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Mutual of Omaha 2015 Financial Review

**Laura Fender
Senior Vice President,
Enterprise Reporting and Analysis
April 25, 2016**



Forward-Looking Statements

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This document contains certain forward-looking statements about Mutual of Omaha Insurance Company and certain of its subsidiaries (collectively, the “Company”). Forward-looking statements include, but are not limited to, statements that represent the Company’s beliefs concerning future operations, strategies, financial results or other developments with respect to the Company, and contain words and phrases such as “may,” “expects,” “should” or similar expressions in this document.

Forward-looking statements are not guarantees of future performance, involve risks and uncertainties, and actual results may differ materially from those in any forward-looking statement as a result of various factors. The following uncertainties, among others, may have such an effect: continued difficult conditions in the global capital markets and the economy; sustained periods of low interest rates or a sudden spike in interest rates; declining or volatile residential mortgage-backed securities values due to prepayment risks; adverse regulatory developments, including those resulting from the Dodd-Frank Wall Street Reform and Consumer Protection Act, limitations on premium levels, mandated benefits, increases in minimum capital and reserves, and other financial viability requirements; adverse credit market conditions; significant market valuation fluctuations of certain of the Company’s investments that are relatively illiquid; difficulties as to valuation of securities in the Company’s investment portfolio; exposure to below investment grade bonds; defaults on mortgage loans held by the Company; exposure to certain specific asset classes, including commercial and residential mortgage-backed securities, real estate and alternative investments; declines in the performance or valuation of real estate properties owned by the Company; heightened competition in the insurance or banking business, including, specifically, the intensification of price competition, the entry of new competitors and the development of new products by new and existing competitors; downgrades or potential downgrades in the Company’s ratings; the sensitivity of the amount of statutory capital the Company must hold to factors outside the Company’s control; subjectivity in determining the amount of allowances and impairments taken on certain of the Company’s investments; changes in the federal Medicare program and other adverse regulatory developments, including those resulting from the recently enacted Patient Protection and Affordable Care Act, that could adversely affect the demand for the Company’s Medicare supplement insurance policies or the Company’s competitive position in the Medicare supplement marketplace; impact on the Company’s reported statutory surplus or net income that could result from the adoption of certain accounting standards issued by the National Association of Insurance Commissioners or pursuant to applicable laws and regulations; impact on the Company’s reported GAAP equity or net income that could result from the adoption of the requirements of certain accounting pronouncements issued by authoritative bodies; tax law changes impacting the tax treatment of insurance and investment products; repeal of the federal estate tax; uncertainty as to the price and availability of reinsurance on business the Company currently writes or intends to write in the future; adequacy and recoverability of reinsurance that the Company has purchased; the failure of the Company’s distribution channels to obtain new customers or retain existing customers; deviations from assumptions regarding persistency, mortality, or morbidity; losses due to the financial impairment of, or defaults by, others, including bank borrowers, issuers of investment securities or reinsurance and derivative instrument counterparties; deviations from assumptions regarding future mortality, morbidity and interest rates used in calculating reserve amounts and pricing our products; requirements to post collateral or make payments related to declines in market value of specified assets, and possible declines in the value of securities available for posting as collateral; unanticipated losses resulting from the Company’s stable value wrap program; accelerated amortization of deferred acquisition costs; adverse results relating to the mixed-use real estate development adjacent to the Company’s home office property; regulatory restrictions, financial viability and other risks in connection with the Company’s ownership of Mutual of Omaha Bank; liquidity and other risks in connection with the Company’s securities lending program; impact of international tension between the United States and other nations, terrorist attacks, and ongoing military and other actions, or a large scale pandemic; changes in tax laws and the interpretation thereof; litigation and regulatory investigations; and a computer system failure or security breach.

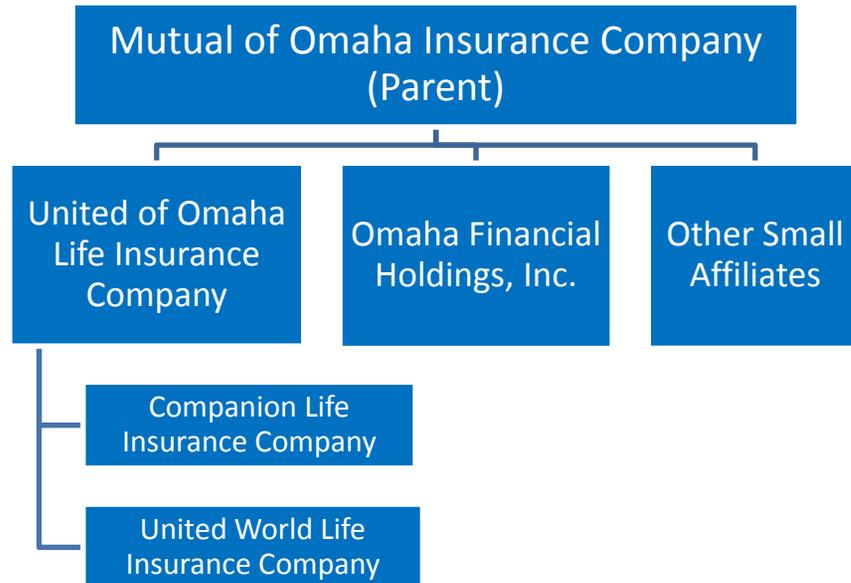
Consequently, such forward-looking statements should be regarded solely as the Company’s current plans, estimates and beliefs. The Company does not intend to undertake, and does not undertake, any obligation to update any forward-looking statements to reflect future events or circumstances after the date of such statements.

