EXHIBIT 1

UnionCentral

YOUR VOTE IS IMPORTANT
YOU MAY VOTE BY
INTERNET / TELEPHONE / MAIL
24 HOURS A DAY / 7 DAYS A WEEK

'lease read the enclosed Policyholder Information Booklet, Exhibits to the Policyholder Information Booklet, and Questions and ınswers to learn more about the Proposal (set forth below). Union Central Policyholders who are eligible to vote can vote **"FOR"** r **"AGAINST"** the Proposal in any of the following ways:

Mail: by completing the proxy card below and returning it ia mail in the postage-paid return envelope provided. If ıere is more than one policyholder, then all policyholders ıust sign this proxy card.

OR

Internet: by going to https://www.dfking.com/unioncentral and following the instructions that appear on your computer screen. Your Internet vote authorizes the named proxies to vote in the same manner as if you marked, signed and returned the proxy card.

Telephone: by calling 1-800-318-2767 and following the ecorded instructions. Your telephone vote authorizes the amed proxies to vote in the same manner as if you ıarked, signed and returned the proxy card.

OR

In person: by attending the Special Meeting of Union Central Policyholders to be held at 10:00 a.m. Eastern Time, on September 1, 2005, at Union Central's home office located at 1876 Waycross Road, Cincinnati, Ohio 45240.

If you are voting by proxy and the envelope is damaged or missing, please mail your proxy to: D.F. King & Co, Inc., Wall Street Station, P.O. Box 1163, New York, NY 10269-0070. If you have submitted your proxy by telephone or the Internet, or plan to attend and vote in person at the special meeting, there is no need for you to mail your proxy card.

▼ **DETACH PROXY CARD HERE IF YOU ARE NOT VOTING BY TELEPHONE, INTERNET OR IN PERSON** ▼

UnionCentral

Please Vote, Sign, Date and Return Promptly in the Enclosed Envelope.

[X]

Votes MUST be indicated (x) in black or blue ink.

'roposal:

To approve the Plan of Reorganization of The Union Central Life Insurance Company ("Union Central") pursuant to the provisions of Sections 3913.25 ırough 3913.38 of the Ohio Revised Code and the transactions contemplated thereby, including the formation of Union Central Mutual Holding Company 'UCMHC") as a mutual insurance holding company, the conversion of Union Central from an Ohio mutual life insurance company to an Ohio stock life insurance company, which will become a wholly-owned subsidiary of UCMHC, the adoption of the Amended and Restated Articles of ıcorporation and Code of Regulations of Union Central as a stock life insurance company, the merger of UCMHC with and into Ameritas Acacia Mutual lolding Company (which will be renamed UNIFI Mutual Holding Company) and the designation of the Union Central designees to initially serve as irectors of UNIFI Mutual Holding Company and their initial terms of office, all as more fully described in the accompanying Policyholder Information Booklet.

☐ **FOR THE PROPOSAL** ☐ **AGAINST THE PROPOSAL**

SIGNATURE OF POLICYHOLDER

DATE SIGNED

SIGNATURE OF CO-OWNER(S) (if applicable)

DATE SIGNED

(Please see the back of this card for additional information regarding your (i) appointment of persons to vote on your behalf in the manner you indicate on this proxy card and (ii) right to withhold your authority to vote for approval of one or more of the designated UNIFI directors.)

[Reverse side of card]

I hereby constitute and appoint Michael S. Cambron, Richard H. Finan and John H. Jacobs, and each of them individually, to be my proxies, with full power of substitution, at the special meeting of Policyholders of The Union Central Life Insurance Company to be held on September 1, 2005, and all adjournments thereof, to vote on my behalf on the Proposal set forth on the opposite side of this card and described in the Notice of Special Meeting of Union Central Policyholders, dated July 21, 2005, in accordance with the direction set forth on the opposite side of this card.

To withhold authority to vote for one or more of the Union Central designees to the Board of Directors of the UNIFI Mutual Holding Company (such designees are identified in the Policyholder Information Booklet under the caption "Initial UNIFI Board of Directors" at page 53), write the name or names of such designees below:

_____ _____

_____ _____

The Union Central Life Insurance Company
1876 Waycross Road
Cincinnati, OH 45240
(800) 825 1551

Insurance and Investments

July 21, 2005

Dear Union Central Policyholder:

We are pleased to present for your consideration our proposal, which has been unanimously approved by our Board of Directors, that The Union Central Life Insurance Company ("Union Central") become part of what will become the UNIFI Mutual Holding Company ("UNIFI") group that now consists of Ameritas Acacia Mutual Holding Company ("Ameritas Acacia") and its subsidiaries. You are cordially invited to attend a special meeting (the "Special Meeting") of policyholders of Union Central (the "Union Central Policyholders") which will be held on **September 1, 2005, commencing at 10:00 a.m. Eastern Time, at Union Central's home office, 1876 Waycross Road, Cincinnati, Ohio 45240**. At the Special Meeting, Union Central Policyholders will be asked to vote on a proposal relating to a Plan of Reorganization (the "Plan") under which Union Central, an Ohio mutual life insurance company, will convert to an Ohio stock life insurance company subsidiary of a new Ohio mutual insurance holding company (the "Conversion"), which holding company will thereafter be immediately merged with and into Ameritas Acacia, a Nebraska mutual insurance holding company (the "Merger" and, together with the Conversion, the "Reorganization"). Upon consummation of the Reorganization, Ameritas Acacia will change its name to UNIFI Mutual Holding Company and Union Central will be an indirect subsidiary of UNIFI.

For the proposed transaction to proceed, we need to obtain the approval of at least a majority of eligible Union Central Policyholders who vote on the proposal (as further described in the enclosed Policyholder Information Booklet). Effectiveness of the Reorganization is also subject to a number of conditions, including approval by the Superintendent of Insurance for the State of Ohio (the "Ohio Superintendent"), approval by the Nebraska Director of Insurance, which has occurred, and approval of the Merger by the members of Ameritas Acacia. The Ohio Superintendent has scheduled a hearing on this matter for Tuesday, September 27, 2005, as described in the hearing notice in the enclosed Policyholder Information Booklet.

The Reorganization will not reduce the benefits, values, guarantees or other terms of your Union Central policies or contracts and it will not change your premium. Also, policy dividends will continue to be paid as declared by the Board of Directors of Union Central (the "Union Central Board") in accordance with the same principles and policies in place prior to the Reorganization. The Reorganization will extinguish your interest as a member of Union Central, but you will receive a membership interest in UNIFI in exchange. The Reorganization, Union Central and Ameritas Acacia are all described more fully in the Questions and Answers that follow and in the enclosed Policyholder Information Booklet, and related Exhibit Volume, which we urge you to read carefully.

The Union Central Board has unanimously approved and adopted the Plan. The Union Central Board believes that the Plan is fair and equitable to the Union Central Policyholders and that the interests of the Union Central Policyholders are properly protected.

The Union Central Board recommends that you vote "FOR" the proposal relating to the Reorganization, which proposal is set forth in the Policyholder Information Booklet under the heading "Special Meeting."

Because of the significance of the Reorganization to the future of Union Central, your participation at the Special Meeting is especially important. You may attend the Special Meeting in person or submit your vote by proxy in any of the following ways: returning the enclosed proxy card, voting by Internet or voting by telephone. For more details on how to vote, please see the attached Questions and Answers and voting instructions included in the proxy card. For the Plan to be approved, we must have the support of a majority of the votes cast by eligible Union Central Policyholders voting in person or by proxy at the Special Meeting.

If you do not plan to vote in person at the Special Meeting, it is important that you vote by proxy or by phone or Internet. Instructions on how to vote by phone or Internet are included on the enclosed proxy card. Proxies sent by mail must be received by 5:00 p.m., Eastern Time, on August 31, 2005. Your prompt cooperation will be greatly appreciated.

If you have any questions or need assistance, please call our Reorganization Information Line at 1-800-315-9781.

We value the confidence you have placed in Union Central, and we look forward to continuing to serve your financial needs in the future.

Sincerely,

John H. Jacobs

John H. Jacobs
Chairman, President and Chief Executive Officer

Securities products offered through Carillon Investments, Inc., a subsidiary of The Union Central Life Insurance Company, 1876 Waycross Road, Cincinnati, Ohio 45240. (800) 999-1840.

