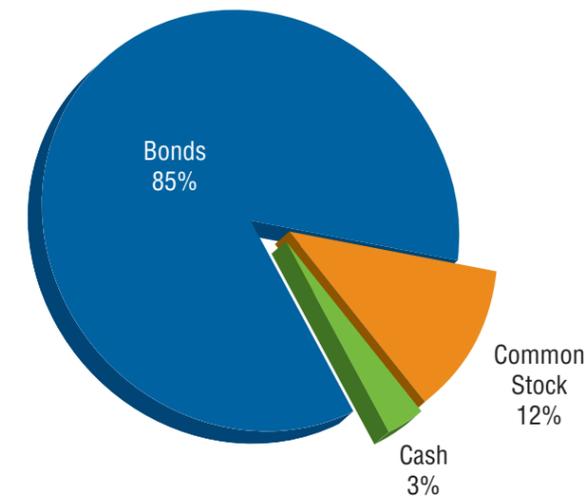
More information about our company is available at www.usablelife.com.

Our Financials

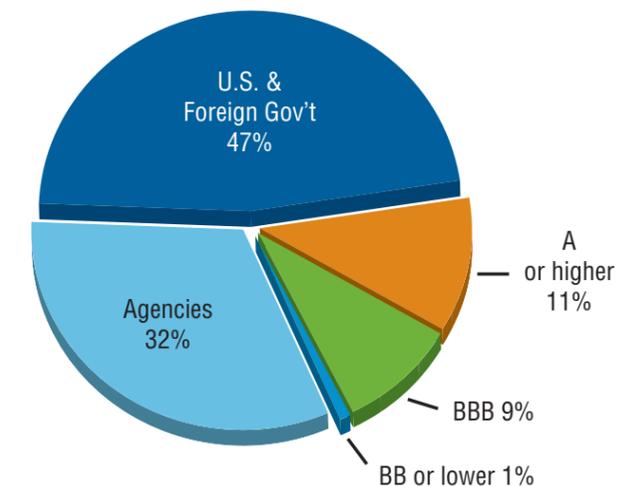
USABLE Life has a long tradition of consistent, profitable financial performance, prudent investment strategies and financial integrity. The results are evident in the quality of our investment portfolio and the strength of our balance sheet. USABLE Life is rated "A" (Excellent) by A.M. Best and "A" (Strong) by Standard and Poor's.

We are pleased that during 2009 we were able to continue our positive premium growth and stable profit picture. Our commitment to meeting the needs of our customers, as well as sound financial decision-making, established a basis for technology investment and product expansion all during challenging economic conditions for our nation and industry. Administrative efficiencies and asset preservation continue to be at the forefront of our company's daily activity. We are also evaluating long-term strategic objectives that will continue to bring value to our owners well into the future.

2009 Investment Portfolio Allocation



2009 Fixed Income Portfolio Credit Quality



Live life. You're covered.SM

Our Products

When it comes to choosing insurance products, finding what best serves the interests of your employees and their loved ones is important. At USABLE Life, our wide range of life, disability and worksite products provide the security your employees deserve in the event something unexpected should occur. This protection can provide you with a healthier, more dependable workforce and business.

Life Products

Employees are often focused on getting the best value from their health insurance, but what about life insurance?

- Nearly 1/3 of adults do not have coverage.¹
- Yet, nearly 3 out of 4 Americans agree that life insurance is the best way to protect against the financial implications associated with loss of life.²

USABLE Life offers a diverse portfolio of employer-paid (Group) and employee-paid (Group Voluntary) products that can help you attract and retain high-quality employees.

Group Term Life Voluntary Group Term Life (VGTL)

Term Life is designed to provide benefits on an employer-paid basis to a designated beneficiary for loss of the covered employee's life.

Supplemental Life

Supplemental Term Life is elected on a voluntary basis to augment term life insurance for those employees who desire higher levels of coverage.

Group Accidental Death and Dismemberment (AD&D)/ Voluntary Accidental Death and Dismemberment (VAD&D)

AD&D is a companion benefit to Term Life and provides additional benefits if a covered employee suffers loss of life or dismemberment as the result of a covered accidental injury.

Dependent Life

Dependent Life is designed to provide benefits to the employee for the loss of a covered dependent's life.