All subsequent written and oral forward-looking information attributable to the Company or any person acting on its behalf is expressly qualified in its entirety by the cautionary statements contained or referred to in this section. The information contained in this document is accurate only as of the date of this document regardless of the time of delivery.



Organization and Ratings

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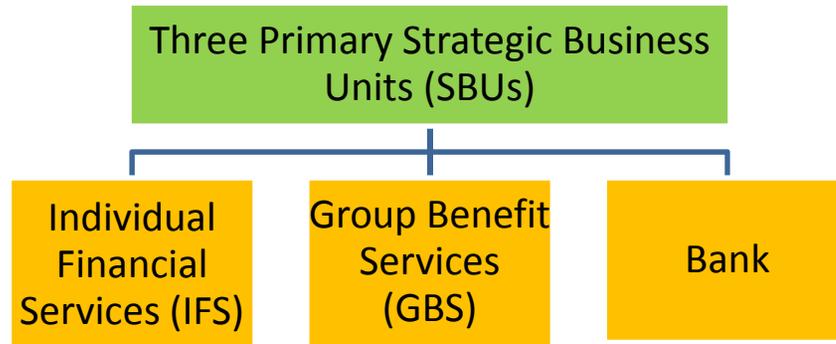


Financial Strength Ratings

A.M. Best	A+ (Superior)
Moody's	A1 (Good)
Standard & Poor's	AA- (Very Strong)

Short-term Ratings

Moody's	P-1 (Prime-1, Superior)
Standard & Poor's	A-1+ (Extremely Strong)



GAAP Consolidated Assets and Equity

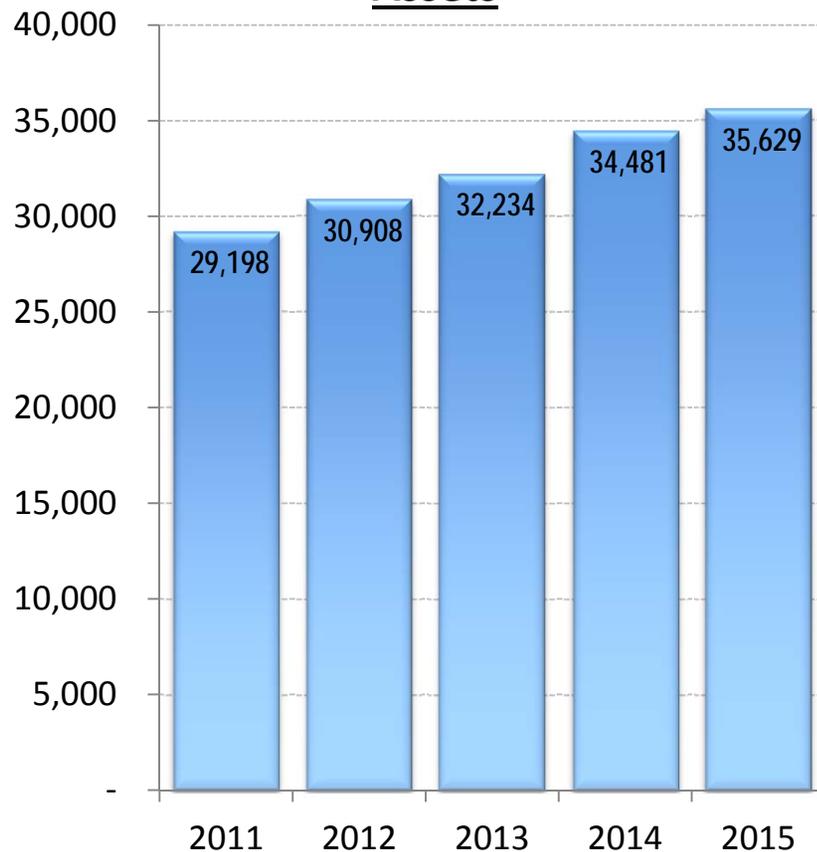
For the Years Ended December 31, 2011 – 2015