This package includes important information relating to the proposed reorganization of The Union Central Life Insurance Company ("Union Central"). Union Central is soliciting your vote in connection with the proposed reorganization. Please read the following items carefully before voting:

- **Proxy Card (with Voting Instructions)**
- **Union Central President's Letter**
- **Questions and Answers**
- **Policyholder Information Booklet**
- **Exhibit Volume to the Policyholder Information Booklet**
  Please read the Exhibit Volume of the Policyholder Information Booklet for financial statements and other detailed information about Union Central, Ameritas Acacia and their operations, as well as other information relating to the proposed reorganization.
- **Postage-Paid Return Envelope**

If you have any questions or need help in completing your proxy card, please call our toll-free Reorganization Information Line for Union Central policyholders at 1-800-315-9781.

QUESTIONS AND ANSWERS

The following are intended to be brief answers to frequently asked questions. For more information, please consult the Policyholder Information Booklet included in these materials.

The Proposed Reorganization

What are the steps in the proposed Reorganization?

The reorganization has two main components: the Conversion (as defined below) of The Union Central Life Insurance Company ("Union Central") and the Merger (as defined below) (collectively, the Conversion and the Merger are referred to as the "Reorganization"). Policyholders of Union Central ("Union Central Policyholders") are being asked to vote on Union Central's plan of reorganization (the "Plan") in its entirety. The Conversion will result in Union Central being converted into an Ohio stock insurance company wholly-owned by a newly formed Ohio mutual insurance holding company to which we refer to herein as "UCMHC" (the "Conversion"). UCMHC will, immediately after the Conversion, merge with Ameritas Acacia Mutual Holding Company ("Ameritas Acacia"), a Nebraska mutual insurance holding company, in accordance with the Merger Agreement (the "Merger"). After the Merger, Ameritas Acacia, the surviving entity in the Merger, will change its name to UNIFI Mutual Holding Company ("UNIFI") and Union Central will be an indirect subsidiary of UNIFI, a Nebraska mutual insurance holding company.

What is a mutual insurance holding company?

Union Central is currently a mutual insurance company. A mutual insurance company does not have any stockholders and is owned by policyholders/members. This means its policyholders/members, such as you, essentially have two interests in Union Central: (1) a policyholder interest, as a holder of an insurance policy or annuity issued by Union Central, and (2) a membership interest. Among other things, the policyholder interest entitles you to insurance coverage or annuity payments provided by Union Central and any dividends declared on your insurance policy or annuity. The membership interest, among other things, entitles you to vote at the annual meetings (assuming you satisfy certain criteria) and on extraordinary transactions (such as this one) and to a share of any surplus in Union Central if it is liquidated or otherwise dissolved, and the right to receive a payment in the form of stock, cash, policy credits or other consideration if Union Central were ever to convert to an investor-owned stock company (a process known as "demutualization").

A mutual insurance holding company, such as UNIFI, is a form of organization permitted by the insurance laws of certain states, including Ohio and Nebraska. When a mutual insurance company converts to a mutual insurance holding company structure, several things occur: (1) the mutual insurer becomes a stock insurance company subsidiary of the mutual holding company; (2) the insurance policies and annuities issued by the mutual insurance company remain obligations of the stock insurance company subsidiary, unaffected by the conversion; and (3) the membership and ownership interests of the policyholders move from the former mutual insurance company to the mutual insurance holding company. The members of the mutual insurance holding company have the right to vote at any meeting of its members and the right to receive a portion of the surplus if the mutual insurance holding company is ever liquidated or otherwise dissolved, and the right to receive a payment in the form of stock, cash, policy credits or other consideration if the mutual insurance holding company demutualizes.

Why is Union Central changing to a mutual insurance holding company structure?

The only reason for changing to a mutual insurance holding company structure at this time is to facilitate the Merger with Ameritas Acacia, which is already organized as a mutual insurance holding company.

Who is Ameritas Acacia?

Ameritas Acacia is a Nebraska mutual insurance holding company that was formed on January 1, 1999, as a result of the merger of Acacia Mutual Holding Company into Ameritas Mutual Insurance Holding Company. Ameritas Acacia owns 100% of Ameritas Holding Company, an intermediate holding company that, in turn, owns 100% of the stock of both Ameritas Life Insurance Corp. ("Ameritas Life") and Acacia Life Insurance Company ("Acacia Life"). Ameritas Life and its subsidiaries provide a broad range of individual life and annuity products for individuals and businesses. Principal products include term life, variable life and annuity contracts and a low load series of universal and variable life and variable annuity products. Ameritas Life is known for its group dental and eyecare products and services. Group dental products include trust plans; tailored indemnity programs; and high quality and competitively priced programs in a participating provider panel setting. Ameritas Life, together with its subsidiaries, maintains in excess of $5.5 billion in consolidated assets and equity in excess of $839 million as of December 31, 2004. Acacia Life owns all of the outstanding stock of the Acacia Financial Corporation, a holding company that owns all of the stock of various other subsidiaries. These include The Calvert Group, Ltd., a wholly-owned

subsidiary of Acacia Financial Corporation, which, through its subsidiaries, and affiliates, offers a broad range of investment products and services, including the nation's largest family of socially responsible mutual funds. Acacia Life, together with its subsidiaries, maintains in excess of $2.6 billion in consolidated assets and equity in excess of $359 million as of December 31, 2004.

What are the main reasons for the Reorganization and some of its advantages?

The main reasons for the Reorganization from Union Central's perspective are to seek to strengthen Union Central and position it for future growth through a combination with Ameritas Acacia (thereby forming UNIFI) while, at the same time, preserving the separate existence of Union Central within the UNIFI group of companies and extending Union Central's successful operating strategy, referred to as "One Company Marketing," to UNIFI, as appropriate.

The most significant potential advantages of the Reorganization include:

Being part of an organization with stronger combined financial resources and broader product offerings and distribution channels is anticipated to result in an improvement in Union Central's financial strength ratings after the Reorganization;

Union Central, Ameritas Life, and Acacia Life, while operating as separate insurance company subsidiaries of UNIFI, will seek to grow by combining and building upon highly complementary products and distribution channels, including increasing market penetration of existing and new customers through Union Central's One Company Marketing, all of which is expected to lead to an improvement in revenue growth at all three insurance companies; and

The Board of Directors of Union Central (the "Union Central Board") believes that the Reorganization will enable Union Central, once it is part of UNIFI, to reduce operating expenses and enhance its operating margins through a more efficient utilization of the combined assets, management and personnel of Union Central, Ameritas Life and Acacia Life.

What are the most significant potential disadvantages of the Reorganization?

Union Central is not demutualizing. Therefore, Union Central Policyholders will not receive any distribution of cash, securities, policy credits or other value at the time of the Reorganization. In addition, after the Reorganization there can be no assurances that members of UNIFI would ever be paid a dividend or distribution in respect of their membership interest in UNIFI (which is a different kind of dividend than policy dividends), unless and until UNIFI were to liquidate, dissolve or demutualize. UNIFI has no current plans or intentions to liquidate, dissolve or demutualize in the future and, consequently, Union Central Policyholders should not expect any dividend or distribution in respect of their UNIFI membership interests.

After the Reorganization, Union Central Policyholders will no longer hold direct ownership interests in Union Central. UNIFI and Ameritas Holding Company ("AHC"), an intermediate holding company that will own all of the stock of Union Central, are both holding companies with no direct operations of their own. If one or more of the UNIFI operating companies were to pay dividends to AHC, AHC could, but would not be required to, pay dividends to its stockholders, including UNIFI. Moreover, UNIFI would not be obligated to declare and pay any such dividends it receives from AHC to members of UNIFI ("UNIFI Members"). If AHC issues common stock to third parties, in a public offering or otherwise, such third party stockholders would also be entitled to a portion of any dividends that AHC declares and pays on its common stock, reducing the proportion available to pay to UNIFI or its members. In addition, in certain circumstances, the interests of a mutual insurance holding company (such as UNIFI) and its members could conflict with the interests of the other stockholders of the intermediate holding company (such as AHC). For example, policyholders have an interest in receiving insurance at low cost in the tradition of a mutual insurance company while the intermediate holding company stockholders would have an interest in receiving a high return on their investment. These conflicts of interests could affect business decisions of the intermediate holding company board of directors, which must balance these potentially divergent interests of policyholders and stockholders (and stockholders could in the future include directors, officers, employees and agents of the stock life insurance company, as well as policyholders if they buy stock through subscription rights in an initial public offering of the intermediate holding company or otherwise).

