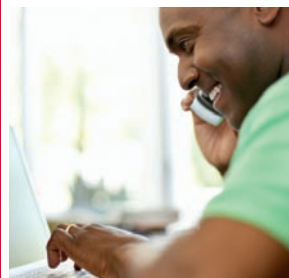
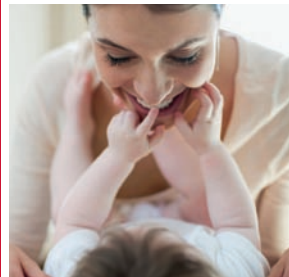


ANNUAL REVIEW 2010

# why Dearborn National?



### Why Dearborn National®?

Dearborn National, I used to say, was the industry's best-kept secret. Well, a year after we introduced our new Dearborn National brand, the secret is out. As I reflect on this past year, it's clear we've captured the attention of brokers, consultants and employers across the nation.

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In the middle of one of the worst economic downturns our nation has faced, not only has Dearborn National remained financially sound—we continue to thrive. In fact, on the heels of a record-breaking sales year in 2010, Dearborn National maintained momentum in January 2011 with the best sales month in company history, eclipsing our previous best month by 128%. Why Dearborn National? There are more than a few reasons, but here are three that have helped shape our success.

#### **We Are Financially Strong**

At the heart of our business is the commitment to fulfill our obligations to those we insure, many of whom are facing life-changing situations. We take that commitment seriously. That's why we apply sound discipline in the management of our resources and keep a sharp eye on our investment policies. That commitment is reflected in our financial strength ratings from A.M. Best Company and Standard & Poor's, both of which rate us A+. Not many companies can make that claim.

#### **We Focus on the Customer Experience**

Our goal is to enhance the overall customer experience at every touchpoint. That is most often associated with the personal interactions customers receive, either in person or through our customer service call centers. We implement rigorous training for our customer service staff and sales and marketing staff to ensure that customer care is given top priority. We know that technology solutions also define the customer experience. Our technology is continually evolving to meet customer needs and to deliver web-based solutions that offer a seamless customer experience—from policy administration to claims management.

Unlike many in our business, we are a privately held corporation. That independence allows us to make our customers our primary focus, rather than seeking to meet the expectations of investment analysts.



### **We Provide Solutions That Meet Customer Needs**

We're proud to offer a complete portfolio of insurance solutions that meet the ongoing—and emerging—needs of our customers. Nowhere is that more evident than the development of our Critical Illness solution, introduced in the second quarter of 2011 in response to health care reform and to the changing economic landscape faced by employers and employees alike. Our Critical Illness product covers the gaps left by disability insurance and health plans, including high deductibles, co-insurance, loss of income, as well as other unexpected expenses.

We also recognize that many working-class Americans are underinsured. That's why we unveiled Mountain Vista™, a term life product designed as an affordable option for this underserved market.

Finally, our dental program, the fastest-growing in the United States, continues to offer the largest dental PPO network in terms of access points, ensuring greater choice. At Dearborn National, we seek to offer more. More than products, more than insurance, we seek to offer solutions.

Why Dearborn National? I invite you to take a moment to review our exciting developments. After you do, I'm convinced you will discover why so many are turning to Dearborn National.

Sincerely,

A handwritten signature in black ink, appearing to read 'Anthony F. Trani'. The signature is written in a cursive, flowing style.

Anthony F. Trani  
President and CEO, Dearborn National

# strength

IN 2010

NET ASSETS  
\$3.9 billion

LIFE INSURANCE IN FORCE  
\$162.7 billion

REVENUES  
\$1.0 billion

A+

Fort Dearborn Life Insurance Company® is rated A+ (Superior) by A.M. Best Company<sup>1</sup> and A+ (Strong) by Standard & Poor's<sup>2</sup>.

Fort Dearborn Life Insurance Company® of New York is rated A+ (Superior) by A.M. Best Company<sup>1</sup> and A+ (Strong) by Standard & Poor's<sup>2</sup>.