In Millions of Dollars

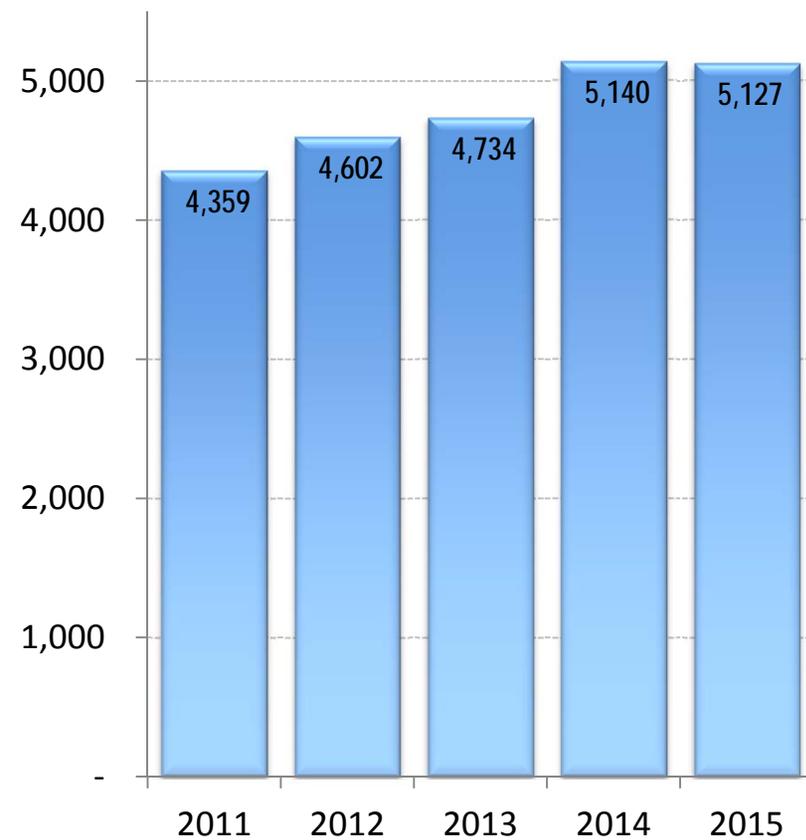


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Assets



Equity



GAAP Results

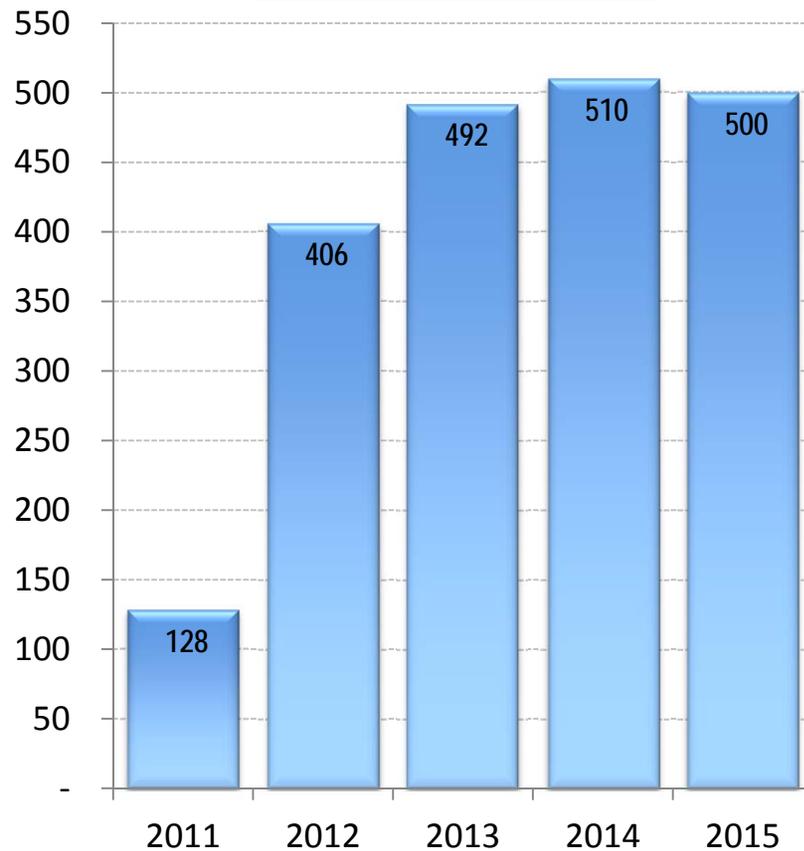
For the Years Ended December 31, 2011 – 2015