Presently, Union Central Policyholders elect all of the members of the Union Central Board. After the Reorganization, existing and future Union Central Policyholders will only comprise a portion of the larger group of the members of UNIFI (the "UNIFI Members"), which will also include the existing and future Ameritas Life and Acacia Life policyholders. Thus, the voting power of Union Central Policyholders with respect to the election of directors of UNIFI and other matters requiring a vote of UNIFI Members will be shared with the existing and future policyholders of Ameritas Life and Acacia Life who are also UNIFI Members.

During the six-year period following the Merger, the Union Central designees to the Board of AHC (the "AHC Board"), the immediate parent corporation of Union Central, will elect the directors of Union Central. Thereafter, the entire AHC Board will elect the Union Central Board.

The anticipated advantages of the Reorganization may not be realized. In November 2004, Standard & Poor's downgraded the financial strength ratings of Ameritas Life and Acacia Life. If UNIFI is not successful in realizing the anticipated benefits of the Reorganization, it is possible that UNIFI's subsidiaries could become less profitable than they have been historically, which could adversely affect their financial strength ratings, their ability to compete and the interests of UNIFI Members. These advantages could fail to be achieved for a variety of reasons. For example, UNIFI's operating strategies or those of its subsidiaries may not lead to improved revenue growth and profitability, or the operations of Union Central and Ameritas Acacia may not be integrated as effectively, or as promptly, as anticipated.

Will the Reorganization affect my policy?

No. The terms and provisions of the policies held by Union Central Policyholders will not be changed as a result of the Reorganization. In addition, the guaranteed benefits and values, and the contractual rights of Union Central Policyholders, as described in their policies, will not be reduced or altered in any way as a result of the Reorganization, and the premiums required to be paid as specified in the policies will not be increased or otherwise changed as a result of the Reorganization.

Will the Reorganization affect my policy dividends?

No. Union Central's dividend practices will not be changed by reason of the Reorganization, although, as always, policy dividends may vary from year to year and future changes in dividend practices may occur in response to future events or circumstances. Holders of certain dividend-paying policies issued by Union Central will also have the protection of the "Closed Block".

What is the Closed Block?

The Closed Block consists of identifiable assets and cash flows agreed by Union Central and the Superintendent of Insurance of the State of Ohio (the "Ohio Superintendent") to be designated for the benefit of the holders of Closed Block policies, and is designed to maintain those Union Central Policyholders' reasonable policy dividend expectations. The Closed Block mechanism does not guarantee that policy dividends will continue according to the expected dividend scale or at all nor does it create an absolute ceiling on policy dividends. In the event of an insolvency of Union Central, the assets in the Closed Block would not be available exclusively to Union Central Policyholders included in the Closed Block.

Will I receive any cash, stock, policy credits or other value as part of the Reorganization?

No. You will not receive any cash, stock, policy credits or other value in the Reorganization. Your membership interest in Union Central will be converted to a membership interest in UNIFI. As is true now, such membership interest will not be transferable, other than in connection with an assignment of your policy.

What role does the New York State Insurance Department have in the proposed Reorganization, including the conversion of Union Central to a stock insurance company using a mutual holding company structure?

Because Union Central is licensed as an insurer in New York, the Superintendent of the State of New York (the "New York Superintendent") has a statutory duty to notify the Ohio Superintendent and Union Central upon a determination that the Plan is not fair or equitable to New York policyholders, the reasons for such determination and any requirements the New York Superintendent finds necessary for the protection of current New York policyholders in order to permit Union Central to continue to do business in New York after the Reorganization. Approximately 14% of Union Central Policyholders are New York policyholders.

New York law does not permit a New York domestic mutual insurance company to convert to a stock insurance company using a mutual insurance holding company structure as in this transaction. Under New York law, a domestic mutual life insurance company may only convert to a stock company through a demutualization and the distribution of consideration to policyholders. Demutualization is also a permissible option for conversion under Ohio law. However, the use of a mutual insurance holding company structure to effect the Conversion and Reorganization is permitted by the law of Ohio, which is Union Central's state of domicile. Due to the use of the mutual insurance holding company structure, the policyholders of Union Central will not presently receive any distribution of cash, stock, policy credits or other value as a result of the Conversion, as they would in a demutualization. There is no present reason to believe that the Union Central policyholders will receive any such consideration in the future.

Union Central has included in the Policyholder Information Booklet disclosure of the alternatives to the use of a mutual insurance holding company structure to effect the Conversion and Reorganization of Union Central, including a description of those alternatives considered by the Union Central Board. An important distinction between a demutualization and a conversion to a mutual holding company structure is that in a mutual holding company structure, there is no payment of the kind of consideration typically paid in a demutualization to policyholders in exchange for their membership interests such as cash, stock or policy credits. You should carefully consider this in your analysis of the proposed Reorganization.

What will be the material federal income tax consequences of the Reorganization to the Union Central policyholders?

Union Central Policyholders will not recognize gain or loss on the exchange of their membership interests in Union Central for membership interests in UNIFI as a result of the Reorganization. The Reorganization will not cause any Union Central policy to be treated as newly issued, and it will not adversely affect any Union Central policy that is an individual retirement annuity, tax sheltered annuity or that is held as part of a tax-qualified retirement funding arrangement. The Conversion of Union Central to a stock life insurance company will constitute a tax-free reorganization within the meaning of Section 368 of the Internal Revenue Code.

Circular 230 Disclosure

The question and answer set forth above is not intended or written to be used, and it cannot be used, by any Union Central Policyholder for the purpose of avoiding penalties under the Internal Revenue Code. These questions and answers were written to support the promotion or marketing of the Reorganization. The Union Central Policyholder should seek advice based on the Union Central Policyholder's particular circumstance from an independent tax advisor. Federal Income Tax Regulations taking effect June 20, 2005 require the foregoing disclosure to accompany a summary of tax consequences such as the one set forth in these Questions and Answers.

Who will control UNIFI after the Reorganization?

The Members of UNIFI will control UNIFI in the sense that such UNIFI Members will elect the Board of Directors of UNIFI (the "UNIFI Board") standing for election beginning in 2006 and vote on certain other matters as provided by law. The members of UNIFI will include the current and future policyholders of Ameritas Life and Acacia Life and the current and future policyholders of Union Central. It is estimated that the Union Central Policyholders would comprise approximately 57% of the voting members of UNIFI if the Merger had been consummated on June 15, 2005, resulting in substantial dilution in the voting power of Union Central Policyholders.

At the effective time of the Merger, the UNIFI Board will be comprised of 25 directors consisting of a total of 14 Ameritas Acacia designees and 11 Union Central designees. The UNIFI Board will be "classified" into three separate classes of directors. This means that, at any given annual meeting of the members of UNIFI, only approximately one-third of the directors will stand for election.

Who will elect the Union Central Board after the Reorganization?

Union Central designees to the AHC Board (initially, 11 persons currently serving as Union Central directors) will, for a period of six years after the Merger, elect all of the directors of Union Central. Thereafter, AHC, as the sole shareholder of Union Central, will elect the Union Central Board.

How will the Reorganization affect the management of Union Central?

Union Central will be a subsidiary of AHC and, therefore, will be controlled by the AHC Board. The current senior officers of Union Central will remain as senior officers of Union Central, serving at the pleasure of the Union Central Board, which will be controlled by AHC, as provided above.