Colorado Bankers Life Insurance Company® is rated A (Excellent) by A.M. Best Company<sup>1</sup>.

1. Affirmed October 19, 2010. A.M. Best Company rates the overall financial condition of a company using a scale of A++ (Superior) to F (In Liquidation).

2. Affirmed August 31, 2010. Standard & Poor's Insurer Financial Strength Rating uses a scale ranging from AAA (Extremely Strong) to R (Experienced Regulatory Action).



## MAINTAINING STRONG FINANCIAL RATINGS



THE SIZE OF OUR DENTAL NETWORK GIVES YOU MORE CHOICE

# choice

180,000

Our dental network reached a new milestone of more than 180,000 dental access points, the largest in America. That means our members have even more access to a nearby dental provider of their choice.

# wellness

Our proactive approach to wellness helps members understand the importance of good oral health, which studies show can impact overall health. Members can visit our online Dental Wellness Center to access a collection of dental resources, including health tips, risk assessments and advice from a licensed dentist.

Mailing campaigns are another tool we use to actively engage our members. In 2010, we sent educational materials to nearly 91,000 members believed to be at risk for dental decay. This included information on the importance of sealants for children, how to take care of periodontal disease and "Happy First Birthday" cards reminding parents to make a dental appointment for their child.



WE UNDERSTAND THAT PREVENTION IS BETTER THAN TREATMENT



CRITICAL ILLNESS INSURANCE: RESPONDING TO AMERICANS' NEEDS

# innovative

Many Americans underestimate the financial impact a critical illness can have on their lives. Dearborn National offers Critical Illness Benefits packaged with life insurance policies, because when an illness strikes, full attention should be given to treating the illness—not worrying about money.

Our Critical Illness Benefits provide cash to cover whatever expenses, medical or otherwise, need to be paid.

The process is simple: If the insured is diagnosed with a covered condition and is approved for Critical Illness Benefits, the benefit will be provided in a single lump-sum payment. Proof of expenses is never required.

# service

98%

We want every customer to be a satisfied customer. Period.

That's why we go out of our way to ask our customers what they think of us. In a 2010 survey, 98% of respondents said they were either "satisfied" or "extremely satisfied" with our implementation and account management services. We work hard to achieve this level of excellence, and we take pride in providing our customers exactly what they need.



## OUR CUSTOMERS' VOICES ARE HEARD

"Dearborn National provided exactly what we needed."

"We couldn't have asked for more help, understanding or flexibility. Very impressed."

"Always available and responsible. Positive 'can-do' approach."

"Customer service is obviously not a lost art."

Dearborn National offers a full suite of highly competitive insurance products covering diverse markets, including: Group Benefits (employer-paid/voluntary), Worksite, Individual and an array of enhanced product services. We pride ourselves on providing employer groups with customized product solutions that help enhance the value of their benefit programs.

A stylized graphic of a globe is centered on the page. The globe is composed of several horizontal, wavy lines that create a sense of motion or rotation. The globe is set against a background of a solid blue color. In the upper right and lower right quadrants, there are two large, dark blue triangles pointing towards the center of the globe. The word "solutions" is written in a bold, white, sans-serif font across the middle of the globe.

**solutions**

## WE ARE PROUD TO OFFER FIRST-RATE INSURANCE BENEFITS

Dearborn National products provide value, flexibility and affordability—whether it's helping individuals prepare for tough situations, promoting good oral health while offering rich dental coverage or providing benefits in all stages of life.

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## Dental

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### The Largest Network, the Best Value

No benefits program is complete without dental. And with the largest dental network, Dearborn National is the clear choice. Our network size, flexible plans, robust coverage options and dental wellness initiatives are unmatched. It's simple: The larger the network, the greater the choices, convenience and flexibility in choosing a network dentist.

### At a glance

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We're the largest dental network in America with more than 180,000 access points.

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Network dentists and specialists are fully credentialed and offer members substantial savings.

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Members are able to see any licensed network provider in the U.S. without a referral.

---

Members have access to our online Dental Wellness Center for health tips, risk assessments and advice from a licensed dentist.