In Millions of Dollars

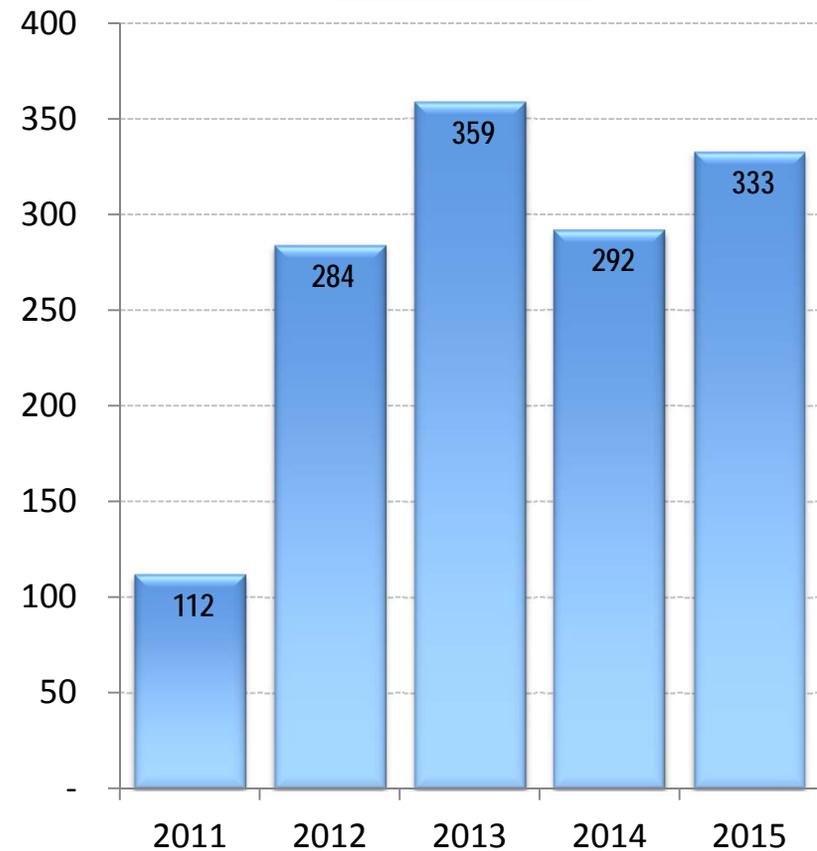


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Operating Income



Net Income



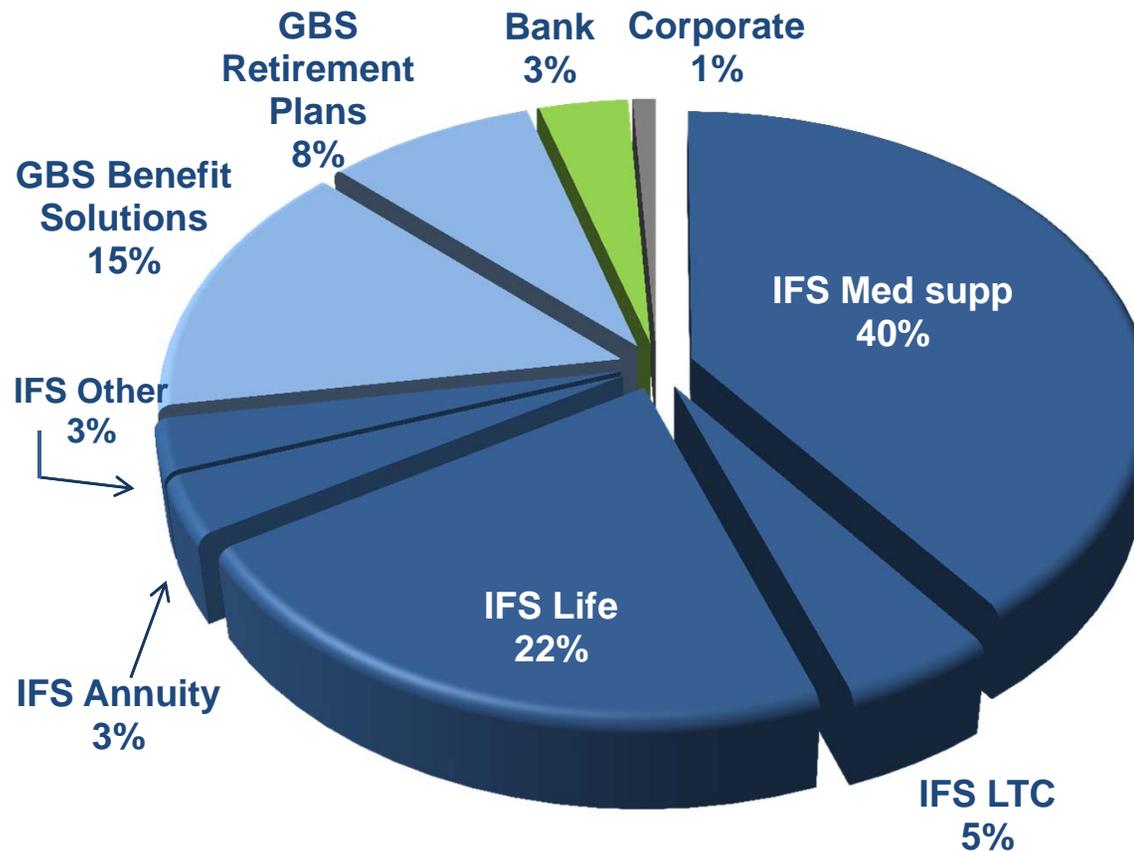


Mutual of Omaha

Consolidated GAAP Revenue

For the Year Ended December 31, 2015