In addition, UNIFI and AHC have agreed to cause John H. Jacobs, the current Chairman and Chief Executive Officer of Union Central, to be elected and appointed as Chairman of the Board of Directors and Chief Executive Officer of both UNIFI and AHC to immediately succeed Lawrence J. Arth (the current Chairman of the Board of Directors and Chief Executive Officer of Ameritas Acacia), such election and appointment to occur no later than July 31, 2008. Immediately after the Merger, John H. Jacobs will become the Vice-Chairman, President and Chief Operating Officer of UNIFI and AHC (with Lawrence J. Arth serving as Chairman and Chief Executive Officer). Gary Huffman, Union Central's Executive Vice President in charge of Union Central's One Company Marketing, will become the senior executive of UNIFI responsible for all individual insurance operations, which is intended to promote implementation of Union Central's One Company Marketing across all of the UNIFI companies.

Will I have the same sales representative after the Reorganization?

Yes.

Will I be able to buy stock in AHC in the event of a future public offering?

Although there is no present intention to do so, AHC could conduct a public offering (referred to herein as an "IPO") of its shares of authorized capital stock representing less than a majority of its voting securities. An IPO does not create a value realization event for UNIFI Members, including the Union Central Policyholders. In the event AHC elects to conduct an IPO, UNIFI Members will, however, be offered the opportunity to purchase shares of common stock of AHC on price and other terms at least as favorable as those offered to the public in the IPO. This opportunity to participate in an IPO is not transferable and does not have any appreciable independent value, other than the right to acquire the IPO stock, which would require an investment of cash by the holder of the right. Any IPO or other offering of capital stock by AHC will require the approval of the Ohio Superintendent and the Nebraska Director of Insurance.

When do you expect the Reorganization to be completed?

On or before December 31, 2005.

Who gets to vote on the Reorganization?

Only those Union Central Policyholders who, on the basis of the records of Union Central, meet the eligibility requirements under the Ohio Revised Code and the Articles of Incorporation and Code of Regulations of Union Central, are eligible to vote at the Special Meeting of the Union Central Policyholders (the "Special Meeting"). These eligibility requirements are as follows:

- the Union Central Policyholder is the owner of a life or disability insurance policy with a coverage (or annual benefit in the case of a disability policy) of at least $1,000; or
- the Union Central Policyholder is the owner of an annuity contract (or a certificate holder of certain group retirement annuity contracts) or pure endowment contract that requires the payment of $100 or more annually; and
- in either case, the insurance policy or annuity contract is in force and has been in force since August 31, 2004.

I own more than one policy. How many votes do I get?

One vote. Each Union Central Policyholder entitled to vote at the Special Meeting shall have one vote irrespective of the number of policies or contracts held by such policyholder. In the case of group insurance master policies and group annuities (other than certificate holders of certain group retirement annuities), the employer, rather than the individual holders of the certificates issued under such master policies or group annuities, shall be entitled to one vote regardless of the number of master policies or group annuities held by the employer, unless the employer holds policies in more than one capacity.

How do I vote?

For all Union Central Policyholders who are eligible to vote, a proxy exclusively for use at the Special Meeting is included with this mailing. The proxy serves as a ballot for Union Central Policyholders to vote **FOR** or **AGAINST** the Proposal (as defined in the Policyholder Information Booklet and in the proxy card). Union Central Policyholders who are eligible to vote may use the proxy card if they do not attend the Special Meeting in person or if they wish to vote by proxy even if they attend the Special Meeting. A proxy that is properly signed and received by Union Central prior to closing of the voting at the Special Meeting will be voted at the Special Meeting in accordance with the instructions thereon, unless properly revoked prior to such vote. In addition to voting by proxy or in person, you can also vote by telephone by calling 1-800-318-2767 and following the recorded instructions, or vote by Internet by going to https://www.dfking.com/unioncentral and following the instructions that appear on your computer screen. Your telephone or Internet vote authorizes the named proxies to vote in the same manner as if you marked, signed and returned the proxy card.

Can I change my vote after I have mailed in a signed proxy card?

Yes. Any proxy given pursuant to this solicitation may be revoked by the Union Central Policyholder who submitted the proxy at any time prior to the taking of the vote at the Special Meeting by filing with the Secretary of Union Central a written revocation or a duly executed proxy bearing a later date than the earlier filed proxy. Attendance at the Special Meeting will not in and of itself constitute a revocation of the proxy. Any votes submitted by Internet or phone can be subsequently changed by any authorized means of voting.

In my proxy, can I withhold authority to vote for any of the proposed Union Central designees?

Yes. You can withhold authority to vote for any of the proposed Union Central designees to initially serve as directors of UNIFI by indicating on the reverse side of the proxy card the name of the proposed member for which you are withholding authority to vote.

How many policyholders have to vote for the proposed Reorganization for it to be approved?

For the proposed Reorganization to be approved, a majority of the Union Central Policyholders who are eligible to vote present in person or by proxy at the Special Meeting must vote **FOR** the proposed Reorganization. Approval of the Proposal by the requisite vote of the Union Central Policyholders who are eligible to vote is a condition to, and is required for, consummation of the Reorganization.

If you have any additional questions with respect to voting procedures, or any other questions about the Reorganization, please call the Reorganization Information Line at 1-800-315-9781, Monday through Friday from 8:00 a.m. to 5:00 p.m., Eastern Time.

INTRODUCTION TO POLICYHOLDER INFORMATION BOOKLET

UnionCentral

THE UNION CENTRAL LIFE INSURANCE COMPANY

UNION CENTRAL'S PROPOSED CHANGES
July 21, 2005

The Union Central Life Insurance Company ("Union Central") is currently a mutual insurance company. A mutual insurance company does not have any stockholders and is owned by policyholders/members. This means its policyholders/members, such as you, essentially have two interests in Union Central: (1) a policyholder interest, as a holder of an insurance policy or annuity issued by the company and (2) a membership interest. Among other things, the policyholder interest entitles you to insurance coverage or annuity payments (as the case may be) provided by the company and any dividends declared on your insurance policy. The membership interest entitles you, among other things, to vote at the annual meetings (assuming you satisfy certain other criteria) and on extraordinary transactions (such as the one described below). The membership interest also entitles you to a share of any surplus in the company in the unlikely event that it is liquidated or otherwise dissolved, and to receive a payment in the form of stock, cash, policy credits or other consideration if Union Central ever converts to an investor-owned stock company (a process known as "demutualization").

Under Ohio law, companies like Union Central may reorganize from a mutual insurance company to a stock insurance company within a mutual insurance holding company structure, so long as a majority of voting policyholders and the Ohio Superintendent of Insurance approve the change. This process, referred to as a conversion, is one of the changes that Union Central is asking you to approve as part of the proposed reorganization.

The other fundamental change you are being asked to approve as part of the reorganization is the merger of the new Ohio mutual insurance holding company, created as a result of the conversion, with Ameritas Acacia Mutual Holding Company, a Nebraska mutual insurance holding company, to be known after the merger as UNIFI Mutual Holding Company ("UNIFI"). After the merger, Union Central would be an indirect subsidiary of UNIFI and, as such, part of a much larger organization that would include other life insurance company subsidiaries. Both the conversion and the merger are part of a single plan of reorganization, and neither would occur without the other. The reorganization would not alter your policy interests in Union Central. Your insurance policy or annuity would remain essentially the same, and so would any right you have to dividends paid out under your policy. Your membership interest, however, would move from Union Central to UNIFI which has other operating subsidiaries and other members. You would have the right to vote at any meeting of UNIFI. You should be aware that after the merger, existing and future policyholders of Union Central will only comprise a portion of the larger group of members of UNIFI (the "UNIFI Members"), which will also include the existing and future policyholders of Ameritas Life Insurance Corp. ("Ameritas Life") and Acacia Life Insurance Company ("Acacia Life"). Thus, the voting power of the policyholders of Union Central (the "Union Central Policyholders") with respect to the election of directors of UNIFI and other matters requiring a vote of UNIFI members will be shared with the existing and future policyholders of Ameritas Life and Acacia Life who will also be UNIFI Members. It is estimated that the Union Central Policyholders would comprise approximately 57% of the voting members of UNIFI if the merger had been consummated on June 15, 2005; thus the merger will result in substantial dilution in the voting power of policyholders of Union Central (who comprise 100% of the voting members of Union Central).

You would also have the right to receive a portion of the surplus in UNIFI if it is ever liquidated or otherwise dissolved, and the right to receive a payment in the form of stock, cash, policy credits or other consideration if UNIFI ever demutualizes, both of which may or may not ever occur. Under Nebraska law, UNIFI would always retain voting control over Union Central.

