



THE HOLLEMAN
COMPANIES

Four Generations of Financial
Security Leadership



The Power of M

Leading the Way in the Ultra-Affluent
and Corporate Markets Since 1978

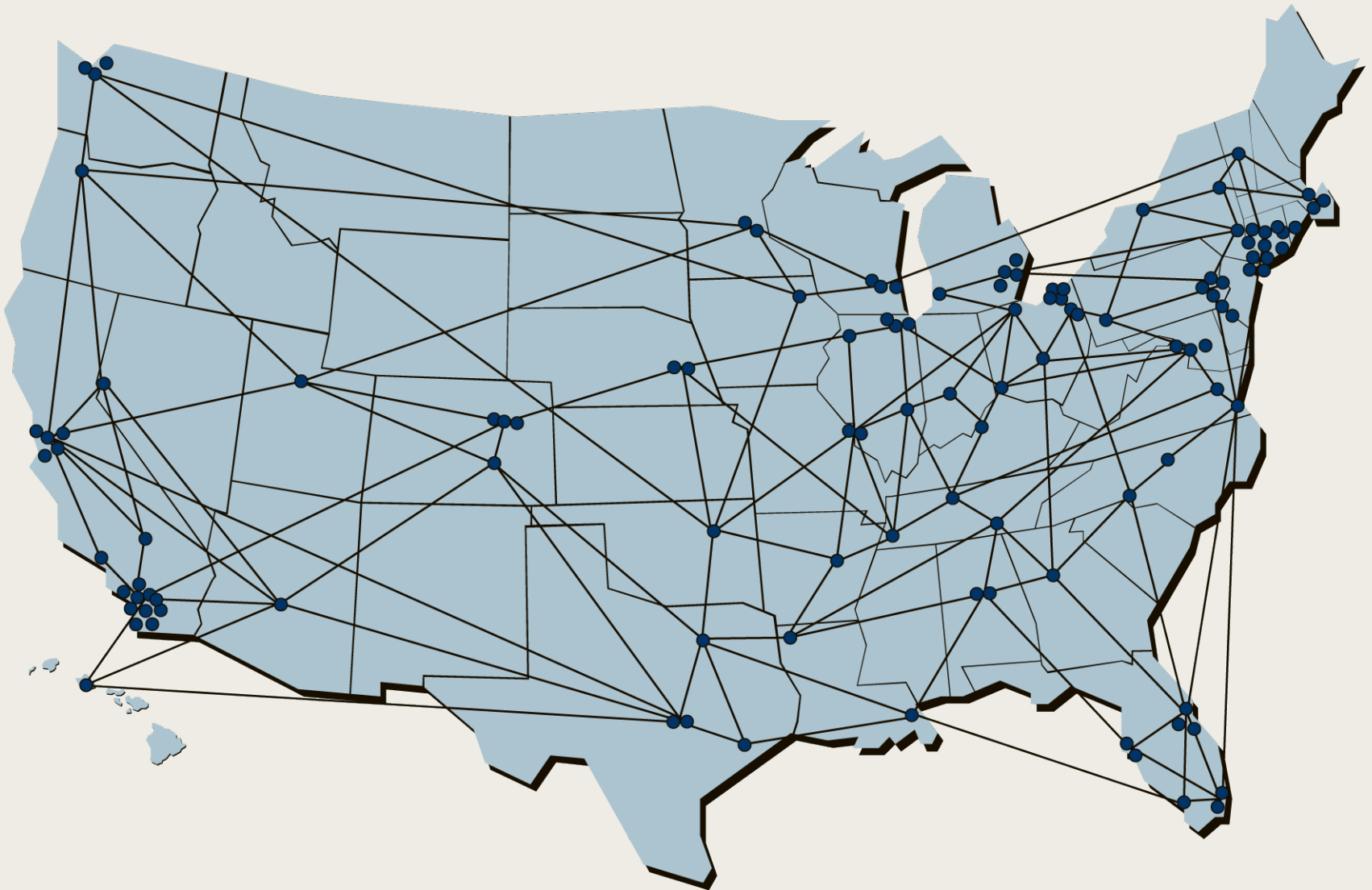


M Financial Group™
Member Firm

4.21.10

- M Financial Group is one of the nation's premier financial services design and distribution companies, serving ultra-affluent individuals and Fortune 1000 companies through a network of more than 125 independent Firms.
- Independent research suggests that more than 20% of all life insurance sales to ultra-affluent clients in the U.S. are made by M Member Firms. (Source: Spectrem Group)
- M Financial was founded in 1978 to change how insurance companies served successful producers with exceptional business.
- From the beginning, M Financial has been a community of sharing, entrepreneurship, innovation, and success.
- M Financial began with 13 Firms—today there are more than 125 Member Firms in 36 states and more than 600 producers.

M Financial's Reach Extends Nationwide



M's Dynamic History Includes the Introduction of a Number of Unconventional Initiatives

- 1978 M Group founded as a collaborative network of independent Firms
- 1981 M Financial Re formed to reinsure business written by Member Firms
- 1983 Relationship formed with Pacific Life
- 1984 M invests in technology to support client administration
- 1989 M authors first ABA Primer on Life Insurance Due Care, establishing M as a leading client advocate
- 1992 M positions the M Community as a leader in variable life products
- 1993 M hosts first National Advisors Conference establishing NAC as a preeminent meeting for advisors of the ultra affluent
- 1996 M Funds offered to variable products
First proprietary life products (Majestic Series) offered through John Hancock
- 1997 First proprietary disability product (Monogram) offered through Unum
- 1998 M reorganization is finalized with introduction of ICP
- 2000 M introduces proprietary private placement product
M's Broker/Dealer, M Securities, is launched
- 2001 Member Firm Growth Task Force initiatives are implemented
- 2004 M Wealth is launched
- 2005 M introduces underwriting support for Member Firms
- 2006 M annual sales top \$1 billion for the first time
- 2007 M annual sales top \$2 billion for the first time
- 2008 M completes Stockholder liquidity program
- 2009 M Introduces proprietary private placement variable annuity product