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2015 Revenues \$7.2 Billion

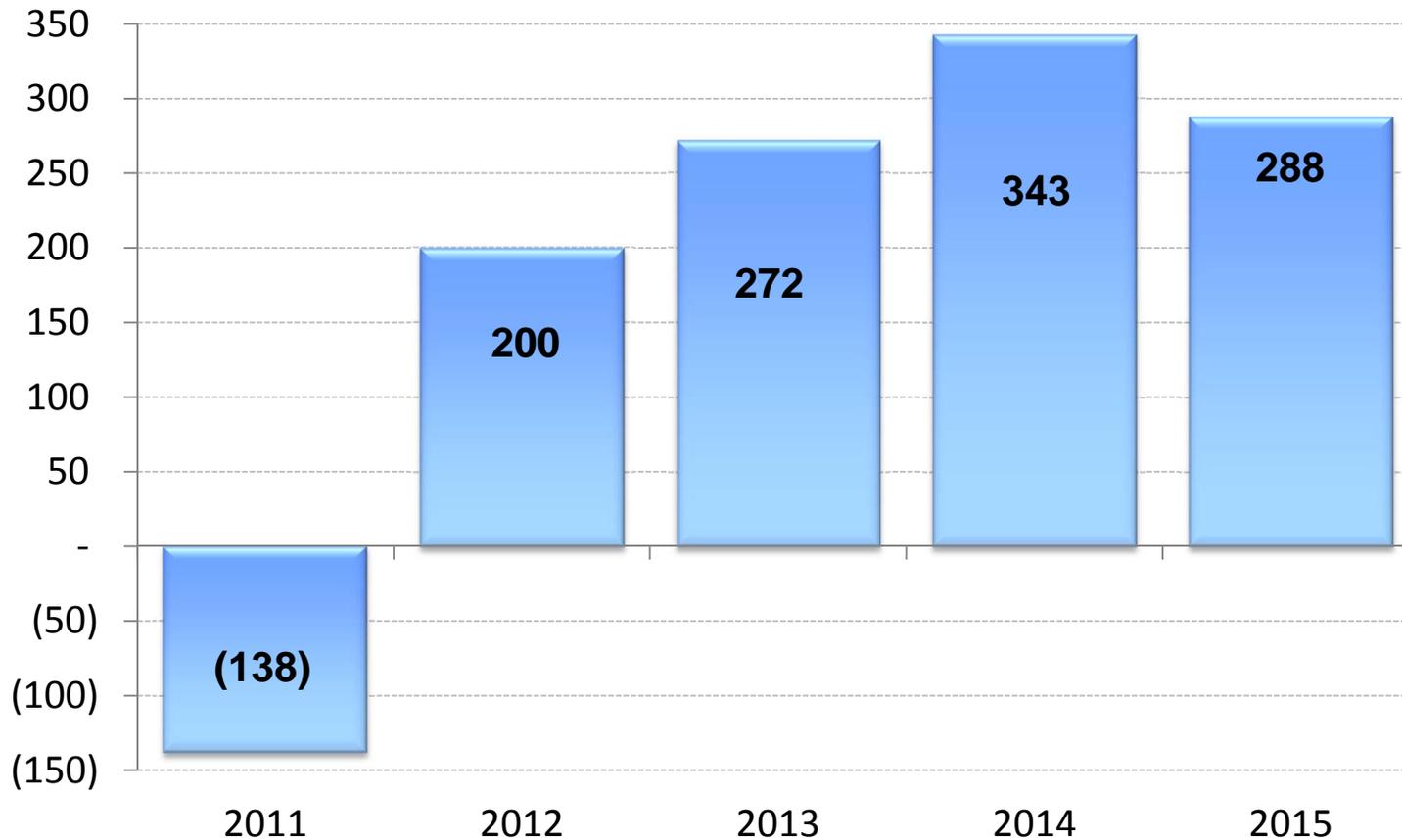
Statutory Operating Results

For the Years Ended December 31, 2011 – 2015

In Millions of Dollars



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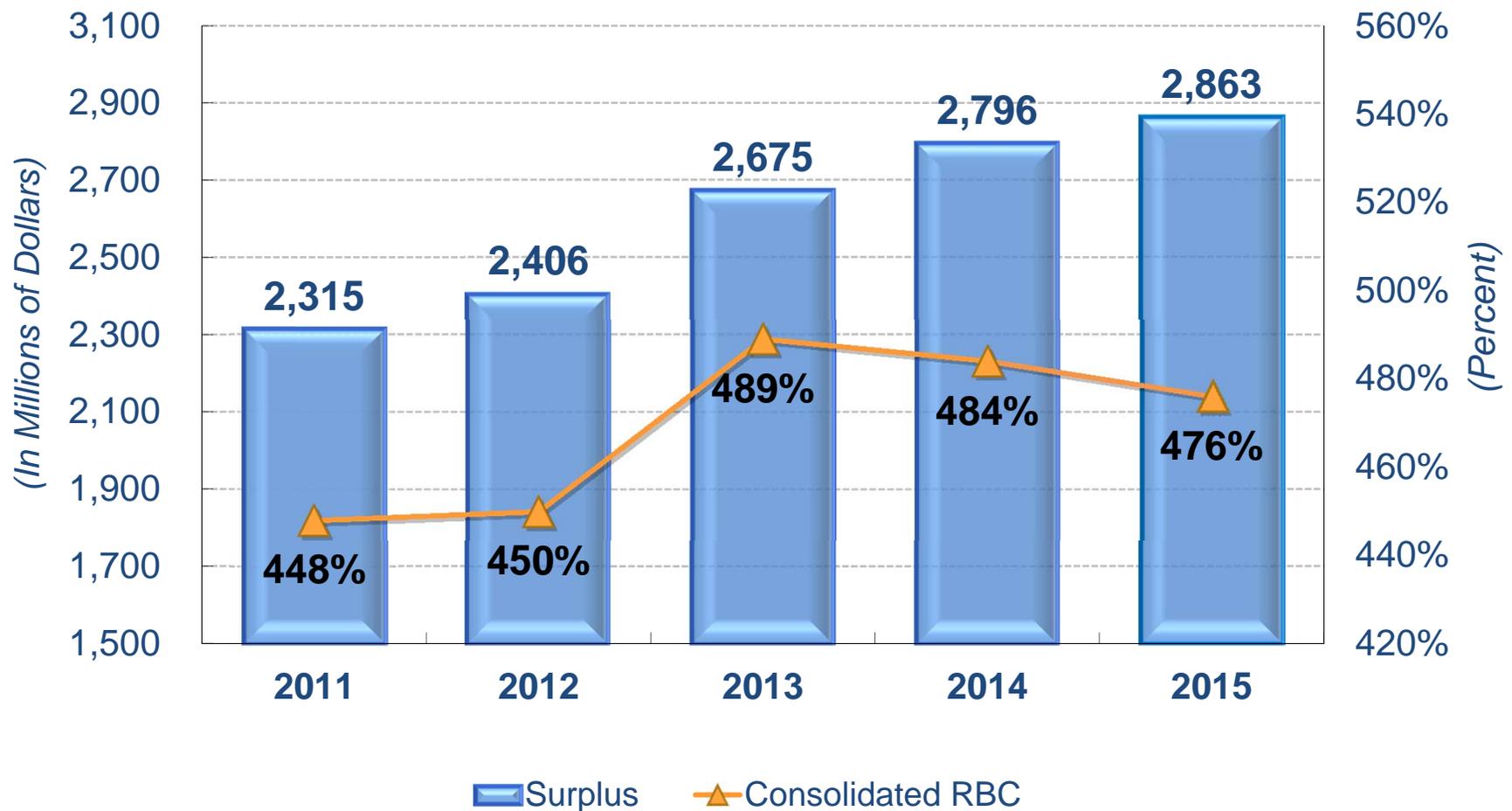


