

STRONG • STABLE • SECURE

A look at Mutual of Omaha's strong financial position in this time of economic uncertainty.



Mutual of Omaha



A Message to Our Customers:



In turbulent economic times such as these, it's natural to wonder about the strength of the companies that you have entrusted with your business.

Rest assured that we are strong, stable, secure and more than able to keep our commitments to you, our customers.

Thanks to our focused business strategy, disciplined investment practices, strong commitment to our customers and talented, engaged workforce, we have avoided many of the pitfalls that affected others in our industry.

Mutual of Omaha Insurance Company is a mutual company. That means we are focused on the long-term needs of its policyholders, not the short-term demands of the stock market. We have built a policyholder surplus of more than \$2.2 billion, a figure that represents added security and protection for you.

Our financial strength has been validated by third-party rating agencies, which have examined us repeatedly since the beginning of the country's financial crisis and maintained our strong ratings.

As we begin our 101st year in business, we are committed to providing insurance and financial products that are designed to be a straightforward and affordable way to help customers through the transitions we all face.

The next few pages contain more information about our financial strength. It illustrates that through good times and bad, you can have confidence in Mutual of Omaha.

Sincerely,

A handwritten signature in dark ink that reads "Daniel P. Neary". The signature is fluid and cursive, with a large, stylized 'D' and 'N'.

Daniel P. Neary
Chairman and Chief Executive Officer

Mutual Of Omaha: Strong. Stable. Secure.

It has become known as the “Financial Crisis” and the “Great Recession,” and it has shaken confidence in the strength and stability of our financial system. There’s no doubt that the world is much more financially complicated than it used to be. Now, more than ever, people need more information about the companies they do business with. How strong are they? Will those companies be there when it comes time to pay the promised benefits?

We want to address your questions about our financial condition in a straightforward, objective and understandable way.

As Mutual of Omaha Insurance Company begins its second century in business, you can count on us for the strength, stability and security that’s even more important in these uncertain times. We look forward to working with you for years to come.

By Our Policyholders, For Our Policyholders

As a mutual company, owned by its policyholders, Mutual of Omaha Insurance Company is not driven by the short-term thinking and focus on quarterly results that often characterize publicly traded companies. While there are benefits to both forms of organization, our mutual structure allows the company to ensure that every investment it makes is done with the long-term benefit of our policyholders in mind. In addition, our financial strength and ability to operate and grow is not strongly tied to the ups and downs of the investment markets.

For additional information regarding Mutual of Omaha Insurance Company and its insurance subsidiaries, see page 8.



Strong Capital Position

When the bubble burst, many businesses found themselves in a capital crisis. This erosion of capital, due largely to market declines and losses on risky investments, contributed to the financial crisis.

The capital position of Mutual of Omaha Insurance Company and its insurance subsidiaries (Mutual of Omaha) is quite strong. Thanks to our disciplined balance sheet management and investment strategy as well as our prudent business philosophy, we have avoided drains on our capital. We said, “No, thank you,” to federal bailout monies – we simply did not need it to maintain our financial strength and keep our promises to our customers.

As of Dec. 31, 2009, Mutual of Omaha had more than \$2.2 billion in statutory surplus, a key measure of an insurer’s capital strength. That \$2.2 billion represents financial security for our policyholders and ensures we will have the ability to not just survive, but to thrive in these difficult times.

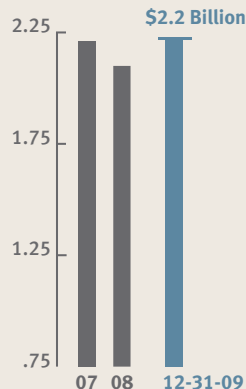
Solid Liquidity

Mutual of Omaha’s liquidity position is solid. This is important in tumultuous times with unpredictable markets. Ensuring the ready availability of funds to meet our obligations and run our business is an important facet of our operating philosophy. Our investments alone generate more than \$1.5 billion in cash flow each year. If necessary, we also have access to committed bank lines of credit. Further, Mutual of Omaha Insurance Company is a stockholder in the Federal Home Loan Bank of Topeka and has access to funds from that bank. This provides assurance that, even in challenging times, Mutual of Omaha will be there to keep its promises.

Statutory Surplus

(In billions of dollars)

Statutory surplus represents additional funds available to meet current and future obligations to policyholders, and is an important indicator of an insurer’s financial strength. With \$2.2 billion as of Dec. 31, 2009, Mutual of Omaha’s statutory surplus is very strong.