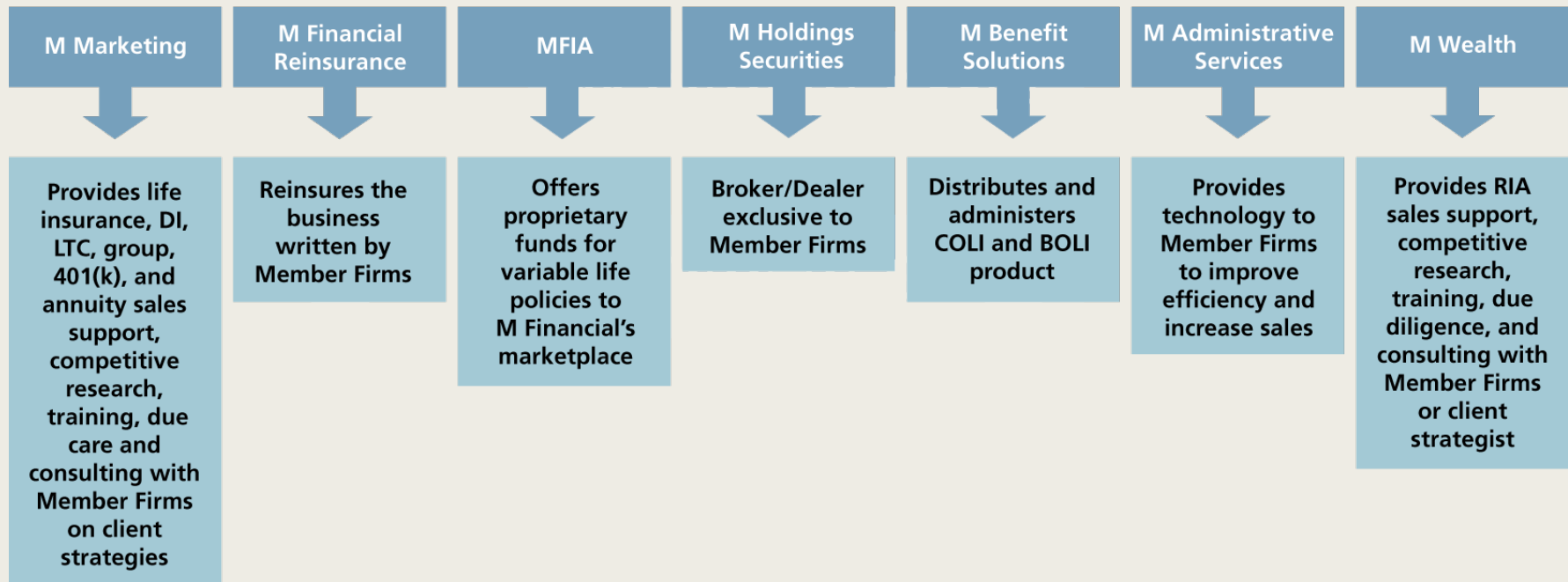
Major Business Lines

- Life Insurance
 - Wealth Transfer / Estate Planning
 - Executive Benefits
 - Institutional Market
- Individual Disability Income and Long Term Care Insurance
- Annuities
- Corporate Benefits
 - Group Life, LTD and LTC
 - 401(k)
- Wealth Management