Statutory Surplus and Consolidated Risk-Based Capital

As of December 31, 2011 – 2015



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United of Omaha Statutory Results

United of Omaha Statutory Operating Results

For the Years Ended December 31, 2015 – 2012
(In Millions of Dollars)



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	2015	2014	2013	2012
Premiums and Annuity Considerations	\$3,572	\$2,713	\$3,428	\$3,466
Net Investment Income and IMR Amortization	829	722	701	692
Other Income	124	139	107	84
Total Income	4,525	3,574	4,236	4,242
Commissions, Operating Expenses and Insurance Taxes	4,310	3,389	4,149	4,266
Net Gain (Loss) Before Federal Income Taxes	215	185	87	(24)
Federal Income Tax (Benefit)	38	2	1	(3)
Net Gain (Loss) From Operations	177	183	86	(21)
Net Realized Capital Losses	(23)	(19)	(16)	(10)
Net Gain (Loss)	\$ 154	\$ 164	\$ 70	\$ (31)

United of Omaha Statutory Operating Results

For the Years Ended December 31, 2015 – 2012
(In Millions of Dollars)



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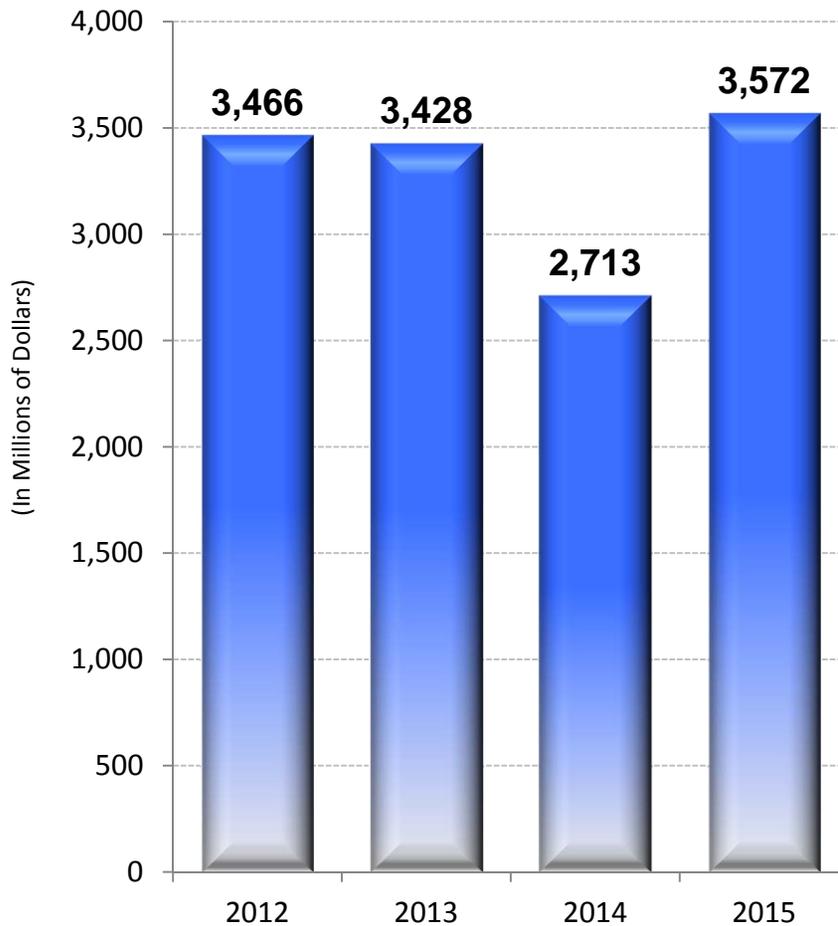
	2015	2014	2013	2012
Health	<u>\$ 114</u>	<u>\$ 115</u>	<u>\$ 61</u>	<u>\$ (57)</u>
Life	(109)	(16)	(44)	(12)
Annuity	50	62	75	67
Other	161	24	(5)	(22)
Net income (loss) before federal income taxes	<u><u>\$ 216</u></u>	<u><u>\$ 185</u></u>	<u><u>\$ 87</u></u>	<u><u>\$ (24)</u></u>