UNIFI will be able to do certain things that Union Central cannot do under its current structure. For example, UNIFI would be allowed to raise additional money, commonly referred to as capital, by selling stock in a holding company subsidiary (such as Ameritas Holding Company) that will own the stock of Union Central. The reorganization does not require UNIFI to sell stock now or in the future, and any decision to sell stock would have to be approved by the Board of Directors of UNIFI (the "UNIFI Board"), which would be elected by members of UNIFI, including you. If and when such a decision is made to sell stock in Ameritas Holding Company, the intermediate holding company and a subsidiary of UNIFI, the UNIFI Board would not have to obtain your approval to sell any such stock. You also should be aware that, in the event that this holding company subsidiary sells stock in the future, anyone can purchase the stock, including persons who are current policyholders of Union Central and persons who are not, and anyone who purchases the stock will obtain an indirect ownership interest in Union Central. Currently, only policyholders such as you are entitled to any sort of ownership interest in Union Central. If stock of a UNIFI subsidiary is sold to the public in the future, the ownership interest of members (including yours) in UNIFI would no longer represent complete ownership of the UNIFI companies.

Notice of Public Hearing
to be held by the Ohio Department of Insurance
on the Plan of Reorganization of The Union Central Life Insurance Company

Notice is hereby given that the Ohio Department of Insurance will conduct a public hearing on the proposed Plan of Reorganization (the "Plan") of The Union Central Life Insurance Company ("Union Central"), which involves the conversion of Union Central into a stock life insurance company within a mutual insurance holding company structure pursuant to Sections 3913.25 to 3913.38 of the Ohio Revised Code, and the merger of the newly formed mutual insurance holding company, immediately thereafter, with and into Ameritas Acacia, a Nebraska mutual insurance holding company.

The hearing will be held on Tuesday, September 27, 2005 beginning at 10:00 a.m., at the offices of the Ohio Department of Insurance, 2100 Stella Court, Columbus, Ohio 43215. At the hearing, persons claiming to be adversely affected by the proposed conversion and merger and others wishing to comment thereon may present a position and offer comments concerning the proposed reorganization, including whether such transactions are fair and equitable to policyholders and comply with applicable law, or written statements may be submitted to the Hearing Clerk, at the Ohio Department of Insurance at the above address.

The Superintendent of Insurance for the State of Ohio (the "Ohio Superintendent") may adjourn the hearing to another time and/or place and may hold additional public hearings on the proposed Plan in the future. In the event that the Ohio Superintendent determines to adjourn the hearing to another time and/or place or hold additional public hearings on the proposed Plan, Union Central will provide notice of the time and place to which the hearing has been adjourned or the time and place of such additional hearings by causing this information to be published once each week for two consecutive weeks in a newspaper published and of the largest circulation in the counties of Cuyahoga, Franklin, Hamilton and Lucas and in the newspaper of the largest circulation in the state capital of each state of the United States in which Union Central maintains an office or agency for the solicitation of insurance.

POLICYHOLDER INFORMATION BOOKLET

THE UNION CENTRAL LIFE INSURANCE COMPANY

This Policyholder Information Booklet relates to the proposed reorganization of The Union Central Life Insurance Company ("Union Central" or the "Company") pursuant to the terms of the Plan of Reorganization (the "Plan") included in Exhibit 1 of the related Exhibit Volume to this Policyholder Information Booklet ("Exhibit Volume"). Pursuant to the Plan, Union Central, an Ohio mutual life insurance company, will convert to an Ohio stock life insurance company subsidiary of a new Ohio mutual insurance holding company (the "Conversion"). The newly formed Ohio mutual insurance holding company will thereafter be immediately merged (the "Merger" and, together with the Conversion, the "Reorganization") with and into Ameritas Acacia Mutual Holding Company ("Ameritas Acacia"), a Nebraska mutual insurance holding company, pursuant to an Agreement and Plan of Merger, dated January 28, 2005 (the "Merger Agreement"), which was amended on July 20, 2005 to reflect certain ministerial changes. Upon consummation of the Reorganization, Ameritas Acacia shall change its name to UNIFI Mutual Holding Company ("UNIFI") and Union Central will be an indirect subsidiary of UNIFI. Neither the Conversion nor the Merger will be consummated unless both are consummated.

The Plan is subject to review by and approval of the Superintendent of Insurance for the State of Ohio (the "Ohio Superintendent") and other conditions. The Ohio Superintendent has indicated her intention to hold a public hearing on the Plan. The hearing has been set for Tuesday, September 27, 2005, at 10:00 a.m., at the offices of the Ohio Department of Insurance located at 2100 Stella Court, Columbus, Ohio 43215. Official notice of the hearing date, time and place accompanies this Policyholder Information Booklet and the hearing notice will also be published in newspapers of the largest circulation in Cuyahoga, Franklin, Hamilton and Lucas counties in Ohio, as well as in the state capital of each state in which Union Central maintains an office or agency. Following the public hearing, the Ohio Superintendent will have up to 120 days to approve or reject the Plan.

Policyholders of Union Central ("Union Central Policyholders") as of the effective time of the Reorganization will receive membership interests in UNIFI in an exchange that is expected to be tax-free. The Reorganization will **NOT** affect your contractual rights under your policy of insurance or annuity contract with Union Central. Concurrent with the consummation of the Reorganization, Union Central will designate certain assets as a "Closed Block," which is designed to provide reasonable assurance (not a guaranty) to certain individual Union Central Policyholders that assets will be available to continue the 2005 dividend scale in the aggregate, subject to certain assumptions. For a discussion of the Closed Block and other effects that the Reorganization will have on you as a Union Central Policyholder, see "The Reorganization," beginning on page 33.

The Board of Directors of Union Central has unanimously approved and adopted the Plan, and unanimously recommends that you vote "FOR" the Proposal (as defined herein) at the special meeting of Union Central Policyholders. See "Special Meeting" for details of the Proposal.

The date of this Policyholder Information Booklet is July 21, 2005.

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No person has been authorized to give any information or to make any representation inconsistent with this Policyholder Information Booklet in connection with the Proposal and any such information or representation, if given or made, must not be relied upon as having been authorized by Union Central.

SUMMARY

The following summary is not intended to be complete and is qualified in all respects by the more detailed information and financial statements appearing elsewhere in this Policyholder Information Booklet. Unless otherwise defined, capitalized terms have the meaning ascribed to them herein or in the Plan. Union Central Policyholders are urged to read this Policyholder Information Booklet and the related Exhibit Volume as well as the enclosed Union Central President's letter (the "President's Letter") and questions and answers (the "Q&A's") in their entirety.

Overview of the Reorganization

The proposed Reorganization, as contemplated by the Plan, has two primary components: the Conversion and the Merger. Union Central Policyholders are being asked to vote on the Proposal (as defined herein) in its entirety. The Conversion will not occur unless the Merger can occur immediately thereafter and the Merger will not occur unless the Conversion occurs. The Conversion will result in Union Central being converted into an Ohio stock life insurance company wholly-owned by a newly formed Ohio mutual insurance holding company referred to herein as "UCMHC." UCMHC will, immediately upon consummation of the Conversion, merge with and into Ameritas Acacia in accordance with the Merger Agreement. Upon consummation of the Merger, Ameritas Acacia will change its name to UNIFI Mutual Holding Company and the capital stock of Union Central will be contributed to UNIFI's wholly-owned holding company subsidiary, Ameritas Holding Company ("AHC"), which will result in Union Central being an indirect subsidiary of UNIFI and a direct subsidiary of AHC.