Disciplined Investment Strategy

Mutual of Omaha is steadfast in its commitment to a disciplined investment strategy. This discipline has served us well in good times and bad. Our customers trust us to invest their premium dollars wisely. We design, build, monitor and manage a diversified portfolio of carefully selected investments that offer attractive returns, while still maintaining an appropriate level of risk. Here is a snapshot of our investment portfolio and an explanation of some of its key components.

Very Limited Subprime Exposure

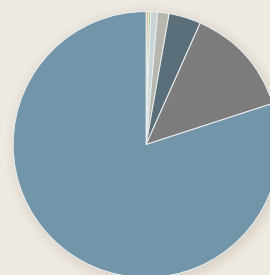
The root cause of the current financial crisis will be widely debated for years to come. However, most of us first recognized the problem when the subprime mortgage market began to crumble. Mutual of Omaha has less than 1 percent of its total adjusted capital exposed to subprime collateral. All of these investments have some form of credit protection and virtually all were purchased prior to 2005, when mortgage underwriting standards were more rigid.

High Quality Bond Portfolio

Most of Mutual of Omaha's portfolio is invested in bonds. Mutual of Omaha's bond portfolio is very strong, with nearly 94 percent rated as highest or high quality by the National Association of Insurance Commissioners (NAIC). We emphasize investments in those asset classes that can most effectively fund our insurance products while providing adequate risk-adjusted returns.

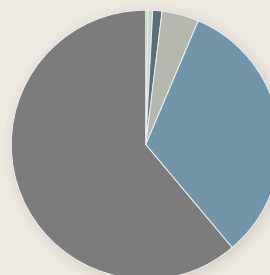
Limited Equity Market Exposure

Recent dramatic swings in the stock market have challenged all investors. Mutual of Omaha has limited exposure to the public equity markets. As a result, the volatility that has characterized the stock market since the financial crisis hit has not had a material impact on our financial position.



Mutual of Omaha and Insurance Subsidiaries
Invested Assets

Bonds	80.0%
Mortgage Loans	13.6%
Limited Partnerships	3.7%
Cash and Short Term	1.5%
Real Estate	0.8%
Preferred Stock	0.2%
Other Invested Assets	0.2%



Mutual of Omaha and Insurance Subsidiaries
Bond Portfolio Quality

NAIC 1 (Highest Quality)	61.3%
NAIC 2 (High Quality)	32.4%
NAIC 3 (Medium Quality)	4.6%
NAIC 4 (Lower Quality)	1.1%
NAIC 5 (Lowest Quality)	0.5%
NAIC 6 (In or Near Default)	0.1%

Highly Rated

Objective, third-party assessments offer a valuable perspective on a company's financial strength. The leading rating agencies validate and reinforce Mutual of Omaha's financial strength. We have consistently earned and maintained high marks from rating agencies like A.M. Best, Standard & Poor's and Moody's Investors Service.

Throughout the financial crisis, Mutual of Omaha's financial strength ratings remained unchanged.

In early 2010, Moody's Investors Service affirmed Mutual of Omaha Insurance Company's Aa3 (Excellent) rating and A.M. Best affirmed its A+ (Superior) rating. As *Forbes* noted in its Oct. 13, 2008, issue, A+ and better companies are best positioned to weather financial storms. The magazine even listed Mutual of Omaha as one of five "wise policies" due to our strong balance sheet and high rating.

Another broadly accepted third-party assessment of a company's financial strength is the Comdex ranking, which compares a company's ratings relative to all companies that have been rated by at least two of the major rating services.

Mutual of Omaha's Comdex ranking is 96 out of 100, meaning that we rank above 96 percent of all companies rated in the insurance industry.

A.M. Best Company

For overall financial strength and ability to meet ongoing obligations to policyholders

A+ (Superior)

This rating is second highest of 16

Moody's Investors Service

For current financial strength and ability to withstand financial stress in the future

Aa3 (Excellent)

This rating is fourth highest of 21

Standard & Poor's

For financial strength to meet obligations to policyholders

AA- (Very Strong)

This rating is fourth highest of 21

Ratings as of 3-15-10

Strong. Stable. Secure.

