

January 20, 2009

Dear Standard Life of Indiana Policyholder,

I am writing to you to let you know of important news related to your Standard Life Insurance Company of Indiana policy.

Standard Life of Indiana like many other insurance companies was greatly affected by the recent economic downturn and the current recession. In light of this, 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 the Company’s investment portfolio had deteriorated under current market conditions. All new sales have been halted, and we are focused on the protection of current policyholders. **Our top priority is the safety and security of our policyholder’s money.**

So, what does this mean to you as a policyholder? All Company operations and facilities remain operational with full existing employee support for normal operations. **Contracts in payout will continue, you will have no interruption in your scheduled payments.**

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 policyholders. Under Rehabilitation, Jim Atterholt, Commissioner of Insurance for the State of Indiana serves as the Rehabilitator. He has appointed Randolph Lamberjack as Special Deputy Rehabilitator to oversee the daily operations of the Company.

In the past several weeks, Standard Life of Indiana employees have come together to accomplish much toward the ultimate goal of rebuilding and rehabilitating the Company. It will take a great deal of effort from all of our employees, but the successful rehabilitation of Standard Life of Indiana is our goal, so that the Company can restore all aspects of capitalization and recover as a fully functioning life insurance and annuity company as it had been since 1934.

Should you have questions or need any assistance, you are certainly encouraged to contact your Standard Life Agent or to call our Customer Service Department at 1-800-222-3216. You might also like to visit our Consumer web site www.standardlifeofindiana.com for additional information and a list of Frequently Asked Questions, which may be useful to you.

Sincerely,

Randolph Lamberjack
Special Deputy Rehabilitator,
For the Commissioner of the Indiana Department of Insurance as Rehabilitator,
Standard Life Insurance Company of Indiana