If the Reorganization is consummated, among other things:

- The insurance policies of Union Central Policyholders will remain in effect without modification. In addition, the guaranteed benefits and values, and the contractual rights of Union Central Policyholders, as described in their policies, will not be reduced or altered in any way as a result of the Reorganization, and the premiums required to be paid as specified in the policies will not be increased or otherwise changed.
- Current and future Union Central Policyholders will become members of UNIFI (together with the existing members of Ameritas Acacia and future policyholders of Ameritas Life Insurance Corp. ("Ameritas Life") and Acacia Life Insurance Company ("Acacia Life")) (each, a "UNIFI Member"). It is estimated that the Union Central Policyholders would comprise approximately 57% of the voting members of UNIFI if the Merger had been consummated on June 15, 2005.
- Union Central's dividend practices will not be changed by reason of the Reorganization, although, as always, policy dividends may vary from year to year and future changes in dividend practices may occur in response to future events or circumstances.
- Union Central will have substantial representation on the Board of Directors of both UNIFI and AHC for at least a six-year period following the Merger (the "Six-Year Mandatory Period").
- The Union Central designees on the Board of Directors of UNIFI and AHC will have the right to nominate and elect the Union Central Board during the Six-Year Mandatory Period.
- John H. Jacobs, the Chairman, President and Chief Executive Officer of Union Central, will become the Vice-Chairman, President and Chief Operating Officer of UNIFI and AHC at the effective time of the Reorganization (the "Effective Time") and, not later than July 31, 2008, John H. Jacobs will become the Chairman and Chief Executive Officer of UNIFI and AHC.

Certain Effects of the Reorganization on Your Membership Interest

In addition to Union Central becoming a subsidiary of UNIFI, a much larger organization, the mutual insurance holding company structure resulting from the Reorganization would effect a fundamental change in Union Central's structure. This change is described more fully later in this Policyholder Information Booklet, but generally, membership interests in Union Central would be changed into membership interests in UNIFI, while the contractual policy rights of Union Central Policyholders would remain unchanged. At a future time, AHC, the intermediate holding company subsidiary of UNIFI that

will own Union Central, could conduct an initial public offering or a private offering of its stock (collectively referred to herein as an "IPO"). If such an offering were to occur, outside investors who buy the stock would become shareholders in AHC, which would reduce the proportionate ownership interests of Union Central Policyholders in AHC. Accordingly, these investors could receive shareholder dividends on their shares of AHC stock when, as and if declared by the Board of Directors of AHC (the "AHC Board"), based upon the financial performance of AHC's subsidiaries, including Union Central. UNIFI, however, must always retain ownership of a majority of the voting securities of AHC. Moreover, UNIFI would also be a shareholder of AHC and would therefore also be entitled to any shareholder dividends declared and paid on AHC shares. Under Union Central's current structure, dividends may be paid only to policyholders. In order for UNIFI to remit dividends received from AHC to its members, instead of reinvesting or retaining such dividends, the Board of Directors of UNIFI (the "UNIFI Board") and the Nebraska Department of Insurance would have to approve the dividend to members. Because of the uncertainty as to whether, when or how often, if ever, such a member dividend by UNIFI would be declared and approved, a Union Central Policyholder should not decide to vote in favor of the Proposal based on the expectation of any member dividends. Policy dividends are not the same as member dividends, and Union Central Policyholders would continue to be entitled to policy dividends when, as and if declared by the Union Central Board. The possible effects on Union Central Policyholders of AHC having other shareholders are discussed in greater detail later in this Policyholder Information Booklet. See "The Reorganization - Impact on Your Membership Interests - Effect of an Offering of Stock by AHC," at page 34.

A chart illustrating the effects of the Reorganization on the contract and membership rights of Union Central Policyholders can be found on page 40 of this Policyholder Information Booklet.

Background and Reasons for the Reorganization; Consideration of Alternatives

The primary reasons for the proposed Reorganization are to seek to strengthen Union Central and position it for future growth through a combination with Ameritas Acacia (thereby forming UNIFI) while, at the same time, preserving the separate existence of Union Central within the UNIFI group of companies and extending Union Central's primary operating strategy, referred to as "One Company Marketing," to UNIFI, as appropriate. One Company Marketing is a strategy that focuses on understanding and meeting a customer's total protection and savings needs.

The Union Central Board arrived at the decision to approve and adopt the Plan after extensive deliberations and the consideration of the advantages and disadvantages of the Reorganization, as well as alternatives to the Reorganization. These alternatives included: (i) remaining an independent mutual insurer without merging; (ii) converting to a mutual insurance holding company without merging and (iii) converting directly from a mutual life insurance company to an investor-owned stock life insurance company (a "demutualization"), each of which has advantages and disadvantages as compared to the Reorganization; the advantages and disadvantages are described beginning at page 25. The Union Central Board has also from time to time considered the implications of a sponsored demutualization and possible combinations with other mutual insurers but did not specifically consider these as alternatives to the Reorganization.

The Union Central Board believes that the Reorganization is the best of these alternatives from the perspective of Union Central and its policyholders, and that the Plan is fair and equitable to Union Central Policyholders. See "Voting Considerations," at page 21, and "Recommendation of the Union Central Board of Directors," at page 31.

Recommendation of the Union Central Board of Directors

The Union Central Board has unanimously approved and adopted the Plan. The Union Central Board believes that the Plan is fair and equitable to Union Central Policyholders and that the interests of the Union Central Policyholders are properly protected. **Accordingly, the Union Central Board recommends that you vote FOR the Proposal.** See "Recommendation of the Union Central Board of Directors," at page 31.

Corporate Governance of UNIFI after the Reorganization

Ameritas Acacia and Union Central agreed to certain matters relating to the composition of the boards of directors of UNIFI, AHC and Union Central, including the number of designees of each party to such boards, the composition of various committees of the boards of UNIFI and AHC and certain matters relating to the conduct of the affairs of UNIFI and its subsidiaries, including Union Central. See "Corporate Governance of UNIFI and Subsidiaries" at page 44. If the Reorganization is not consummated, these corporate governance provisions will not become effective.

Some key corporate governance provisions, including matters relating to executive officers and UNIFI and AHC Board vote requirements, are summarized below:

CEO Succession

Presently, the Chairman and Chief Executive Officer of Ameritas Acacia is Lawrence J. Arth, and the Chairman and Chief Executive Officer of Union Central is John H. Jacobs.

Ameritas Acacia and Union Central have agreed that at the Effective Time and continuing until the earlier to occur of (x) the date upon which Lawrence J. Arth is no longer serving as Chief Executive Officer of UNIFI and AHC or (y) July 31, 2008, UNIFI and AHC will cause Mr. Arth, to continue to serve as Chairman and Chief Executive Officer of UNIFI and AHC, and John H. Jacobs to serve as Vice Chairman, President and Chief Operating Officer of UNIFI and AHC. The parties have also agreed to cause Mr. Jacobs to be elected and appointed as Chairman and Chief Executive Officer of both UNIFI and AHC to immediately succeed Mr. Arth no later than July 31, 2008.

Presently, Gary Huffman is Union Central's Executive Vice-President in charge of One Company Marketing. Mr. Huffman will become the senior executive of UNIFI responsible for all individual insurance operations, which is intended to facilitate the implementation of Union Central's One Company Marketing across all of the UNIFI companies.

Supermajority Vote

The initial UNIFI Board will consist of designees of Union Central and Ameritas Acacia; however, Ameritas Acacia designees will comprise the majority of the initial UNIFI Board (as of the Effective Time, 14 of the 25 members). The By-laws of UNIFI and AHC require what is referred to as a "Supermajority Vote" of 80% of the entire UNIFI Board or AHC Board (as of the Effective Time, 20 of the 25 members), as applicable, to authorize certain significant corporate actions, including the following: amendment to or waiver of any provisions of UNIFI's or AHC's By-laws; redomestication or change of domicile of UNIFI or AHC from the State of Nebraska; relocation of the domicile of any of UNIFI's or AHC's subsidiaries, including Union Central, from their current state of domicile; the change of any subsidiary's name; a material change to UNIFI's or AHC's capital structure; the sale of any subsidiary; a sale or disposition of substantially all or all of the assets of UNIFI or AHC or any of their subsidiaries; a corporate reorganization of UNIFI or AHC; raising of debt or equity capital by UNIFI or AHC; the merger or consolidation, demutualization, liquidation or dissolution of UNIFI or AHC; and any modification, amendment or waiver of certain key provisions of the Merger Agreement. By reason of the Supermajority Vote requirement, none of these significant actions may be authorized during the Six-Year Mandatory Period without the concurrence of 80% of the entire Board of Directors of UNIFI or AHC (as of the Effective Time, 20 of the 25 members), as the case may be, which means that the actions described above could not be authorized without the concurrence of at least some of the Union Central Designees (as defined herein) to the UNIFI and AHC Boards. These voting requirements remain in effect for the Six-Year Mandatory Period. Thereafter, they automatically become null and void.