Life and DI lines are reinsured through M Financial Re

M Financial Continues To Evolve Into A Diversified Financial Services Organization

M FINANCIAL GROUP



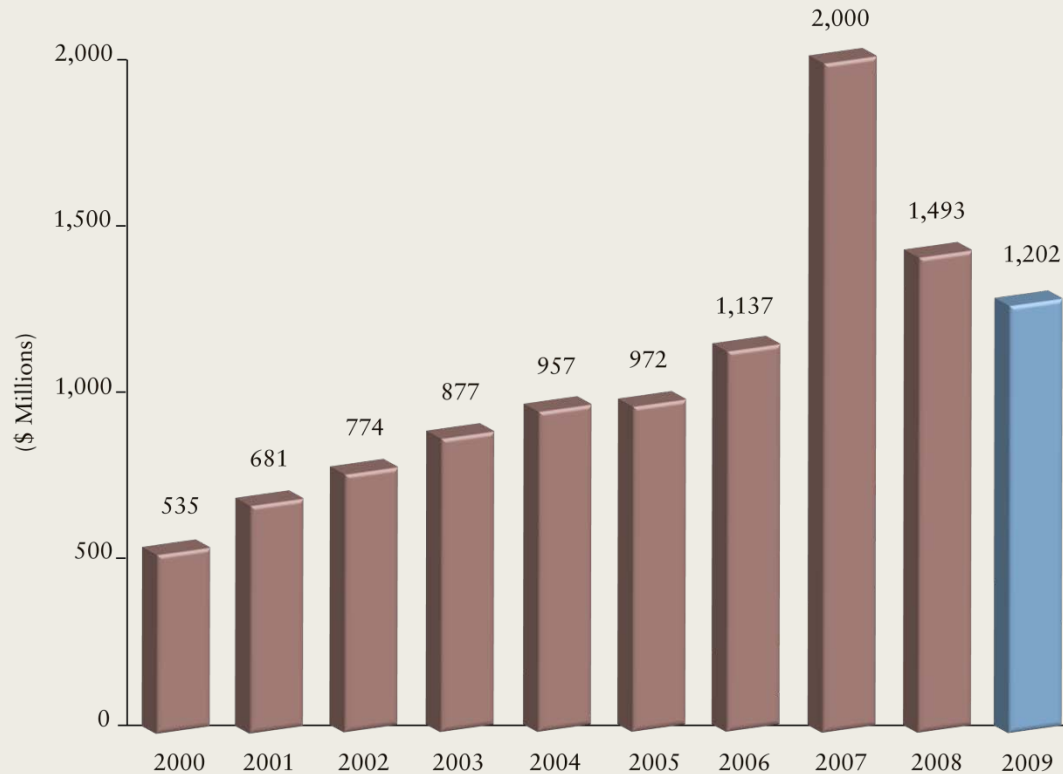
M Financial's Differentiated Advantages

- Independence of Member Firms
- Collective Strength
- Innovation
- Capital
- Client Advocacy
- Carrier Relationships

