



# SENTINEL SECURITY LIFE

Lighting the way to financial security

## FINANCIAL SUMMARY 2014

The year 2014 was an exceptional year for Sentinel Security Life Insurance Company ("Sentinel"). We celebrated our 67th year in business and our 1st anniversary in our new home office in Salt Lake City. 2014 also marked many other achievements for Sentinel, such as:

- Raised \$15 million in additional capital through the issuance of a surplus note, which increased capital and surplus by 68.9%
- Increased net premium by 84.6%
- Increased net admitted assets by 18.8%
- Decreased direct operating expenses by 7.9%

Net statutory income was in-line with our expectations and much improved over 2013. We invested heavily back into the Company's infrastructure in 2014, and continued to build a platform for long-term growth. A significant part of the investment included the transition of the administration of Sentinel's health products to the home office. As of January 5, 2015 all five products are now administered in our home office. We continue to hire and invest in quality employees with the experience vital to advancing product development, administration and sales support in the years to come.

Sales of Sentinel's products in 2014 were remarkably strong; either meeting or exceeding expectations. In summary, sales for the Personal Choice annuity grew by 38.5%, we released Medicare Supplement plans in Illinois and Pennsylvania and are preparing to release in two more states in 2015. Additionally, we are in the process of releasing new versions of the Hospital Advantage Indemnity plans which will be available in the market by the third quarter of 2015. We are excited about the increasing opportunities in 2015, and will persist in supporting our product offerings while continuing to focus on growing sales and increasing revenue and profitability.

### GAAP FINANCIAL HIGHLIGHTS\*

Total Assets	\$509,226,730
Total Liabilities	\$480,897,053
Total Stockholders Equity	\$28,329,677
Future Policy Benefits	\$182,212,002
Total Revenue	\$38,686,347
Stockholders Equity / Total Assets	5.6%

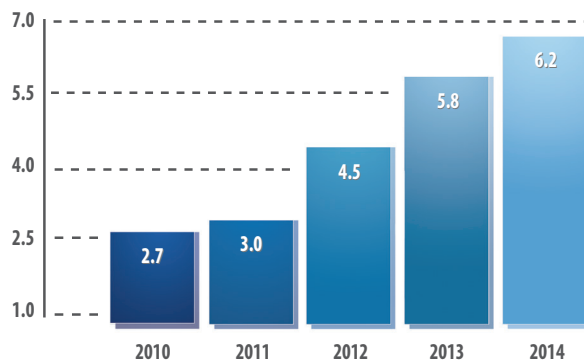
### STATUTORY FINANCIAL HIGHLIGHTS\*

Admitted Assets	\$479,497,782
Total Liabilities	\$453,776,875
Gross Capital & Surplus	\$25,720,907
Policy Reserves	\$177,014,770
Total Revenue	\$59,528,736
Gross Final Expense Insurance In-Force	\$199,187,664
Gross Reserves for Fixed Annuities In-Force	\$756,576,518
Capital & Surplus / Admitted Assets	5.4%

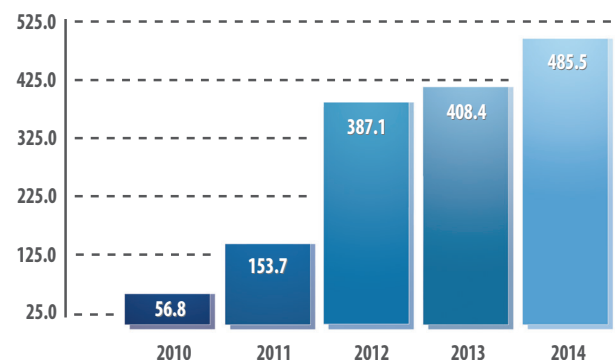
\*As of December 31, 2014 - Audited

## SELECT STATUTORY FINANCIAL DATA

STATUTORY INVESTMENT INCOME  
(Millions)



TOTAL STATUTORY ASSETS  
(Millions)