The Merger Agreement

The Merger Agreement contains customary provisions dealing with certain conditions precedent to the Reorganization, such as the parties obtaining the necessary regulatory approvals; covenants dealing with the conduct of the businesses of Union Central and Ameritas Acacia prior to the completion of the Merger; no solicitations of other transactions; post-merger governance matters; maintaining the separate existence of Union Central; operations of UNIFI and its subsidiaries, including Union Central, following the Merger; and provisions pertaining to the termination of the Agreement and Plan of Merger, including a termination fee of $30 million plus reasonable out-of-pocket expenses, payable in certain limited circumstances. See "The Merger Agreement," at page 48.

Summary of United States Federal Income Tax Consequences

Union Central Policyholders will not recognize gain or loss on the exchange of their membership interests in Union Central for membership interests in UNIFI as a result of the Reorganization. The Reorganization will not cause any Union Central policy to be treated as newly issued, and it will not adversely affect any Union Central policy that is an individual retirement annuity or tax sheltered annuity or that is held as part of a tax-qualified retirement funding arrangement. The conversion of Union Central to a stock life insurance company will constitute a tax-free reorganization within the meaning of Section 368 of the Internal Revenue Code. See "United States Federal Income Tax Consequences," at page 56.

Union Central

Founded in 1867, Union Central is a leading financial services company, offering, together with its affiliates, a broad array of insurance and financial products and services. Union Central has grown to be among the ten largest mutual life insurance companies in the nation in terms of assets and is licensed in all 50 states and the District of Columbia. Approximately 14% of Union Central Policyholders are New York policyholders. Union Central's product lines include individual life and disability insurance, annuities, investment products, and group retirement plans such as 401(k) plans.

Union Central's life insurance business is primarily conducted through Union Central, an Ohio mutual life insurance company. Union Central's other affiliates offer securities brokerage, mutual fund management, investment advisory and commercial loan services. Union Central offers life and disability insurance and annuities through a network of more than 700 career agents, 13,400 independent agents, and 374 NASD-licensed producers in all 50 states and the District of Columbia.

Union Central has an 'A minus' (Excellent) financial strength rating by A.M. Best Company, Inc. ("A.M. Best"). This is the fourth highest of A.M. Best's fifteen ratings. Union Central has an 'A minus' (Strong) rating from Standard & Poor's ("S&P"). This is the seventh highest of S&P's twenty-one ratings.

Ameritas Acacia

Ameritas Acacia was formed effective January 1, 1999, as a result of the merger of Acacia Mutual Holding Company into Ameritas Mutual Insurance Holding Company.

Ameritas Acacia Mutual Holding Company owns 100% of the stock of Ameritas Holding Company. Ameritas Holding Company owns 100% of the stock of both Ameritas Life and Acacia Life. The Ameritas Acacia Companies, comprised of Ameritas Life and Acacia Life, hold an 'AA minus' (Very Strong) rating from S&P and an 'Ag*' (Excellent) rating from A.M. Best.

Ameritas Life

Ameritas Life, formerly known as Bankers Life Insurance Company of Nebraska, was originally incorporated as a stock insurance company under the laws of Nebraska in 1887. Ameritas Life began its operations as mutual life insurance company in 1949. It became the fifth mutual life insurance company in the United States to reorganize under the mutual insurance holding company laws, completing its reorganization effective January 1, 1998. Ameritas Life, together with its subsidiaries, maintains in excess of $5.5 billion in consolidated assets and in excess of $839 million equity as of December 31, 2004.

Ameritas Life and its subsidiaries provide a broad range of life and annuity products for individuals and businesses. Principal products include term life, variable life and annuity contracts and a low load series of universal and variable life and variable annuity products. Ameritas Life is well-known for its group dental and eyecare products and services. Group dental products include trust plans, tailored indemnity programs, and high quality and competitively priced programs in a participating provider panel setting.

Ameritas Life consistently earns high ratings from independent industry analysts. Its financial strength and operating performance is rated 'Ag*' (Excellent) by A.M. Best, the third highest rating of A.M. Best's fifteen ratings. Upon announcement of the Merger, this rating was affirmed. In November 2004, S&P downgraded the financial strength rating of Ameritas Life from 'AA' (Very Strong) to 'AA-' (Very Strong) due to declining sales relative to past periods. An 'AA-' rating is the fourth highest of S&P's 21 ratings. Upon announcement of the Merger, this rating was affirmed. Moody's Investors Service, Inc. ("Moody's") rates Ameritas Life as 'A1', the seventh highest of Moody's 27 ratings for long term insurance financial strength. Upon announcement of the Merger, this rating was affirmed.

Acacia Life Insurance Company

Acacia Mutual Life Insurance Company ("Acacia Mutual"), chartered by a Special Act of Congress in 1869, was the third mutual life insurance company in the United States to reorganize into the mutual holding company form. The reorganization, completed effective June 30, 1997, simultaneously created a mutual insurance holding company and reorganized Acacia Mutual as a stock life insurance company subsidiary of the new mutual holding company. Acacia Life, together with its subsidiaries, maintains in excess of $2.6 billion in consolidated assets and in excess of $359 million equity as of December 31, 2004.

Acacia Life owns all of the outstanding stock of the Acacia Financial Corporation ("Acacia Financial"), a holding company that owns all of the stock of various other subsidiaries. These include The Calvert Group, Ltd., which, through its subsidiaries, and affiliates, offers a broad range of investment products and services, including the nation's largest family of socially

responsible mutual funds. For the year ended December 31, 2004, total revenue for Calvert was $93.3 million, and total assets under management were $10.3 billion.

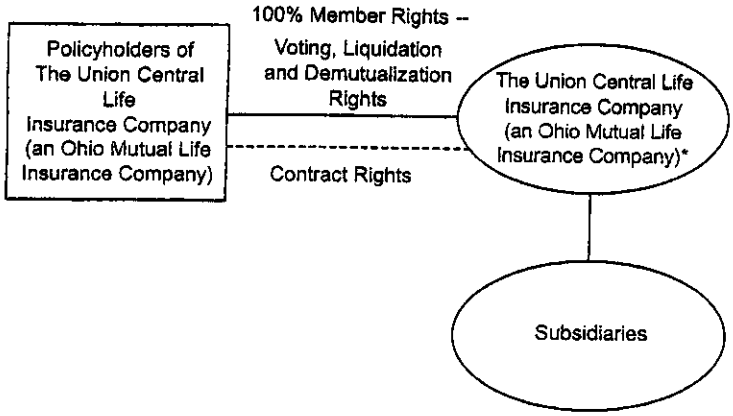
Acacia Federal Savings Bank ("Acacia Federal"), another wholly-owned subsidiary of Acacia Financial, offers its customers a wide range of banking products and services. Acacia Federal offers certificates of deposit, money market accounts, and IRAs. Acacia Federal also offers automobile loans, unsecured credit lines, secured and unsecured personal loans, residential mortgage loans, including fixed and adjustable rate first trust mortgages, second trust loans, home equity lines of credit, and residential construction and commercial loans. For the year ended December 31, 2004, Acacia Federal had assets of $957.6 million and total revenues of $47.4 million. The Acacia Realty Corp., another wholly-owned subsidiary of Acacia Financial, owns commercial real estate properties.

