

FAIRNESS OPINION OF INDEPENDENT ACTUARIES, DATED JULY 20, 2005



July 20, 2005

The Board of Directors
The Union Central Life Insurance Company
1876 Waycross Road
Cincinnati, OH 45240

Re: Actuarial Fairness Opinion

STATEMENT OF ACTUARIAL OPINION

Subject of This Opinion

This opinion relates to the fairness to policyholders of The Union Central Life Insurance Company ("Union Central"), from an actuarial point of view, of the proposed conversion of Union Central into a stock insurance company within a mutual holding company structure and the merger of the Union Central Mutual Holding Company with the Ameritas Acacia Mutual Holding Company (the two transactions referred to together in this letter as the "proposed Reorganization"), as described in the "Plan of Reorganization of the Union Central Life Insurance Company" ("Plan"), including the Merger Agreement ("Agreement") which is included as Exhibit B to the Plan, presented to Union Central's Board of Directors for its consideration at a meeting on July 20, 2005. This opinion is substantially similar to the opinion we provided to you on January 28, 2005.

Capitalized terms in this opinion are either defined terms in this opinion or have the same meaning in this opinion as they have in the Agreement.

Qualifications

We, Daniel J. McCarthy and Steven I. Schreiber, are associated with Milliman, Inc., an international consulting firm, and are each a Member of the American Academy of Actuaries, qualified under its Qualification Standards to render the opinion set forth in this letter.

Use of This Letter

This letter is intended for the use of the Board of Directors of Union Central and the officers, staff, and professional advisors of Union Central. In addition, we consent to its use in connection with regulatory filings, hearings, or meetings related to the approval of the proposed Reorganization. Any further distribution requires our advance written consent.

Reliance

In forming the opinion set forth in this letter, we and our colleagues have received, under the supervision of Dale Johnson, Senior Vice President of Union Central, extensive information concerning both Union Central and the Ameritas Acacia group of companies. To the best of our knowledge, we were provided with all the information we required to the extent that it was available or could reasonably be developed. We have made no independent verification of this information, although we have reviewed it where practicable for general reasonableness and internal consistency. We have relied on this information in forming our opinion, and the opinion depends on its substantial accuracy.

Process

Our review is based on the information provided to us by Union Central, our knowledge of Union Central and Ameritas Acacia, and our general knowledge of actuarial concepts as they have customarily been applied to transactions of this type. In addition, to the extent that our opinion depends on quantitative results, we or other Milliman personnel acting under our direction either derived the results personally or reviewed results that were developed by Union Central.

Opinion

In our opinion, the proposed Reorganization is fair to Union Central's policyholders from an actuarial point of view.

Discussion

There is no specific set of criteria by which actuarial fairness to policyholders is judged in a transaction such as that contemplated by the proposed Reorganization. However, in our view, the appropriate criteria for making an assessment as to the actuarial fairness to the Union Central policyholders in this instance include the following:

Question 1: Will the Union Central policyholders be part of an entity that is at least as strong financially (and hence at least as able to fulfill its commitments to policyholders) as is Union Central today?

Question 2: Do the arrangements between the parties provide for the continued reasonable financial treatment of the Union Central policyholders?

If the answers to these questions are each "Yes", then in our view the arrangement is fair from an actuarial point of view.

Our analysis of the above criteria in support of our opinion is as follows:

- a. The Ameritas Acacia Group is a strong organization financially, with financial ratings that are stronger than Union Central's ratings. There is every reason to expect that the merged entity will be stronger from a financial perspective than Union Central on a standalone basis. In addition, the larger base of business in the merged entity has the potential to produce more economical operating costs than those currently experienced by Union Central. Thus, our answer to Question 1 is "Yes".
- b. The Union Central policyholders will become voting members of the merged mutual holding company entity. Further, the Agreement contains provisions to provide for the continued reasonable financial treatment of Union Central's policyholders after the proposed merger, including the following:
 - i. Board of Directors: At the time of the merger, the current Board of Directors of Union Central will continue as the Board of Directors of Union Central. At the time of the Reorganization, Union Central's current Board of Directors will become part of both the Surviving Mutual Holding Company Board of Directors ("MHC Board") and the Intermediate Holding Company Board of Directors ("IHC Board"), each of which will initially include the 11 current Union Central directors and the 14 current Ameritas Acacia directors. Over the six years following the completion of the merger, the total number of directors may be reduced so long as the ratio of 12 Ameritas Acacia MHC Designees (Independent Directors) to 9 Union Central MHC Designees (Independent Directors) is maintained. In addition, the number of Ameritas Acacia MHC Designees serving on the MHC Board shall perpetually exceed the number of Union Central MHC Designees by at least one (1) but by not more than three (3) director(s). While Union Central will not have control of the MHC Board or the IHC Board, various actions of these Boards, as defined in the Agreement, in the proposed MHC By-laws, and in the proposed IHC By-laws, require a supermajority vote (80%), which, in effect, means that more than half of the Union Central MHC Designees on the Boards would need to vote for any change under which a supermajority vote is required. This means that the Union Central Board of Directors will continue to make policy for Union Central and will have significant input into policies developing at the Surviving Mutual Holding Company level and at the Intermediate Holding Company level.
 - ii. Executive Officers: Under the proposed Merger, John H. Jacobs, the current Chairman, President and CEO of Union Central, will retain his responsibilities as Chairman, President and CEO of Union Central but will also become Vice Chairman of the Board of Directors (of both the MHC Board and the IHC Board) and President and Chief Operating Officer of both the Surviving Mutual Holding Company and the Intermediate Holding Company. In addition, the

