

# Life Insurer Financial Analysis

Company Ohio National  
Life Assur

## Ratings

A.M. Best Company (Best's Rating, 15 ratings)	A+
Standard & Poor's (Financial Strength, 20 ratings)	AA
Moody's (Financial Strength, 21 ratings)	A1
Fitch Ratings (Financial Strength, 21 ratings)	

## Asset Analysis

Total Admitted Assets	2,886,948
Total Liabilities	2,609,105
Separate Accounts	225,898
Total Surplus & AVR	281,981
As % of General Account Assets	10.6%

Invested Assets	2,441,623
Bonds (%)	74.9%
Stocks (%)	0.0%
Mortgages (%)	17.2%
Real Estate (%)	0.0%
Policy Loans (%)	3.2%
Cash & Short-Term (%)	4.6%
Other Invested Assets (%)	<u>0.1%</u>
	100.0%

Net Yield on Mean Invested Assets	
2009 (Industry Average 4.63%)	6.41%
2008 (Industry Average 5.40%)	6.72%
2007 (Industry Average 5.63%)	6.70%
2006 (Industry Average 5.54%)	6.97%
2005 (Industry Average 5.52%)	7.06%

5 Year Average (Industry Average 5.34%)	6.77%
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Total Investment Return	
2009 (Industry Average 4.72%)	6.15%
2008 (Industry Average 3.36%)	4.42%
2007 (Industry Average 5.74%)	6.92%
2006 (Industry Average 6.06%)	6.70%
2005 (Industry Average 5.80%)	6.40%

5 Year Average (Industry Average 5.14%)	6.12%
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Asset Growth	
2009 Total Admitted Assets	2,886,948
1-Year Growth	5.4%
3-Year Compound Growth	5.3%
2009 Total Surplus & AVR	281,981
1-Year Growth	3.5%
3-Year Compound Growth	17.4%

Data for Year-End 2009 from the life insurance companies' statutory annual statements. All dollar amounts are in thousands. All ratings shown are current as of June 15, 2010.

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### Asset Quality Analysis

Non-Investment Grade Bonds (Class 3 - 6)	
Non-Investment Grade Bonds/Total Bonds	9.7%
Non-Investment Grade Bonds/Surplus & AVR	66.9%
Non-Performing Bonds (Class 6)	
Non-Performing Bonds/Total Bonds	0.3%
Non-Performing Bonds/Surplus & AVR	2.2%
Non-Performing Mortgages & Real Estate	
Non-Performing Mort & R.E./ Total Mort & R.E.	0.0%
Non-Performing Mort & R.E./Surplus & AVR	0.0%
Non-Performing Assets/Surplus & AVR	
Bonds In or Near Default	2.2%
Problem Mortgages	0.0%
Real Estate Acquired by Foreclosure	<u>0.0%</u>
Total Non-Performing Assets/Surplus & AVR	2.2%
As a Percent of Invested Assets	0.3%

### Bond Portfolio Analysis

Total Bonds Book Value	1,829,960
Total Bonds Market Value	1,819,650
Bonds Market Value/BookValue	99.4%
Quality	
Class 1: Highest Quality	52.3%
Class 2: Higher Quality	38.0%
Class 3: Medium Quality	6.7%
Class 4: Low Quality	1.1%
Class 5: Lower Quality	1.6%
Class 6: In or Near Default	0.3%
Weighted Bond Class	1.6
Maturity	
1 Year or Less	11.1%
1 to 5 Years	22.9%
5 to 10 Years	43.1%
10 to 20 Years	15.3%
Over 20 Years	7.7%
Weighted Bond Maturity (Years)	8.2

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### Operating Income Analysis

Total Income	485,492
Total General Expenses	47,115
Total General Expenses/Total Income	9.7%
Earnings Before Policy Dividends & Taxes	24,041
Policy Dividends	0
Policy Dividends/Earnings	<u>0.0%</u>
Pretax Earnings from Operations	24,041
Federal Income Taxes	14,518
Income Taxes/Pretax Earnings	<u>60.4%</u>
Net Earnings from Operations	9,524
Net Realized Capital Gains	<u>-10,089</u>
Net Income	-565
As % of Admitted Assets	0.0%
Unrealized Capital Gains	3,221

### Premium Growth

2009 Total Premium Income	267,446
1-Year Growth	-8.1%
3-Year Compound Growth	-9.1%
2009 Ordinary Life Premium	260,909
1-Year Growth	-8.6%
3-Year Compound Growth	-9.3%

### Profitability

Return on Assets	0.3%
Return on Equity	3.6%
2009 Lapse Ratio	6.2%
3-Year Average Lapse Ratio	5.7%
Net Investment Income	148,474
Required Interest	110,294
Interest Margin	34.6%
Ordinary Life Expenses/Premiums	11.1%
General Expenses/Total Income	9.7%
Commissions & General Expenses/Total Income	12.5%

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### Analysis of Face Amount of Insurance

Total Insurance In Force	111,069,802
Ordinary Life	100.0%
Group Life	0.0%
Other	0.0%
 Total Reinsurance Ceded	 79,704,433
% of In Force Ceded	
Ordinary Life	71.8%
Group Life	0.0%
Other	0.0%
 Ordinary Life Policies In Force	 227,561
Average Policy Size (in dollars)	488,088
Ordinary Life Policies Issued in 2009	25,611
Average Policy Size (in dollars)	651,034

### Analysis by Line of Business

Net Premiums Written	267,446
Individual	
Life	97.6%
Annuities	0.6%
Health	1.8%
Group	
Life	0.0%
Annuities	0.0%
Health	0.0%
Credit Life & Health	0.0%
Other Lines	0.0%
 Net Earnings from Operations	 9,524
Individual	
Life	66.2%
Annuities	17.2%
Health	16.6%
Group	
Life	0.0%
Annuities	0.0%
Health	0.0%
Credit Life & Health	0.0%
Other Lines	0.0%

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