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## Life

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### Delivering Peace of Mind

We offer a Group Term Life program that can be tailor-made to fit the needs of any organization. Plus, our Worksite and Individual Solutions Division offers Individual Life products to employees through a company or association, and to individuals through appointed agents. Our programs are easy to enroll in or apply for and offer employers flexible administrative solutions.

### At a glance

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Our Group Term Life product offers Basic, Supplemental or Voluntary plans.

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Optional coverage is available for spouses and dependents.

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Our Individual Life and Group Voluntary products offer 100% voluntary plans that address a variety of needs.

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There are low minimum premiums with convenient payroll deduction options.

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Our newly introduced Critical Illness Rider brings an innovative addition to our protection benefits.

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# Disability

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## Stability When It's Most Needed

We offer numerous solutions to assist employers in managing their disability needs, including a claims management process that helps employees return to work. Our Group Short-Term Disability and Group Long-Term Disability products meet the needs of businesses and their employees.

## At a glance

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We work with the employer and employee to focus on returning to work.

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Seamless claim transition from STD to LTD.

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Employers with both STD and LTD coverage with us benefit from integrated claims management.

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Claim triage process identifies appropriate clinical and non-clinical resources for each claim.

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# Critical Illness

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## An Innovative Protection Benefit

Employers want to offer the affordable protection of term life insurance. But employees are also concerned about the possibility of a critical illness. Dearborn National has a combined solution. We offer term life insurance policies with Critical Illness Benefits through our Group Benefits Division and our Worksite and Individual Solutions Division.

## At a glance

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A lump sum benefit is paid upon the diagnosis of a specified critical illness or death. Also, if an employee or a covered dependent dies due to any cause, the beneficiary will receive any remaining benefits as a death benefit.

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Critical Illness Benefits can help with lost wages, deductibles, mortgages and much more.

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Critical Illness Benefits can be tailored to include or exclude certain covered conditions.

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# Enhanced Product Services

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## Making a Difference

A range of Enhanced Product Services are available with our group insurance products. We offer everything from financial and legal counseling to online will preparation and travel assistance services, plus cost-effective ways to enhance benefit programs, retain valuable employees and attract top talent.

## At a glance

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Enhanced Product Services include:

- Disability Resource Services™
- Beneficiary Resource Services™
- Travel Resource Services™
- Dearborn National® Freedom Account
- Employee Assistance Programs
- Online Billing and Service Solutions
- Online Evidence of Insurability
- Online Will Preparation
- Online Beneficiary Management
- Online Dental Wellness Center®

## EXECUTIVE MANAGEMENT TEAM



**Back row, left to right:** Craig Nordyke, Vice President and Chief Actuary; Paul Gauthier, Vice President, Chief Financial Officer and Treasurer; Matt Reddy, Vice President, Sales, National Accounts; Brian Griffin, Vice President, Sales, Regional Markets  
**Front row, left to right:** Karen Kozlowski, Director, Human Resources; Scott Morgan, Vice President, Chief Information Officer and Chief of Staff; Victoria Fimea, Vice President, General Counsel and Secretary; Anthony Trani, President and CEO; Joane Fingers, Vice President, Group Administration; Stephen Clabaugh, President, Worksite and Individual Solutions Division; John Doyle, President, Dental Division

The background of the page is a solid red color. Overlaid on this are several semi-transparent, darker red shapes that form a stylized American flag. These shapes include a large triangle in the upper right, a curved horizontal band across the middle, and another large triangle in the lower right, all pointing towards the center.

# experience

Dearborn National's executive management team has more than 200 years of combined experience.

A stylized graphic of the American flag, featuring a blue field with white stars and red and white stripes, rendered in a monochromatic blue color scheme. The graphic is positioned in the background, behind the text.