United of Omaha Statutory Premium

For the Years Ended of December 31, 2012 - 2015



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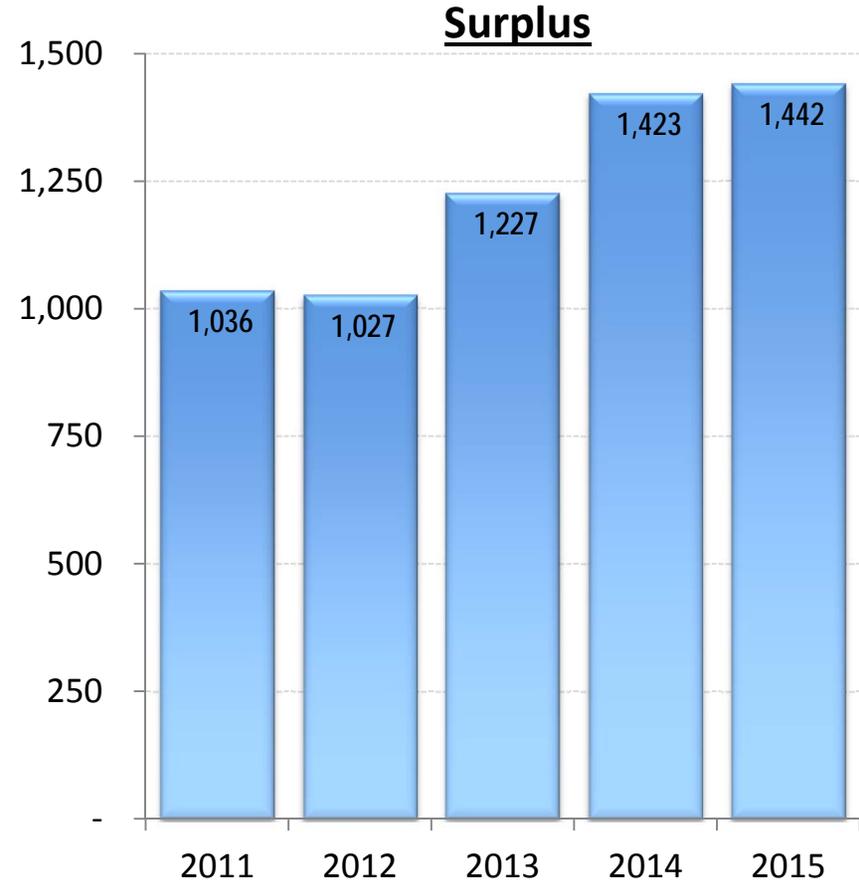
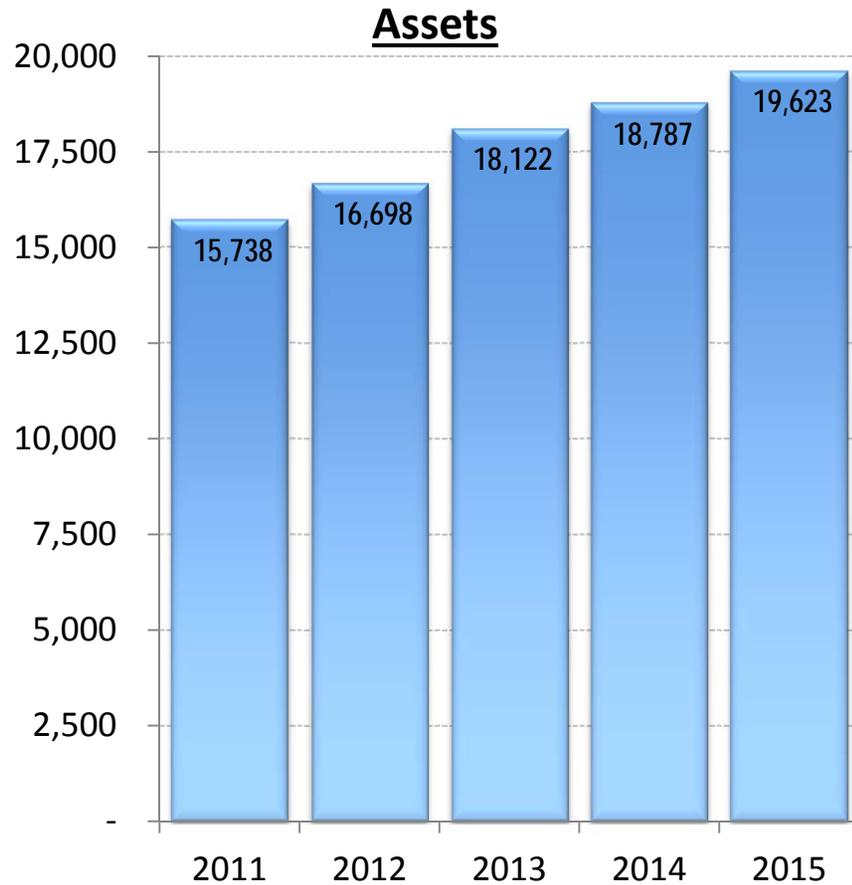
- Medicare supplement are reinsured with Mutual beginning in 2013
- In 2014 premiums of \$840M were ceded to a captive reinsurance subsidiary under a 3X/A3X reserve financing transaction
- Individual life product sales increased in 2015

United of Omaha Statutory Operating Results

For the Years Ended December 31, 2011 – 2015
(In Millions of Dollars)



