



Thomas H. MacLeay
Chairman of the Board, President
& Chief Executive Officer

Statement on National Life Group's financial condition

With each day bringing new headlines of turmoil in yet another financial institution, I want to reassure you that National Life Group remains very strong.

While we are not immune to the turbulence we are seeing in the markets and, like other investors, will experience some losses, our investments are so broadly diversified that we do not foresee that today's troubles will have any meaningful impact on our overall long-term financial condition.

Our time-tested prudent investment approach continues to serve us well.

So does our structure as a mutual holding company, which allows us to focus on our long-term obligation to policyholders rather than the immediate demands of shareholders.

Through our affiliates, we have built up substantial capital: Our total GAAP equity stands at \$1.4 billion and at the end of June our statutory surplus stood at \$850 million.

And our decisions in recent years to focus on our core businesses mean that we have not strayed into the speculative areas that are now causing such difficulty for other businesses.

In our life and annuity business we have maintained high standards for underwriting and carefully chosen our products to avoid speculative ventures like stranger-originated life insurance. We've consistently backed our obligations with a diversified portfolio of quality assets.

We have done so because it is the right thing to do – and because it is how we've done business for 16 decades.

Ever since National Life Insurance Company was chartered in 1848 we have taken seriously our responsibilities to our policyholders and we know what it takes to navigate through troubled times.

And that's what our team is doing today.

This communication may include forward-looking statements which are not guarantees of future performance.

September 16, 2008