M Financial's Total Sales 2000–2009

M's Total Issued Premium

(Including Life Insurance, Annuities, Disability, 401(k), and TOHI®)



Source: M Financial Group

Since 1978, M Financial's sales have grown at a compound annual growth rate of 21%

Member Firm Profile

- Average annual gross revenue > \$2 million
- Focus on high net worth and/or corporate market
- Multiple marketers and seasoned professional staff
- Belief in concept of Firm
- Strong advisor network (attorneys, CPAs)
- Attributes:
 - Entrepreneurial and independent
 - Demonstrated leadership in the industry
 - Relationship focused
 - Applies best practices

Member Firms are Stockholders in M Financial Group

Of Member Firms, By Member Firms, For Member Firms

- M Financial's self-governance structure is consistent with the entrepreneurial spirit of the Member Firms and the shared commitment to independence.
- Member Firms have a structured forum in which they can present business opportunities, develop policies, and resolve grievances.
- There is no other organization in America as large as M Financial where the voice of every Firm can make such a difference.

Independence of Member Firms

- Member Firms are free to select products and services that best meet the needs of their clients.
- Member Firms are focused on high quality business driven by:
 - Superior sustainable policy performance
 - Dedicated service
 - Strong underwriting
 - Financial strength
 - Treatment of inforce

Collective Strength

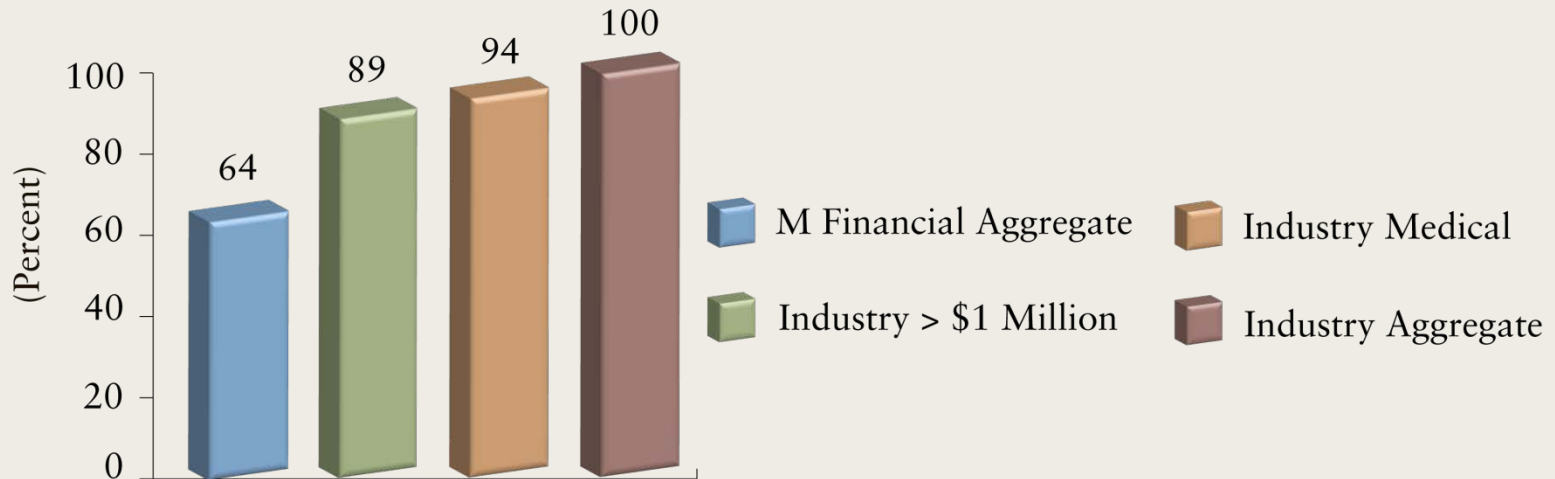
- While there is great value in the independence of Member Firms, clients also benefit from the collective strength, expertise, and influence of M Financial's Member Firms.
- M Member Firms represent the best minds in the industry and collaborate continuously to develop new and innovative ways to better serve their clients; this pool of intellectual capital makes a powerful difference for clients.
- Clients also benefit from M Financial's significant presence in the marketplace.
 - With sales volume growing at 9% a year over the past decade, \$123 billion of face amount inforce, and \$34 billion of cash value, M Financial has the ability to negotiate effectively with Carriers.
 - The aggregation of superior mortality experience facilitates M Financial's successful reinsurance operation and the development of institutionally priced proprietary products.
 - With the focused deployment of capital and leveraging economies of scale, M Financial can efficiently create systems and support tailored to the needs of Member Firms and their clients.