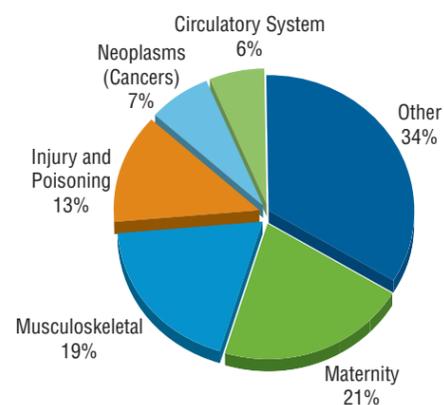
Disability Products

- Over 51 million Americans (18% of the U.S. population) are disabled.³
- What's more, before retiring, 3 in 10 workers entering today's workforce will become disabled.⁴

Group Short Term Disability (STD) Voluntary Short Term Disability (VSTD)

STD insurance coverage provides partial income replacement for eligible employees who become disabled as a result of a covered sickness or accident, including pregnancy.

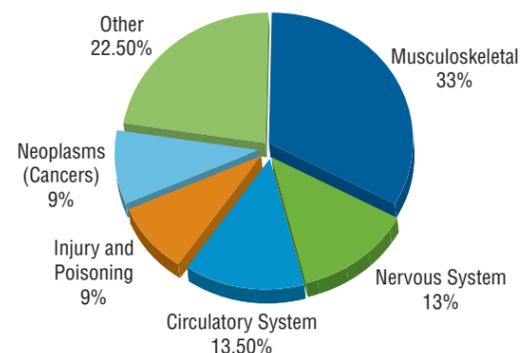
Most Common STD Diagnosis Types ⁵



Group Long Term Disability (LTD) Voluntary Long Term Disability (VLTD)

LTD insurance coverage provides partial income replacement under much of the same eligibility requirements as STD plans. However, the benefit duration periods are longer and benefits may include rehabilitation, vocational assistance, family care, survivor benefits and workplace modification.

Most Common LTD Diagnosis Types ⁶



Worksite Products (available in select states)

Sometimes life and disability products just are not enough to meet the specialized needs of your employees. Our wide range of worksite products can provide an additional financial safety net for your employees and their families at no cost to you, because these products are paid for by the employee through payroll deduction.

Accident

Accident provides supplemental coverage to cover the costs resulting from accidental injuries or death. Employees may choose from a variety of plans and provide coverage for themselves and eligible family members. Benefits include, emergency room treatment; follow-up physician visits; physical therapy; hospital confinement and more.

Cancer

USABLE Life's cancer supplement plans provide benefits regardless of an employee's health insurance coverage as the result of cancer or a covered specified disease. Employees choose the plan that best fits their needs and that of their families. Benefits are paid directly to the employee.

Critical Illness

Critical Illness pays a lump sum to covered employees upon the diagnosis of a covered critical illness, which may include cancer, heart attack, stroke, end stage renal disease and more. Coverage is available on eligible family members as well.

Hospital Confinement

For employees who need assistance with deductible and copayment expenses, USABLE Life provides an individual hospital confinement plan, which provide supplemental benefits for inpatient hospital related expense. Coverage is also available on eligible family members.

Life

For the employee who wants additional choices for life insurance, Individual Term Life provides coverage for 10, 15, 20, or 30 year term periods. Term to age 80 is also available and provides the same amount of coverage for the same price until age 80. Premiums are level and guaranteed for the initial term period. Renewal for subsequent terms is guaranteed to age 80.

Our Enrollment Services

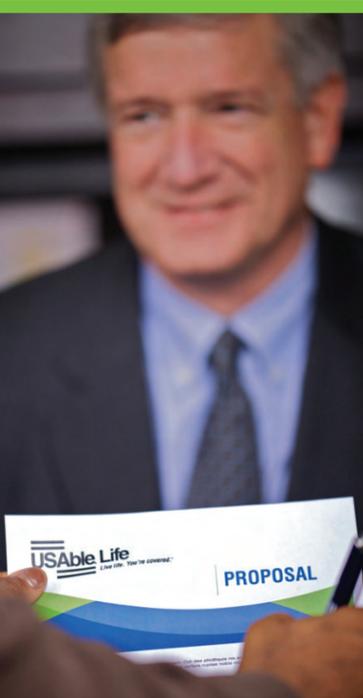
(available in select states)

The mission of our Enrollment Services division is to provide a complete, best-in-class enrollment solution dedicated to increasing benefit awareness, providing exceptional service, and shouldering the full challenge of enrollment from planning to payroll.

