

Subject: Standard Life of Indiana Update

December 29, 2008

Dear Producer,

I'm writing to you to let you know about important news related to Standard Life Insurance Company of Indiana ("Standard Life of Indiana") and your business relationship with the Company.

Even with extraordinary efforts, we were unable to raise additional capital, and therefore, Standard Life of Indiana has consented to an Order of Rehabilitation, which was effective December 18, 2008. The Indiana Department of Insurance ("IDOI") took action after determining that our investment portfolio had deteriorated under current market conditions to the point that it had become necessary for the Department to protect the annuity holders of the Company. Please refer to the Frequently Asked Questions attachment enclosed with this letter for more detailed information.

Operations at Standard Life of Indiana will continue as normal with the exception of executive management authority and responsibilities. ALL customer service functions and personnel will continue uninterrupted to best serve our customer base. Under Rehabilitation, Jim Atterholt, Commissioner of Insurance for the State of Indiana serves as the Rehabilitator and as such has replaced the Board of Directors and has full executive powers. Commissioner Atterholt has appointed and delegated Randolph Lamberjack as Special Deputy to oversee the daily operations of the Company. Please note that all operations and facilities remain operational with full existing employee support for daily operations.

The following are services that will continue during the Rehabilitation:

- Annuity accounts that mature are expected to be honored at this time.
- Interest crediting rates will continue as normal.
- Contracts in payout will continue.

- Minimum required withdrawals from retirement accounts will continue.
- Interest payments as elected will continue.
- Death benefits will continue.
- Refunds of policies within the thirty (30) day free look period will be honored.

Provisions that are currently frozen are as follows:

- Transfers or withdrawals of existing accounts.
- Full or partial surrenders cannot be honored at this time.

We will be forwarding this information to your clients on or after January 7, 2009. Contract holders will be referred to our Customer Service Department and our Consumer web site [www.standardlifeofindiana.com](http://www.standardlifeofindiana.com) for additional information. You are welcome to contact Marketing with any other questions you may have at 1-800-767-7749.

We apologize for this disruption and we look forward to being of continued service to you and your clients.

Sincerely,

Randolph Lamberjack  
Special Deputy for the  
Indiana Department of Insurance