Innovation: M Proprietary Products

- A significant component of M Financial's success.
- Available exclusively through M Member Firms.
- Designed and priced using M Financial's unique persistency, face amount, and mortality experience.
- Deliver access to institutional money managers.
- Inforce performance jointly managed by M Financial and Carriers.
- Reinsured by M Financial Re.

**Member Firms have access to more than 20
proprietary products from six Partner Carriers**

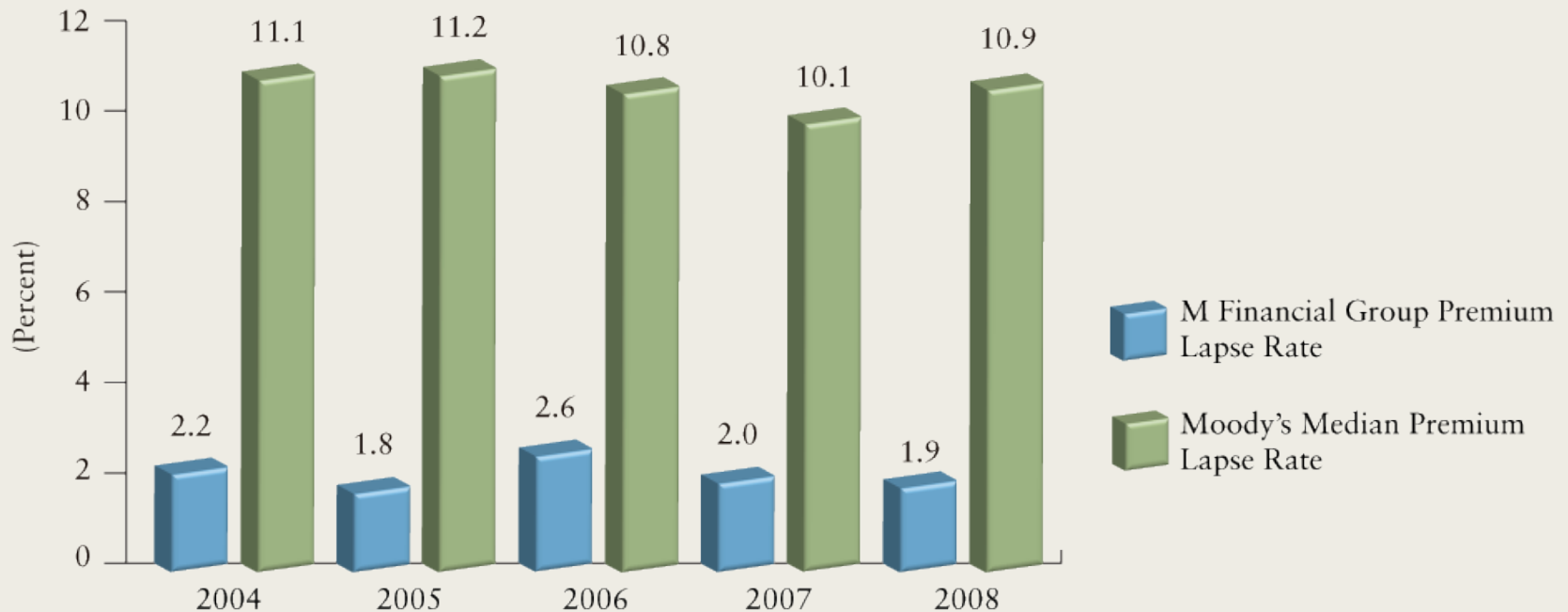
M Financial's Superior Experience is Unparalleled in the Industry: Mortality