# trusted

We insure and/or administer benefits programs for nearly 11 million people. We also rank 2<sup>nd</sup> in the U.S. for total number of group life contracts in force.<sup>1</sup>

SOME OF OUR CLIENTS INCLUDE:

AutoZone, Inc.	Louisiana State University
Baxter International	LKQ Corporation, Inc.
BJ Services Company	McDonald's Corporation
Chesapeake Energy Corporation	Nalco Company
CHRISTUS Health	Northwestern University
City of Tulsa	Rent-A-Center
DePaul University	Socorro Independent School District
Devon Energy	Texas Association of Counties
Domtar Corporation	The Marmon Group LLC
Dot Foods	The University of Texas
Dresser-Rand Company	The Walsh Group
El Paso Corporation	TransUnion LLC
Flex-N-Gate Corporation	UNITE HERE HEALTH (formerly H.E.R.E.I.U. Welfare Fund)
Health Care Service Corporation	Univar USA
Jack Henry & Associates, Inc.	Weatherford International Ltd.
Key Energy Services, Inc.	West Texas Public Schools
Kraft Foods Global, Inc.	

**Fallon Benefits Group Names Dearborn National 2011 Partner of the Year**

Dearborn National is the first ancillary carrier to be chosen by Fallon Benefits Group to receive its unique *Business Partner of the Year* award. Although awarded in 2011, Dearborn National was chosen for this distinct honor based on a unanimous decision by Fallon's entire office for our excellent collaboration with the firm in 2010.

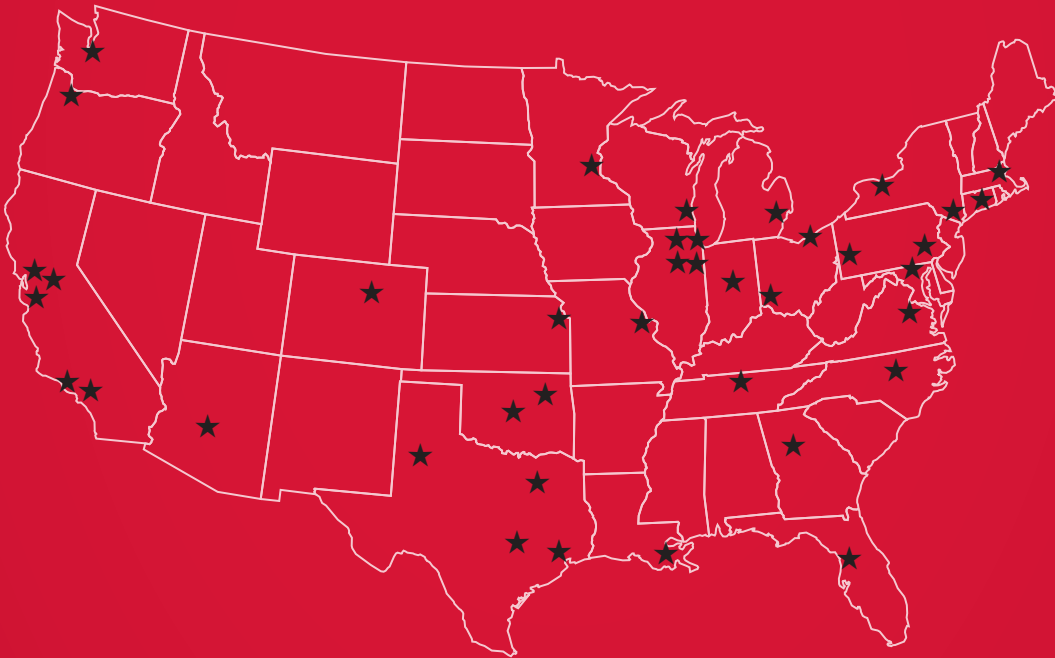
Fallon Benefits Group is based out of Atlanta and has offered this recognition since 2008.

1. Based on results shown in LIMRA's Group Life Sales and In-Force 2009 Annual Results. Excludes specialty products.

## CORPORATE SALES OFFICES

### National and International Presence

We are licensed in all 50 states, as well as the District of Columbia, the U.S. Virgin Islands, the British Virgin Islands, Guam and Puerto Rico. Across the nation, we have more than 30 administrative and sales offices providing service and support to our producers and insureds. We also have an international presence as the exclusive U.S. member of the Swiss Life Network, providing employee benefits to multinational employers.