Benefit enrollments can be time-consuming, challenging, and stressful, and we understand that you are unique. Your dedicated Account Executive will work with you through all phases of the process for all of our product offerings.

- Planning
- Enrollment
- Reconciliation
- Continued Support

Live life. You're covered.SM



Our Value

USABLE Life has been providing insurance for close to 30 years. By emphasizing convenient customer service and flexible, high quality products, we have become a trusted, reliable name in the industry.

Our promises include:

Strong

A.M. Best: "A" (excellent) financial-strength rating

- A.M. Best ratings are based on a comprehensive evaluation of a company's balance sheet strength, operating performance and business profile.

Standard & Poor's: "A" (strong) financial-strength rating

- Standard & Poor's ratings are prospective evaluations of public or private insurer's financial security to its policyholders.

Ward's 50

- Named to Ward's list of top 50 performing insurance companies for 3 consecutive years.
- The objectives of the Ward Group analysis are to recognize the top 50 life-health companies that have achieved outstanding financial results in the areas of safety, consistency and performance over a five year period (2004 - 2008).

Best's Review

- In September 2009, *Best's Review*, a monthly insurance news magazine, listed USABLE Life in the top 25 Life Companies for Group Life issued in 2008 and in the Top 200 Life/Health Writers for admitted assets.

Stable

Service You Can Count On

- Local presence – local service.
- One stop shopping – integrated health and ancillary sales.
- Common set of service metrics with our health plan owners.
- Consolidated billing on small groups (most states).
- Billing and reconciliation within 3-4 days of receipt of payment and bill.
- Fast claim payments – 90% of filed claims are paid within 3-5 business days.

Partner

Shared Ownership by Five BCBS Plans

- Arkansas Blue Cross and Blue Shield
- Blue Cross and Blue Shield of Florida
- Hawaii Medical Service Association
- Blue Cross and Blue Shield of Tennessee
- Blue Cross and Blue Shield of Massachusetts

Our Health and Productivity platform is a new initiative aimed to take a more active role in helping to manage your employees' health. By utilizing existing healthcare support programs, we can reduce disabilities and more effectively manage durations.

Linking Healthcare, Chronic Conditions, and Absence Management

Supporting Our Partner Healthcare Plans

- We are supporting our healthcare plan's integrated healthcare management initiatives.
- We have proven experience in integrating healthcare and ancillary products (in select states).
- By utilizing existing healthcare support programs, disabilities can be reduced and durations more effectively managed.
- Metrics show the value of integrated healthcare programs.

Industry

- The discipline of health and productivity management has shown:
 - Chronic health conditions and/or associated risks (i.e. obesity, tobacco use, etc.) are linked to higher direct medical costs, higher disability rates and increased sick days and absenteeism.⁷
 - Only 20% of disability cases involve a single medical episode.⁸
 - Disability costs are 24% higher for people diagnosed with multiple episodes than for people diagnosed with only one.⁹
 - Medical bills are responsible for more than 62% of U.S. bankruptcies.¹⁰
- Industry health programs have produced results. For those impacted by health and productivity, results include an average of:
 - 28% reduction in sick leave absenteeism, 26% reduction in health costs and 30% reduction in workers' compensation and disability management claims costs.¹¹
- Studies have shown that for every health risk factor (i.e. obesity, tobacco use, etc.) that was eliminated:
 - Absenteeism improved by 2% and productivity increased by 2%.¹²
- We are uniquely positioned to be one of the first in the marketplace to offer this to small groups over the next 1-2 years.
- Jump start your healthcare productivity program! - Join now as we begin to collect baseline data.

Disability Claims Management

- Getting people back to work...and back to life!
- We provide easy filing for claimants. Claims can be submitted by email, mail or fax.
- Fast claim payments – 90% of filed STD claims are paid within 3-5 business days.
- For all disability claims – we stay in contact with the physician and employer, as well as the claimant to determine if their return-to-work status has changed.
- 100% of all LTD claims receive clinical review and are acknowledged within 2 business days – making contact with the claimant and employer.
- For LTD, we bring a full array of claims professionals including clinical, vocational and rehab specialists working to devise the best plan for the individual's needs.
- For 2009, Customer Satisfaction for our Claims service exceeded 95%.