Source: Society of Actuaries Individual Life Experience Report (2006) and M Financial Group

M mortality experience, actual death claims, is 28% less than the industry high net worth segment (face amounts greater than \$1 million), which lowers cost of insurance charges for M proprietary life products

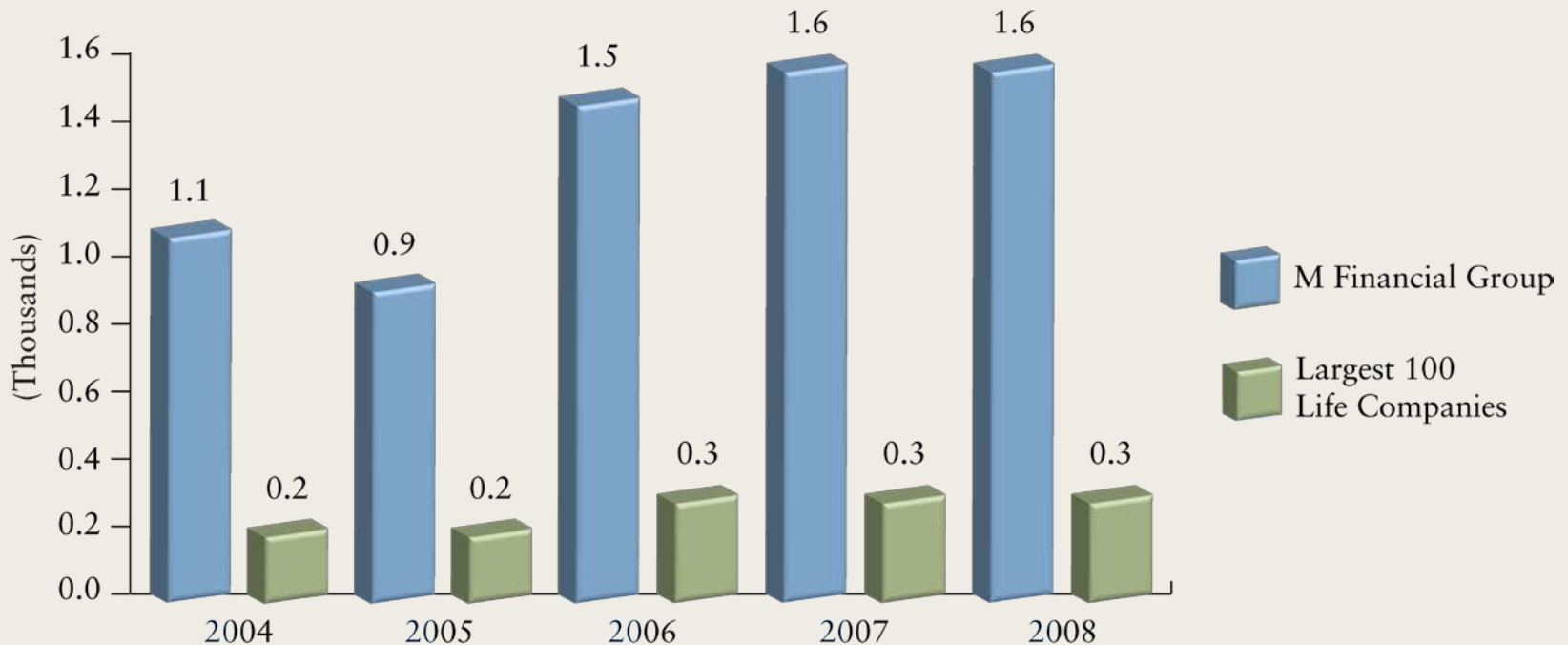
M Financial's Superior Experience is Unparalleled in the Industry: Persistency