merger agreement contemplates that Mr. Jacobs will become Chairman of the Board of Directors and Chief Executive-Officer of both the Surviving Mutual Holding Company and the Intermediate Holding Company no later than July 31, 2008. We also understand that Mr. Jacobs, together with Mr. Gary T. Huffman (who is currently Executive Vice President at Union Central and will become an Executive Vice President in both the MHC and IHC) will have primary responsibility for managing the combined entity's Individual Insurance Line and Retirement Plans Line. This means that the Union Central executive management currently responsible for the financial treatment of Union Central's policyholders will continue to play a leading role in the merged entity.

- iii. Assurance of Policyholder Dividends: Participating policyholders of Union Central will continue to have dividends determined by action of the Union Central Board, as is the case pre-merger. In addition, the Plan requires Union Central to establish a "Closed Block" for Union Central's individual dividend-paying individual participating policies in force as of the Effective Time for the exclusive benefit of the Closed Block business. The purpose of the Closed Block is to provide reasonable assurance to holders of policies included in the Closed Block that the 2005 dividend scale in aggregate will be continued in the future if experience underlying such scale continues with appropriate adjustments to reflect any improvement or deterioration in future experience (which is consistent with the treatment dividend-paying participating policyholders have received pre-merger). The reserves related to the Closed Block – policies of approximately \$410 million are expected to constitute approximately 7% of Union Central's total reserves and deposit liabilities as of the Effective Time. There is a substantial amount of participating business excluded from the Closed Block. However, the vast majority of the participating business excluded from the Closed Block is universal life and annuity business for which there are no projected dividends.
- iv. Non-Guaranteed Elements: Under Union Central's current principles and practices with regard to the redetermination of non-guaranteed charges and / or benefits for individual life insurance policies and individual annuity contracts, the Executive Committee of Union Central's Board authorizes the CEO to approve changes in non-guaranteed elements that are consistent with the company's policy. Under the Statement of Operating Principles exhibit of the Agreement, such policy will continue in effect for policies in force at the Effective Time, until such time as it is revised by the Union Central Board of Directors. In addition, the Form of Undertakings likely to be entered into between Union Central and the Ohio Department of Insurance ("ODI") would require, in certain situations as specified in the Form of Undertakings, Union Central obtain approval from the ODI Superintendent before making any changes.
- v. Possible Future Demutualization: While the Parties have no present intent or plan to demutualize UNIFI (the surviving mutual holding company), the Agreement does provide that, in the event of a future demutualization, consideration shall be allocated among Members on a fair and equitable basis, in a manner consistent with Actuarial Standard of Practice No. 37. This requirement affirms the Parties' intent to treat Union Central's policyholders fairly in the event of a future demutualization.

Based on (i), (ii), (iii), (iv), and (v) above, our answer to Question 2 is "Yes".

Yours sincerely,

/s/ Daniel J. McCarthy

Daniel J. McCarthy, F.S.A., M.A.A.A.
Consulting Actuary

/s/ Steven I. Schreiber

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**OPINION OF INDEPENDENT ACTUARIES TO THE CLOSED BLOCK,
DATED JULY 20, 2005**



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July 20, 2005

The Board of Directors
The Union Central Life Insurance Company
1876 Waycross Road
Cincinnati, OH 45240

Re: Actuarial Opinion Related to Union Central's Proposed Closed Block

STATEMENT OF ACTUARIAL OPINION

Subject of This Opinion

This opinion relates to the establishment by The Union Central Life Insurance Company ("Union Central") of a Closed Block, in connection with the proposed conversion of Union Central into a stock insurance company within a mutual holding company structure and the merger of the Union Central Mutual Holding Company with the Ameritas Acacia Mutual Holding Company (the two transactions referred to together in this letter as the "proposed Reorganization"), as described in Article VIII and Exhibit M of the "Plan of Reorganization of the Union Central Life Insurance Company" ("Plan") presented to Union Central's Board of Directors for its consideration at a meeting on July 20, 2005.

