



# The Baltimore Life<sup>®</sup> COMPANIES

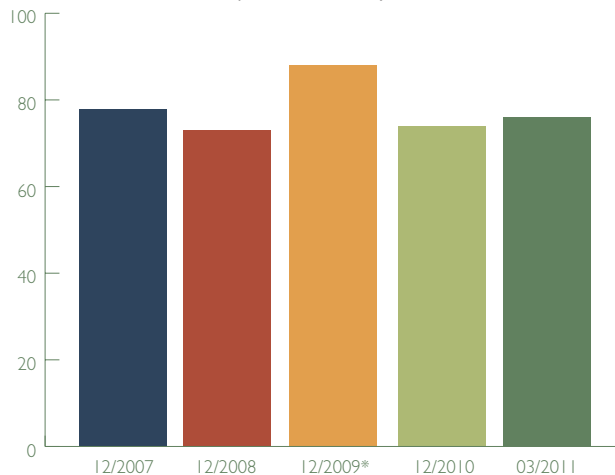
## A FINANCIAL OVERVIEW

### ABOUT US

- Serving the middle market for 129 years
- Licensed in 49 states and the District of Columbia
- Reputation for integrity
- Innovative Technology – Including our INSpeed<sup>®</sup> electronic application and underwriting system
- Named to the 2009 and 2010 lists of Ward's 50 Top Performers
- During 2010 Baltimore Life purchased and subsequently merged into its operations, Philadelphia-United Life Insurance Company (PUL), a Pennsylvania domiciled company.
- Baltimore Life is rated B++ (Good) by A.M. Best for consolidated financial condition and operating performance, which is fifth best of sixteen possible ratings

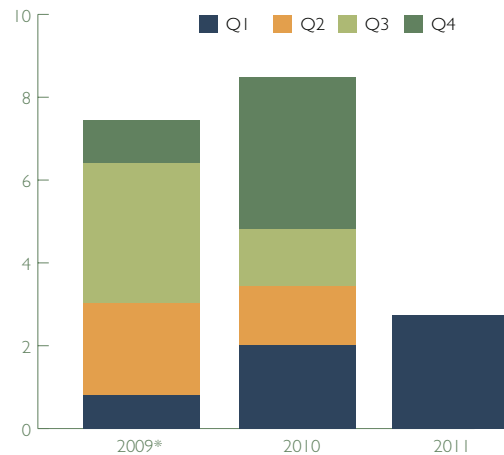
### POLICYHOLDERS' SURPLUS

*Includes Asset Valuation Reserves  
(\$ in millions)*



### OPERATING INCOME

*(\$ in millions)*



### FINANCIAL HIGHLIGHTS

- As a result of the acquisition of PUL, we acquired \$48 million in assets increasing our total assets to \$918 million
- Our invested assets increased by 2 percent over restated 2009
- We continue to demonstrate strong operating income during tough economic times

The Baltimore Life Insurance Company  
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 800-628-5433  
[www.baltlife.com](http://www.baltlife.com)

\*Balances have been restated to include Philadelphia-United Life Insurance Company.

# A FINANCIAL SNAPSHOT

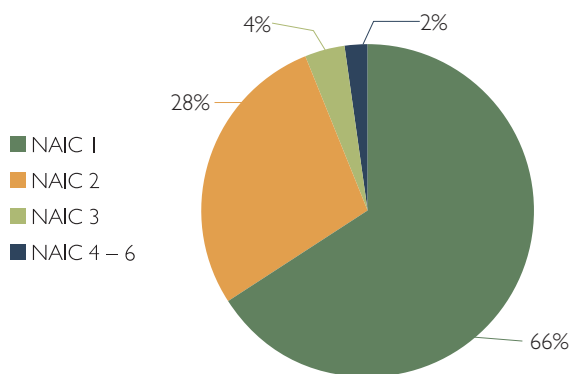
## BALANCE SHEET

(in thousands)

	12/2009*	12/2010	03/2011
INVESTED ASSETS	\$862,458	\$876,689	\$882,348
OTHER ASSETS	40,284	41,169	38,627
ASSETS	902,742	917,858	920,975
LIABILITIES	815,692	846,157	849,410
SURPLUS	87,050	71,701	70,565
SURPLUS PLUS AVR	88,181	74,312	76,063

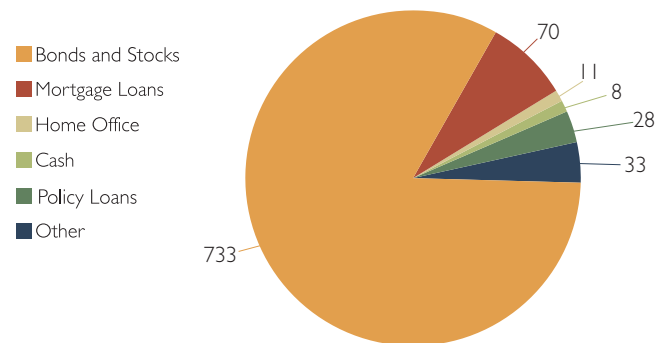
## BOND RATING BY CATEGORY\*\*

The Baltimore Life Insurance Company,  
as of March 31, 2011



## INVESTED ASSETS BY CATEGORY

The Baltimore Life Insurance Company,  
as of March 31, 2011  
(\$ in millions)



\*\*The NAIC has six NAIC Designation Categories to denote a category of credit quality:

NAIC 1 Obligations exhibiting the highest quality; credit risk is at its lowest and the issuer's credit profile is stable

NAIC 2 Obligations of high quality; credit risk is low but may increase in the intermediate future and the issuer's credit profile is reasonably stable.

NAIC 3 Obligations of medium quality; credit risk is intermediate and the issuer's credit profile has elements of instability.

NAIC 4 Obligations of low quality. Credit risk is high and the issuer's credit profile is volatile.

NAIC 5 Obligations of the lowest credit quality, which are not in or near default. Credit risk is at its highest and credit profile is highly volatile, but currently the issuer has the capacity to meet its obligations.

NAIC 6 Obligations that are in or near default. Payments of interest, or principal, or both are not being made, or will not be made, in accordance with the contractual agreement.