Source: Moody's Statistical Handbook for Life & Health (2008) and M Financial Group

M lapse experience, policies that lapse or surrender, is approximately 80% lower than the industry, providing a longer time horizon for M Carriers to recoup initial expenses, which drives lower ongoing policy charges for M proprietary life products

M Financial's Superior Experience is Unparalleled in the Industry: Average Face Amount



Source: Moody's Statistical Handbook for Life & Health (2008) and M Financial Group

M average face amount is more than five times that of the industry, providing economies of scale which lower policy charges for M proprietary life products

Capital: Reinsuring Member Firm Business

- Through M Financial Re, M Financial invests \$50 million a year in the high quality business placed by Member Firms.
- Reinsurance provides access to Carrier pricing assumptions, which allows M Financial to effectively track experience, while monitoring changes in policyholder interests.
- Sharing risk with Carriers also aligns the interests of M Financial and our Carrier Partners, which facilitates the development—and ongoing management—of superior performing products.

Capital: M Financial Re

- Represents \$47 billion of face amount assumed and \$8 billion of cash value assumed.
- M Financial Re's scale— together with our superior mortality, persistency, average face amount, and expense experience— creates significant benefits for Member Firms and their clients.

M Financial is the only distribution system that invests its own capital in the business placed by its Member Firms

“If you wish to prosper, let your customer prosper.”
—Frederick Bastiat, 19th century French economist

- M Financial’s top priority is serving the interests of clients — this commitment guides all our initiatives.
- M Financial’s team of 200 professionals in Portland is dedicated to supporting Member Firms as they serve their clients.
 - The team includes individuals specializing in product development/management, sales support, underwriting, finance, reinsurance, human resources, and communications.
 - Member Firms also have access to the expertise of 12 full-time actuaries.

- M Financial's commitment to Due Care and Inforce Management is unparalleled in the industry.
 - M Due Care is designed to help clients better understand the factors involved in selecting a life insurance policy; more informed decisions lead to more rewarding choices.
 - M Inforce Management is based on the belief that performance and cost should be measured over the life of the policy, not with an initial illustration or first-year premium; this commitment to preserving the effectiveness and efficiency of M proprietary products has resulted in nine repricings for both new and inforce policies.
- Since 1996, an estimated \$57 million of cost reductions have been passed along to Member Firm clients; it is estimated that the future value of these cost reductions will be an additional \$150 million.

Client Advocacy

- M Financial is an active leader in preserving the ability of Member Firm clients to plan for the future with effectiveness and certainty.
 - Twelve Member Firm Principals have served as president of the Association for Advanced Life Underwriting (AALU), the life insurance industry's preeminent advocacy organization; dozens more have served on the AALU Board (including five on the current Board) and various committees.
 - M Financial is the only producer organization that is an active member of the ACLI (American Council of Life Insurers).

Carrier Relationships: Strong Partnerships, Strong Results

- Commitment of senior management
- Differentiated, soundly priced, competitive products
- Equitable treatment of inforce policies
- Dedicated resources
- Open communications
- Reinsurance
- Alignment of strategic direction

Partner Carriers



Sponsor Carriers



LINCOLN BENEFIT LIFE
C O M P A N Y

A MEMBER OF THE ALLSTATE LIFE GROUP

MetLife®

Independence of Member Firms

Collective Strength

Innovation

Capital

Client Advocacy

Carrier Relationships

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