For a century – through recessions and a Great Depression, through two World Wars, through the Roaring '20s, Psychedelic '60s and Go-Go '80s – Mutual of Omaha has been there to keep our promises to our customers. That will not change. Today, as the nation grapples with new financial realities, Mutual of Omaha is strong, stable, secure and ready to meet your insurance and financial needs.

Meeting Your Needs

Mutual of Omaha offers products and services that provide financial protection to help individuals, families and businesses reach their goals. Our nationwide network of sales offices and representatives are ready to assist you in planning for your future. For more information or to locate an office near you, visit www.mutualofomaha.com

Products and Services for Individuals, Families and Small Businesses

We offer products and services that provide financial protection to help families, individuals and small businesses achieve their financial goals.

Life Insurance

Protect your family from the financial risk associated with death or build wealth to achieve your financial goals.

Medicare Supplement Insurance

Reduce out-of-pocket health care expenses with competitively priced products that work with Medicare plans.

Annuities

Accumulate savings and assets or convert into guaranteed income payments for retirement.

Long-Term Care Insurance

Preserve assets and receive quality care with coverage for home health care, assisted living facilities and nursing homes.

Income Protection Insurance

Protect your most valuable asset – your income – with short-term, long-term and accident disability insurance.

Supplemental Health Insurance

Protection from life's unforeseen events through critical illness, accidental death and cancer insurance.

Investment Products

Registered representatives can help you invest wisely toward your financial goals.



Products and Services for Businesses and Employers

Employee benefit plans play a key role in helping attract and retain a talented workforce. That's why employers look to us for high-quality, comprehensive plans that help them control costs while securing their employees, their families and their futures.

Life Insurance

Protect your employees and their families from the financial risk associated with death.

Disability Insurance

Protect employees' incomes in the event of a disabling accident or illness.

Dental Insurance

Offer your employees comprehensive, affordable coverage backed by a large network.

Voluntary Products

Provide a comprehensive benefits package with voluntary benefits employees can purchase through payroll deduction.

Retirement Services Products

Choose from turnkey employer solutions, with fiduciary support and individually managed account options to protect plan sponsors and help employees save for a financially secure future.

Retirement Income Products

A range of options designed to provide employees and individuals with a steady stream of retirement income.

Institutional Investment Products

Preserve capital with fixed-income investment products, including funding agreements and guaranteed investment contracts.

Special Markets

Special products for specialized needs, including Stop-Loss for Third Party Administrators and Youth Activities/Sports Accident coverage.

Insurance products and services are offered by Mutual of Omaha Insurance Company or one of its affiliates. Each underwriting company is solely responsible for its contractual obligations. Certain benefits or features may not be available in your state. Products may have exclusions and limitations. Please consult a representative for full details. Investment products and advisory services offered through Mutual of Omaha Investor Services, Inc., a broker-dealer and registered investment adviser. Home office: Mutual of Omaha Plaza, Omaha, NE 68175-1020.

Neither Mutual of Omaha Insurance Company, United of Omaha Life Insurance Company, United World Life Insurance Company, nor any of their Medicare supplement insurance policies/certificates, are connected with or endorsed by the U.S. Government or the federal Medicare program.

About Mutual of Omaha

Mutual of Omaha Insurance Company was chartered in 1909 and offers a diversified line of individual and group health and accident insurance products nationwide. A mutual company, its subsidiaries include:

United of Omaha Life Insurance Company was founded in 1926 and offers a diversified portfolio of life insurance, fixed annuities and other insurance and financial services products through Mutual of Omaha's agency sales force, group sales offices and independent agent networks. It is licensed nationwide except for New York.

Companion Life Insurance Company of Hauppauge, NY, offers a full line of individual life, annuity and group life insurance plans to residents of New York, and underwrites special risks coverages in New York. It was founded in 1949.

United World Life Insurance Company offers specialty life plans and health and accident coverage through direct marketing, Mutual of Omaha's agency sales force and independent agent networks. Founded in 1983, it is licensed nationwide except Connecticut and New York.

Mutual of Omaha Investor Services, Inc., is a registered broker-dealer that provides mutual funds directly to consumers through Mutual of Omaha's agency sales force and Retirement Plans Division.

Omaha Financial Holdings, Inc., is a holding company for Mutual of Omaha's banking operations.

Retirement Marketing Solutions, Inc., is a national wholesaling organization specializing in retirement products.

Continuum Worldwide Corporation is a leading provider of Operational Risk Management services and consulting.