**Arizona**

Phoenix, AZ  
602-448-6590

**California**

1255 Treat Boulevard  
Suite 300  
Walnut Creek, CA 94596  
888-651-5433

15635 Alton Parkway  
Suite 410  
Irvine, CA 92618  
949-727-3787

400 Continental Boulevard  
El Segundo, CA 90245  
310-426-2845

303 Twin Dolphin Drive  
Suite 600  
Redwood City, CA 94065  
650-703-4654

6180 Ruthland Road  
Oakland, CA 94611  
603-227-2082

**Colorado**

5990 Greenwood Plaza Boulevard  
Suite 325  
Greenwood Village, CO 80111  
303-770-6245 (FDL)  
800-367-7814 (CBL)

**Connecticut**

321 Main Street  
Farmington, CT 06013  
863-678-4458

**Florida**

Tampa, FL  
813-748-1120

**Georgia**

200 Ashford Center North  
Suite 240  
Atlanta, GA 30338  
888-392-4020

**Illinois**

1020 31st Street  
Downers Grove, IL 60515  
800-348-4512

750 West Lake Cook Road  
Suite 161  
Buffalo Grove, IL 60089  
847-537-3247

300 East Randolph Street  
Chicago, IL 60602  
312-653-6858

701 E. 22nd Street  
Suite 300  
Lombard, IL 60148  
800-323-6840

**Indiana**

111 Congressional Boulevard  
Suite 121  
Carmel, IN 46032  
888-335-0388

**Kansas**

6731 West 121st Street  
Suite 204  
Overland Park, KS 66209  
866-976-3828

**Louisiana**

4736 West Napoleon Avenue  
Suite 103  
Metairie, LA 70001  
866-494-1710

**Maryland**

1997 Annapolis Exchange Parkway  
Suite 300  
Annapolis, MD 21401  
800-218-8642

**Massachusetts**

255 Bear Hill Road  
2nd Floor  
Waltham, MA 02451  
781-672-2572

**Michigan**

123 South Main Street  
Suite 230  
Royal Oak, MI 48067  
888-591-7702

**Minnesota**

9531 West 78th Street  
Suite 130  
Eden Prairie, MN 55344  
952-826-6435

**Missouri**

Two City Place Drive  
Suite 200  
St. Louis, MO 63141  
866-465-7432

**New York**

1250 Pittsford Victor Road  
Building 100, Suite 116  
Pittsford, NY 14534  
866-406-3356

Two Penn Plaza

Suite 660  
New York, NY 10121  
646-449-6602

**North Carolina**

18153 West Catawba Avenue  
Cornelius, NC 28031  
704-896-8727

**Ohio**

4555 Lake Forest Drive  
Suite 196  
Cincinnati, OH 45242  
513-554-0501

25000 Country Club Boulevard  
Suite 100  
North Olmsted, OH 44070  
800-544-9000

**Oklahoma**

3401 NW 63rd Street  
Suite 200  
Oklahoma City, OK 73116  
405-316-7116

1400 South Boston Avenue  
Suite 700  
Tulsa, OK 74119  
877-314-3200

**Oregon**

Portland, OR  
503-702-2648

**Pennsylvania**

5500 Brooktree Road  
Suite 210  
Wexford, PA 15090  
866-547-8430

1150 First Avenue  
Suite 601  
King of Prussia, PA 19406  
610-994-3900

**Tennessee**

9005 Overlook Boulevard  
Suite 225  
Brentwood, TN 37027  
877-723-8538

**Texas**

9442 Capital of Texas Highway North  
Suite 500  
Austin, TX 78759  
877-227-8181

5225 South Loop 289  
Suite 111  
Lubbock, TX 79424  
806-798-6387

1001 East Lookout Drive  
Richardson, TX 75082  
800-778-2281

2425 West Loop South  
Suite 1000  
Houston, TX 77027  
866-516-0473

**Washington**

1700 Seventh Avenue  
Suite 2100  
Seattle, WA 98101  
206-484-0056

**Virginia**

3957 Westerre Parkway  
Suite 210  
Henrico, VA 23233  
866-688-9022

**Wisconsin**

5809 Taylor Avenue  
Racine, WI 53403  
877-526-6299

## THE DEARBORN NATIONAL BRAND COMPANIES

### **Fort Dearborn Life Insurance Company®**

#### **Fort Dearborn Life Insurance Company® of New York**

Fort Dearborn Life provides a portfolio of employer-paid life, short-term and long-term disability and dental insurance products, as well as accidental death and dismemberment, dependent life, voluntary life, critical illness, short-term and long-term disability and dental products. Insurance coverage is provided in all 50 states, the District of Columbia, the U.S. Virgin Islands, the British Virgin Islands, Guam and Puerto Rico. Products in New York are underwritten by Fort Dearborn Life Insurance Company of New York, a wholly owned subsidiary of Fort Dearborn Life Insurance Company.

