



J. Greg Ness
President and Chief Executive Officer

Standard Insurance Company Financial Strength Ratings

AA- (Very Strong) by Standard & Poor's
4th of 20 rankings

A1 (Good) by Moody's
5th of 21 rankings

A (Excellent) by A.M. Best*
3rd of 13 rankings

As of July 2009

*Rating includes The Standard Life
Insurance Company of New York.

StanCorp Financial Group Long Term Senior Debt Ratings

Standard & Poor's: A-

Moody's: Baa1

A.M. Best: bbb+

As of July 2009

The Standard is a marketing name for
StanCorp Financial Group, Inc. and subsidiaries.

Standard Insurance Company
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Portland OR 97204

www.standard.com

13983B (8/09)

Our Financial Strength

The economic landscape is undeniably turbulent. While a number of financial institutions are reeling from these circumstances, The Standard continues to exceed expectations. That's because we know our most important promise is the one we make to our customers — to be there when you need us. Backing this up is the strength that stems from our disciplined financial practices and stability resulting from our long-term outlook. Fiscally conservative management allows us to weather economic uncertainty and ensures that we will keep our financial commitment to you.

Our balance sheet is the cornerstone of our financial strength and has provided us with a foundation for profitability through a wide range of economic cycles.

Bond Portfolio

Our bond portfolio is strong. Our strategy is to maintain a diversified portfolio of high quality fixed-maturity securities to keep us well protected if any industry experiences difficulties.

- Average portfolio rating of "A" as measured by Standard & Poor's
- No preferred or common equities
- No direct exposure to sub-prime or alt-A mortgages
- No credit default swaps, collateralized debt obligations or commercial paper
- No mortgage-backed securities of any kind

Commercial Mortgage Loan Portfolio

The profile of our commercial mortgage loan portfolio is entirely different from the mortgages that have been the subject of so much concern. We offer small commercial mortgage loans to borrowers who want a fixed rate over time, and we rigorously underwrite every commercial mortgage loan we make. The quality of our commercial mortgage loans is excellent, and our delinquency rates are very low.

- The average loan-to-value ratio on new loans was 64 percent in 2008
- As of December 31, 2008, the average loan-to-value ratio in our overall commercial mortgage portfolio was 59 percent

The Standard Stands the Test of Time

In the July 2008 issue of *Best's Review*, Standard Insurance Company was recognized for maintaining an "A" rating or higher from A.M. Best Company since 1928. The Standard was honored to be among one of only 15 life/health insurers to consistently achieve an "A" rating (or higher) for more than 75 years. Given the rapidly evolving markets, changing customer needs and challenging economic times, this is a significant accomplishment. We are proud of this longstanding track record of financial strength.

StanCorp Financial Group

Assets	\$15.41 billion
Fixed Maturity Securities	56.6% of invested assets
A or Higher	67.4%
BBB/Baa	27.0%
BB/Ba	3.6%
B or Lower	2.0%
Commercial Mortgage Loans	42.5% of invested assets
60-Day Delinquencies	0.42%
Other	0.9% of invested assets
Portfolio Yields	
Fixed Maturity Securities	5.59%
Commercial Mortgage Loans	6.42%

As of June 30, 2009