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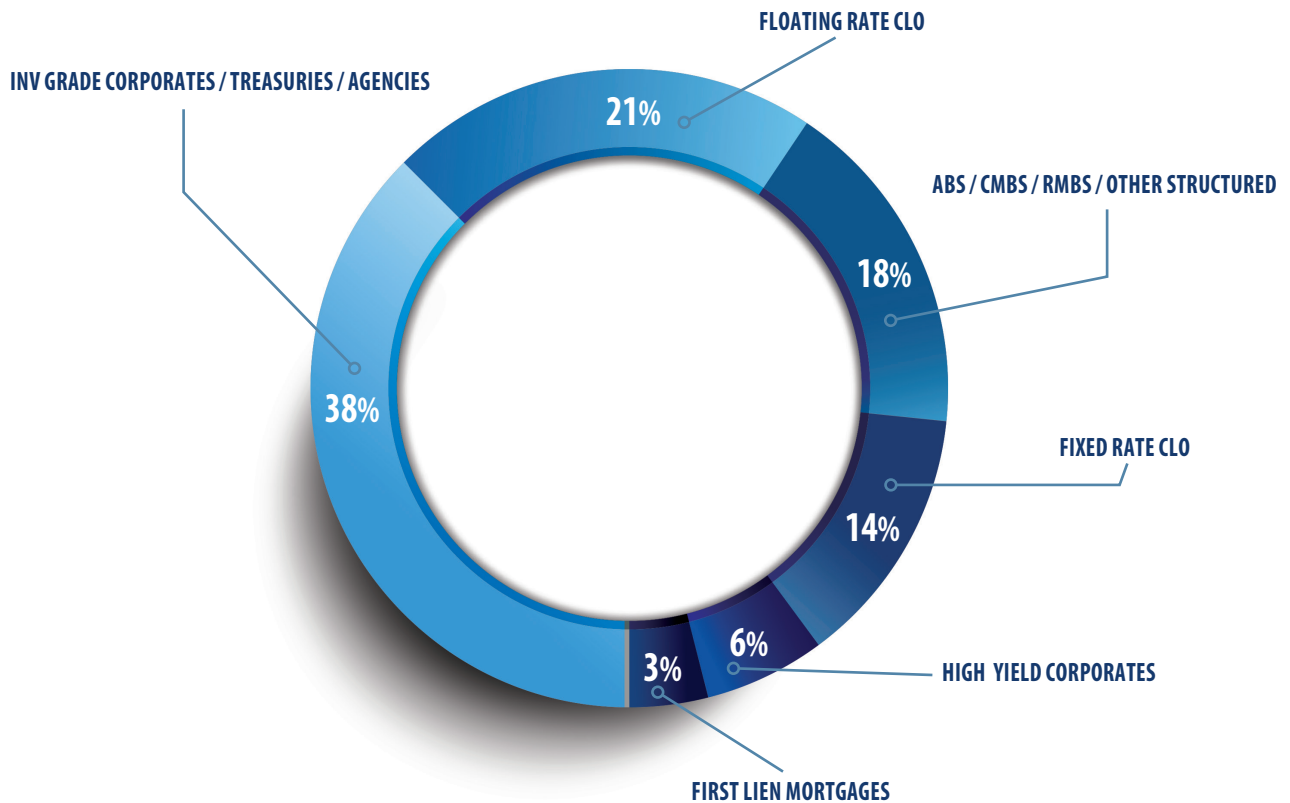
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## FINANCIAL SUMMARY 2014

### INVESTMENT PORTFOLIO SUMMARY

Sentinel's investment philosophy is based upon the principles of providing stable returns and income with minimal risk for policyholders and shareholders. The following graph validates this philosophy and provides additional detail for the investment portfolio. As of December 2014, the bond portfolio is invested in assets with an overall credit quality of 2%, using the National Association of Insurance Commissioners financial rating designations, with an average current yield of 4.9%.

### INVESTMENT PORTFOLIO ALLOCATION BY ASSET TYPE\*\*



\*\* As of December, 31 2014. Sentinel has also invested \$6.80 million in stocks. Investment information does not include funds withheld assets.

Since 1948, families have counted on Sentinel Security Life Insurance Company during their time of need. The Company was originally established to provide families a way of funding funeral expenses and burial costs. Through our final expense life insurance product, we have been honored to provide peace of mind to families for well over half a century.

Today, Sentinel offers a strong senior market portfolio including Life, Health and Annuity products. We continue to develop new products and services to meet our customers' needs.

Sentinel has a long history of financial strength and stability that has afforded us the opportunity to invest wisely in the growth of our Company. Our strength lies not only in the quality of our insurance products, but also the level of service we provide to our policyholders, agents, and shareholders. We invite you to learn more about our company by visiting [www.sslco.com](http://www.sslco.com) or by calling 800-247-1423.

Sentinel Security Life is rated B++ (Good) for financial strength by A.M. Best Company. This rating applies only to the overall financial status of the Company and is not a recommendation of the specific policy provisions, rates or practices of the Company.