### **Colorado Bankers Life Insurance Company®**

Colorado Bankers Life Insurance Company (Colorado Bankers Life) underwrites individual life, accident and critical illness products, distributed primarily through payroll deduction, federal, postal and military allotments, state and local government payroll systems, and individual bank draft billing. Since it was founded in 1974, Colorado Bankers Life works with American business owners to offer reliable payroll deduction programs that give employees a convenient and affordable way to protect themselves and their families—without cost or obligation to their employers.

### **Dental Network of America®, LLC (DNoA)**

Dental Network of America operates as the exclusive third-party administrator for all Health Care Service Corporation dental programs. More than a traditional third-party administrator, the company also offers its clients services in proprietary network development, actuarial, underwriting, marketing and sales support. Its products and administrative services assist individuals, groups and dental providers who receive and provide dental care.

#### **Health Care Service Corporation**

Dearborn National is the brand name for certain non-health subsidiaries of Health Care Service Corporation (HCSC), a Mutual Legal Reserve Company, the largest customer-owned health insurer and the fourth largest health insurer in the United States. HCSC operates through its Blue Cross and Blue Shield plans in Illinois, New Mexico, Oklahoma and Texas, as well as several subsidiaries. HCSC is a market-share leader with a dominant national account presence and industry-leading member loyalty.

#### **Patricia A. Hemingway Hall**

President and Chief Executive Officer | Health Care Service Corporation, a Mutual Legal Reserve Company

#### **Martin G. Foster**

Executive Vice President and President of Plan Operations | Health Care Service Corporation, a Mutual Legal Reserve Company

#### **Anthony F. Trani**

President and CEO, Dearborn National

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Colorado Bankers Life  
Insurance Company®  
Home Office  
5990 Greenwood Plaza Boulevard  
Suite 325  
Greenwood Village, CO 80111  
800-367-7814  
  
Administrative Office  
1400 South Boston Avenue  
Suite 700  
Tulsa, OK 74119  
877-314-3200

Dental Network of America®, LLC  
Home Office  
701 East 22nd Street  
Suite 300  
Lombard, IL 60148  
800-323-6840  
  
Customer Service Center  
7300 Westfield Plaza Drive  
Belleville, IL 62223  
800-772-2052  
  
Customer Service Center  
7901 Wallace Boulevard  
Amarillo, TX 79124  
800-772-2052

Fort Dearborn Life  
Insurance Company®  
Home Office  
1020 31st Street  
Downers Grove, IL 60515  
800-348-4512  
  
Administrative Office  
1001 East Lookout Drive  
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Company® of New York  
Home Office  
1250 Pittsford Victor Road  
Building 100, Suite 116  
Pittsford, NY 14534  
866-406-3356  
  
Administrative Office  
1020 31st Street  
Downers Grove, IL 60515  
800-348-4512

Dearborn National  
Headquarters  
1020 31st Street  
Downers Grove, IL 60515  
800-348-4512

Dearborn  National®

[www.dearbornnational.com](http://www.dearbornnational.com)