Capitalized terms in this opinion are either defined terms in this opinion or have the same meaning in this opinion as they have in the Plan.

Qualifications

We, Daniel J. McCarthy and Steven I. Schreiber, are associated with Milliman, Inc., an international consulting firm, and are each a Member of the American Academy of Actuaries, qualified under its Qualification Standards to render the opinion set forth in this letter.

Use of This Letter

This letter is intended for the use of the Board of Directors of Union Central and the officers, staff, and professional advisors of Union Central. In addition, we consent to its use in connection with regulatory filings, hearings, or meetings related to the approval of the proposed Reorganization. Any further distribution requires our advance written consent.

Reliance

In forming the opinions set forth in this letter, we and our colleagues have received, under the supervision of Dale Johnson, Senior Vice President of Union Central, extensive information concerning Union Central's past and present dividend practices and financial results. To the best of our knowledge, we were provided with all the information we required to the extent that it was available or could reasonably be developed. We have made no independent verification of this information, although we have reviewed it where practicable for general reasonableness and internal consistency. We have relied on this information in forming our opinion, and the opinion depend on its substantial accuracy.

Process

In all cases, we and other Milliman staff acting under our direction, either conducted the analyses on which our opinions rest or reviewed any analyses prepared by the staff of Union Central.

Opinion

In our opinion:

- A. The purpose of the Closed Block, as described in Section 8.1 of the Plan, is appropriate.
- B. The classes of policies included in the Closed Block under the Plan are reasonable and are consistent with the guidance provided in Actuarial Standard of Practice No. 33 ("ASOP 33") – "Actuarial Responsibilities with Respect to Closed Blocks in Mutual Life Insurance Company Conversions."
- C. The use of the 2005 Dividend Scale for determining the funding of the Closed Block is appropriate.
- D. The arrangements for the establishment and operation of the Closed Block as set forth in Article VIII of the Plan (including the Closed Block Memorandum, an Exhibit thereto), make adequate provision for allocating to the Closed Block assets which will be reasonably sufficient to enable the Closed Block to provide for the guaranteed benefits, certain expenses and taxes associated with Closed Block policies, and to provide for the continuation of the 2005 Dividend Scale in aggregate if the experience underlying such scale continues. In our opinion, Article VIII also provides for the appropriate adjustment of the dividend scale if the underlying experience changes from that underlying the 2005 Dividend Scale.

Discussion

Appropriateness of the purpose of the Closed Block. As to (A) above, in considering the appropriateness of the purpose of the proposed Closed Block, we first considered what the legal requirements are for such a mechanism. The Ohio statutes and regulations provide no requirement for a Closed Block, nor any indication of its objective, in connection with the establishment of a mutual holding company or the merger of two mutual holding companies. However, we are aware of the formation of closed blocks in connection with the prior formation of two Ohio-domiciled mutual holding companies, so we conclude that a closed block like the one on which we are opining is not inconsistent with Ohio regulatory practice.

We then considered the purposes of closed blocks as discussed in actuarial literature. ASOP 33 states the following about the objective of a Closed Block: "The objective in establishing the closed block is to preserve the reasonable dividend expectations of each class of policyholders. After the closed block is established, the objective is to manage aggregate dividends so as to exhaust the assets when the last policy terminates, while avoiding the creation of a tontine." In managing the dividend scale after the closed block is formed, ASOP 33 notes that, in addition to the goal of avoiding the creation of a tontine, the actuary responsible for recommending the dividend scale "should be mindful of the guidance found in ASOP No. 15 ... with respect to the allocation of dividends among classes of policies."

ASOP 33 defines "reasonable dividend expectations" as "the expectations that the current dividend scale will be maintained if the experience underlying the current scale continues, and that the dividend scale will be adjusted appropriately if the experience changes."

In addition to ASOP 33, we also considered the Report of the Society of Actuaries Task Force on Mutual Life Insurance Company Conversion and the objectives of other Closed Blocks that have been established in recent years (including two Closed Blocks formed by other companies domiciled in Ohio).

Our opinion that the purpose of Union Central's proposed Closed Block is appropriate is based on its consistency with ASOP 33, its consistency with the Report of the Society of Actuaries Task Force on Mutual Life Insurance Company Conversion, and its consistency with the objectives of other Closed Blocks that have been established in recent years.

