



For Immediate Release

**STANDARD LIFE OF INDIANA APPROVED TO RE-ENTER FLORIDA;
OFFICE OF INSURANCE REGULATION AFFIRMS IMPROVED FINANCES**

Prospect, KY, September 21, 2005 – After considering the improved financial condition of Standard Life Insurance Company of Indiana, the Florida Office of Insurance Regulation (OIR) approved the company’s re-entry into the market, effective immediately.

“Returning to Florida is central to our strategy to build Standard Life,” says John Franco, CEO of Capital Assurance Corporation (CAC), Standard Life’s parent company. “It was an excellent market for Standard in the past, and it will be an excellent market in the future.”

Since CAC and Standard Life joined forces in June, Standard has been strengthened in a number of ways:

- \$22 million in debt owed to Standard Life by its previous owner has been repaid
- A non-strategic block of life insurance business was sold, which added more than \$12 million to Standard’s capital base
- Expenses have been reduced by over \$4 million per year without cutting jobs
- Standard’s investment portfolio has been restructured to better match the guarantees to Standard’s policyholders, with the additional benefit of improving profits by nearly \$1 million per month
- Existing products have been re-priced to add significantly more customer value

A.M. Best upgraded Standard’s rating from “B” to “B+”. Florida’s approval of Standard Life’s re-entry into the state, according to Franco, “serves as further affirmation that Standard continues on an improving path.” Florida has one of the highest capital standards of the 50 states.

Standard Life is currently concentrating its efforts on improving customer value in existing products, and developing a new line of annuities that will be easier for customers to understand and agents to sell. One thing that will never change, according to Franco, is the company’s dedication to superior customer and agent service.

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