At USABLE Life, we keep it simple and understand that you don't just want promises; you want results. That's where we come in - you're covered.

Our Locations

Corporate Headquarters
USable Life
400 West Capitol Ave
15th Floor
Little Rock, AR 72201
1-800-648-0271
501-375-7200

USable Life
17500 Chenal Parkway
5th Floor
Little Rock, AR 72223

USable Life
PO Box 1650
Little Rock, AR 72203-1650

Alabama Office
502 East Three Notch Street
Andalusia, AL 36420
334-222-1181

Benefit Services of Hawaii
55 Merchant Street, Suite 2100
Honolulu, HI 96813
808-538-8900

Minnesota Office
1750 Yankee Doodle Road
Eagan, MN 55121
651-662-1530

Kansas City Office
2300 Main
Kansas City, MO 64108
800-821-6181

Mississippi Office
567 Highway 51, Suite B
Ridgeland, MS 39157
601-853-7435

North Carolina Office
3100 Tower Blvd, Suite 300 (336)
Durham, NC 27707
919-765-7037

Tennessee Office
3200 West End Avenue, Suite 306
Nashville, TN 37203
800-852-3293

Our Ratings

USable Life is rated “A” (Excellent) by the A.M. Best Company and “A” (Strong) by Standard & Poor’s.

A Rating and Analysis from the A.M. Best Rating Company represents an independent opinion from the leading provider of insurer ratings of a company’s financial strength and ability to meet its obligations to policyholders. Upon completion of evaluations, A.M. Best assigns the following Best’s Ratings: A++ and A+ (Superior); A and A- (Excellent); B++ and B+ (Very Good); B and B- (Fair); C++ and C+ (Marginal); C and C- (Weak); D (Poor); E (Under Regulatory Supervision); F (In Liquidation); S (Rating Suspended).

Standard & Poor’s Insurer Financial Strength Ratings provide powerful decision-making tools for anyone interested in buying insurance. Standard & Poor’s ratings are prospective evaluations of an insurer’s financial security to its policyholders. Standard & Poor’s Insurer Financial Strength Ratings range from “AAA” to “CC”. An insurer rated “BBB” and higher (“A”, “AA”, “AAA”) is regarded as having financial security characteristics that outweigh any vulnerabilities and is highly likely to have the ability to meet financial commitments. An insurer rated “BB” or lower is in the “vulnerable” range and is regarded as having vulnerable characteristics that may outweigh its strengths. “BB” indicates the least degree of vulnerability within the range. “CC” the highest degree of vulnerability.

USable Life is an independent life, accident and health insurance company which is solely responsible for the products and services provided to its customers. USable Life acts as an account vendor when offering ancillary products and services in conjunction with products and services offered by independent licensees (“Licensees”) of the Blue Cross and Blue Shield Association (“BCBSA”). USable Life not licensed by BCBSA and is not a joint venturer, agent or representative of BCBSA or any Licensee. Neither BCBSA nor any Licensee has any responsibilities to groups, individuals or others who receive products or services from USable Life under any circumstances.

¹ Life Insurance Ownership Study. LIMRA International. September 2005.

² “Generations at Risk.” LIMRA International. September 2008.

³ U.S. Census Bureau. Public Information Office. November 2008.

⁴ “U.S. Social Security Administration Fact Sheet.” U. S. Social Security Administration. Jan 31, 2007.

⁵ Source: USable Life’s STD Claim Management System.

⁶ Industry percentages based on information provided by a leading reinsurer.

⁷ “Understanding the Total Cost of Healthcare.” Center for Value-Based Health Management. 2009. www.centervbhm.com.

⁸ “The Business Case for Managing Health and Productivity.” Integrated Benefits Institute. 2009.

⁹ “Impact of Integrating Health & Disability Data: IBI Research Summary.” Integrated Benefits Institute. August, 2006.

¹⁰ Tamkins, Theresa. “Medical Bills Prompt More Than 60 Percent of U.S. Bankruptcies.” June 5, 2009. Health.com.

¹¹ “The Economic Value of Health Management Programs.” Center for Value-Based Health Management. 2009. www.centervbhm.com.

¹² Pelletier B, Boles M, Lynch W. Change in Health Risks and Work Productivity Over Time. *Journal of Occupational and Environmental Medicine*. July, 2004.