Appropriateness of policies included in the Closed Block. As to (B) above, the Plan provides that certain classes of policies in force on the Closed Block Funding Date, or on any date between that date and the Plan Effective Time, will be included in the Closed Block. The policies so provided include individual life insurance policies in classes for which Union Central has a

dividend scale payable in 2005 and other classes described in Schedule I of the Closed Block Memorandum. Nominally-participating policies for which there is no expectation of dividends being paid are not included in the Closed Block. Given that this is consistent with the purpose of the Closed Block, which is to provide assurance as to the future dividend treatment of dividend-paying policies, we find that the classes of policies included in the Closed Block to be reasonable. In addition, we find that the inclusion of such policies in the Closed Block is consistent with the guidance provided in ASOP 33.

Certain small classes of dividend-paying deferred annuities and supplementary contracts as defined in the Closed Block Memorandum are not included in the Closed Block for administrative reasons. This is similar to other conversions, where, for administrative reasons, alternative protection has been provided to small classes of dividend-paying contracts and policies outside of the closed block. Union Central's Plan does provide reasonable assurances as to the continuation of the current dividend practices in the future for such contracts. These assurances are an appropriate way in which to deal with such special classes of policies.

Appropriateness of establishing the Closed Block based on the 2005 Dividend Scale. As to (C) above, Union Central has chosen to fund the Closed Block based on the 2005 Dividend Scale. ASOP 33 suggests that the "current dividend scale" is the scale to be funded, but does not define "current." However, the approach that has been used in all major reorganizations of mutual life insurance companies into stock insurance companies in the U.S., where a closed block has been formed at the time of conversion, is to fund the closed block based on the dividend scale in effect in the year the conversion plan is adopted by the company's board of directors. This approach is most consistent with the purpose of the closed block — to protect the reasonable dividend expectations of policyholders. We find the use of the dividend scale in effect in the year that Union Central adopts its Plan of Reorganization to be appropriate.

Appropriateness of the arrangements for the establishment and operation of the Closed Block. As to (D) above, the Closed Block Memorandum describes the process by which the initial provisional amount of assets allocated to the Closed Block has been determined based on assets and liabilities as of September 30, 2004. The Closed Block Memorandum also describes the process for allocating assets to the Closed Block as of the Closed Block Funding Date, July 1, 2005. The process has three essential steps:

1. Defining the elements that constitute the experience underlying the 2005 Dividend Scale.
2. Defining the projection process used, in conjunction with (1), to determine the cash flow requirements of the Closed Block for each year of its projected future existence.
3. Selecting assets whose cash flows, when taken in conjunction with anticipated future reinvestment of available Closed Block cash flows, will provide funds to meet the cash requirements of the Closed Block.

We find that the elements of experience underlying the 2005 Dividend Scale have been determined correctly, that the process is consistent with normal actuarial techniques for determining cash flow requirements, and that, based on initial estimates using actual assets held as of September 30, 2004, it will be possible to select assets in the required amount and with the required characteristics.

We also find that the criteria set forth in Article VIII for modifying the dividend scale if the experience changes are such that, if followed, the Closed Block Business will be treated in a manner consistent with Union Central's current dividend practices. In connection with this finding, we have noted that the Plan requires Union Central, by December 31, 2008 and by December 31 of each fifth year thereafter, to retain an independent consulting actuary to review the operation of the Closed Block and dividend determinations and to report his or her findings to the Board and to the Superintendent of the Ohio Department of Insurance. The presence of this requirement helps to assure that Closed Block operations, in general, and dividend scale changes, in particular, are consistent with the purpose of the Closed Block.

Finally, we note that the funding and operation of the Closed Block as set forth in Article VIII and in the Closed Block Memorandum are consistent with current actuarial practice as set forth in ASOP 33.

Further opinion to be provided prior to Effective Time. Insofar as this Opinion Letter relates to the funding of the Closed Block, it relates to the methods and assumptions to be used in establishing the funding, not to the amount of funding itself. The Closed Block Funding Date was July 1, 2005, but it will be some months thereafter before the actual amount of required funding is determined and verified. When that process is completed, the amount of assets initially determined and allocated to

the Closed Block on July 1, 2005, will be updated to the actual amount required. At that time, we will provide to you an additional Opinion Letter, discussing whether the funding has been completed in accordance with the Plan, and indicating the actual amount of Closed Block funding that has been established.

We will also provide an opinion with regard to the Funding Adjustment Charges for new policies issued after the Closed Block Funding Date but before the Effective Time. These charges against the Closed Block are amounts that would not be necessary to fund for if the business were already in force on the Closed Block Funding Date.

Yours sincerely,

/s/ Daniel J. McCarthy

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Consulting Actuary

/s/ Steven I. Schreiber

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