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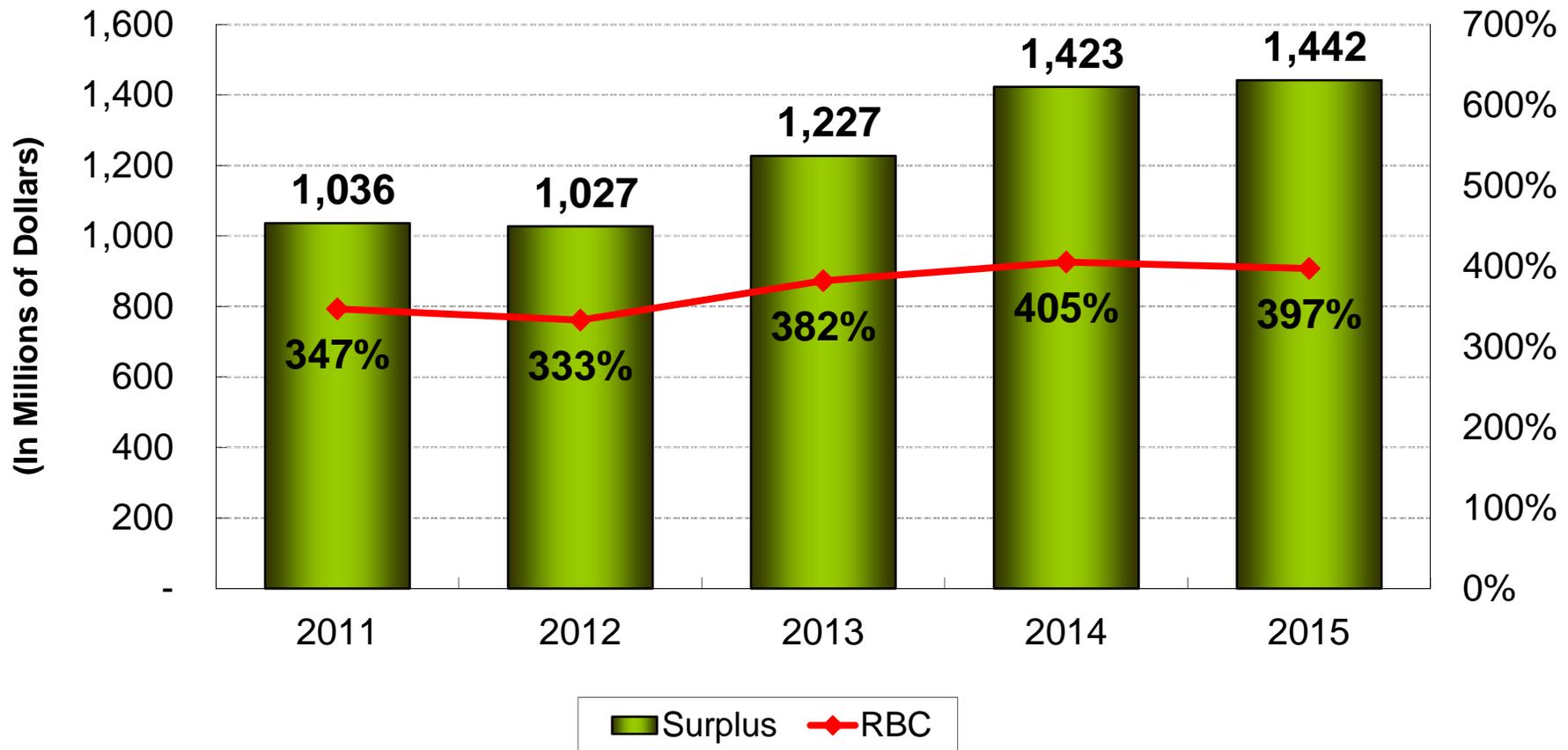


United of Omaha Statutory Surplus and Risk-Based Capital

For the Years Ended December 31, 2011– 2015



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Companion

Companion

Statutory Operating Results, Surplus & RBC

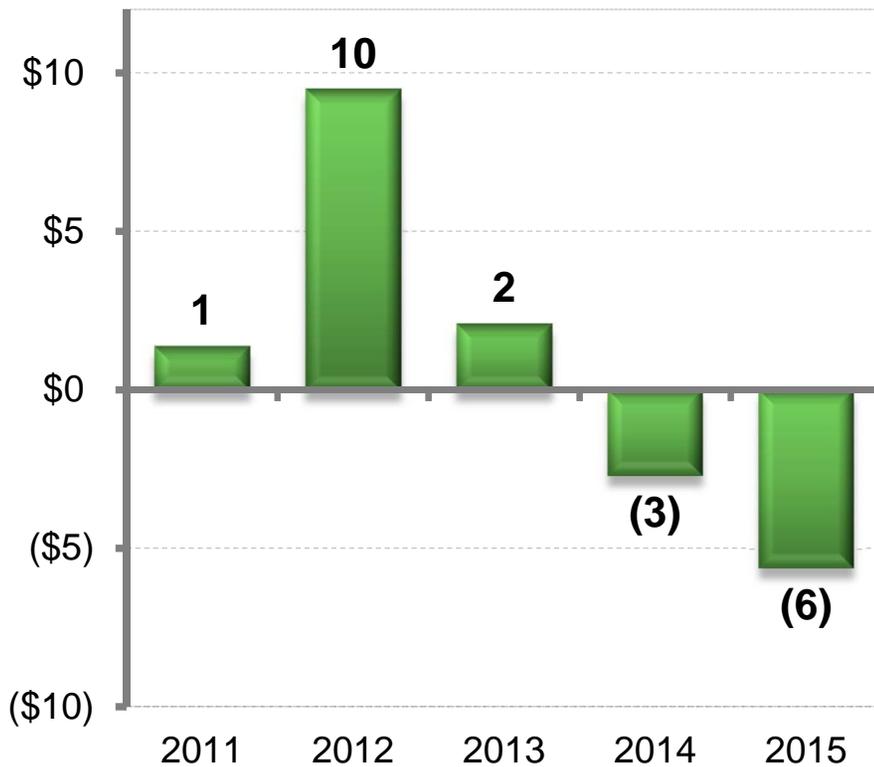
For the Years Ending December 31, 2011 – 2015

(In Millions of Dollars)



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Operating Results



Surplus and Risk-Based Capital