Corporate Structure Before and After the Reorganization

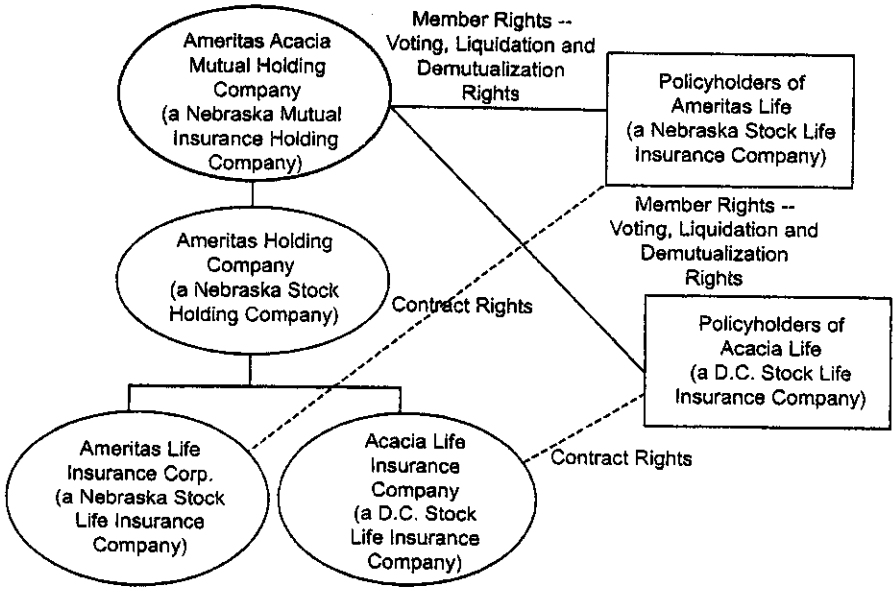
The following diagrams depict the organizational structures of (1) Union Central and Ameritas Acacia before the Reorganization, (2) Union Central after the Conversion, and (3) UNIFI after the Reorganization.

BEFORE REORGANIZATION*

Union Central



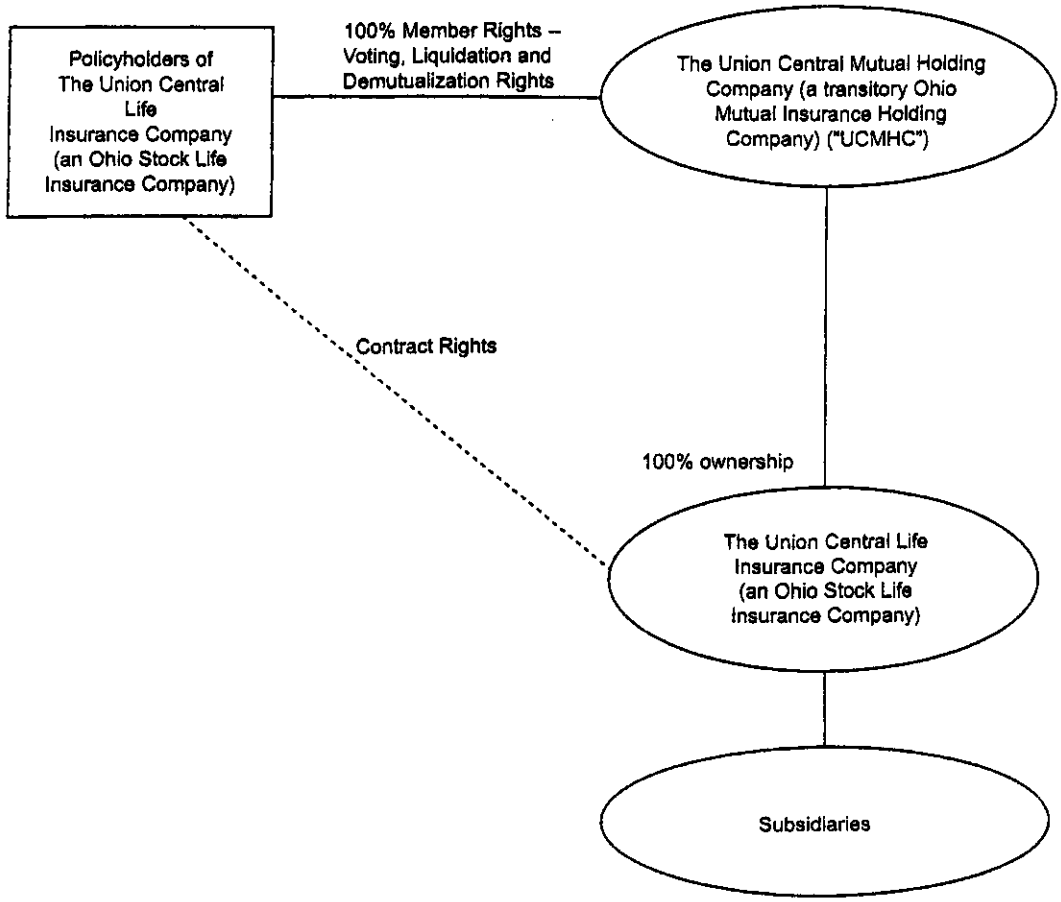
Ameritas Acacia



* See Exhibit 6 in the Exhibit Volume for more details on subsidiaries of Union Central and Ameritas Acacia.

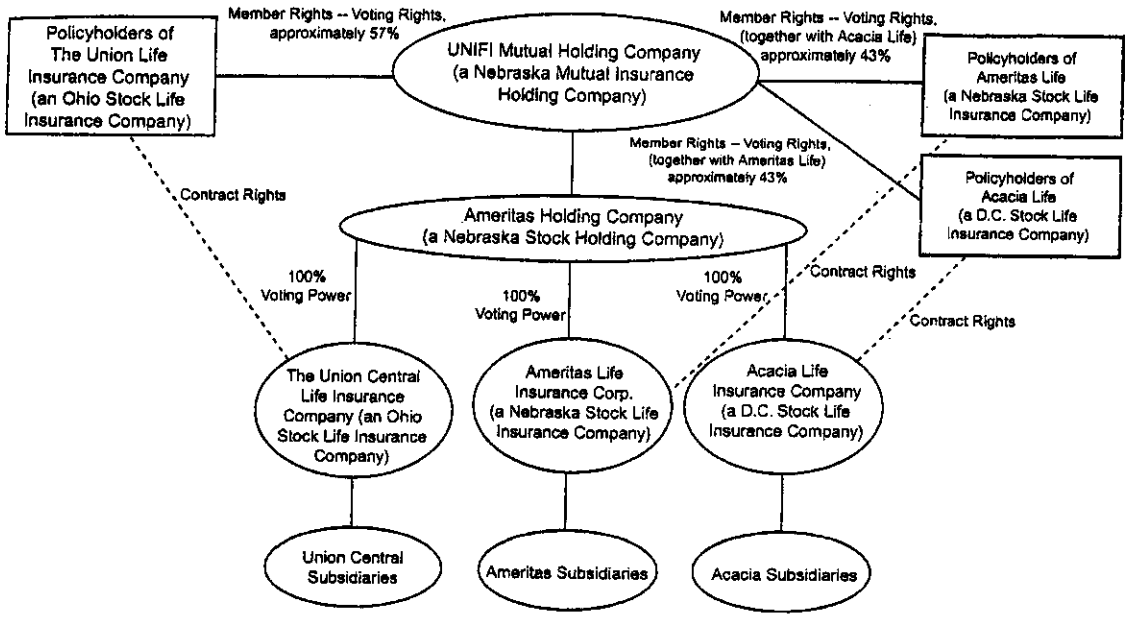
AS RESULT OF CONVERSION*

Union Central



* The above corporate structure of Union Central will exist only for a brief period immediately prior to the Merger. The Conversion of Union Central will not affect Ameritas Acacia's corporate structure.

AFTER REORGANIZATION*



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* Subsequent to the Merger, Ameritas Acacia Mutual Holding Company, to be renamed as and referred to in the chart as UNIFI Mutual Holding Company, will transfer all of the issued and outstanding capital stock in Union Central to Ameritas Holding Company.

UNAUDITED PRO FORMA U.S. GAAP COMBINED CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma U.S. generally accepted accounting principles ("GAAP") combined condensed consolidated financial information has been prepared to give effect to the Reorganization, using the pooling of interests method of accounting. In the pooling of interests method, the recorded assets and liabilities of the companies are carried forward to the combined entity at their recorded amounts and the reported income of the companies is combined.

The unaudited pro forma combined consolidated balance sheet as of March 31, 2005 combines the unaudited consolidated balance sheet of Ameritas Acacia and the unaudited consolidated balance sheet of Union Central as of March 31, 2005. The unaudited pro forma combined consolidated statements of income combine the historical consolidated statements of income of Ameritas Acacia and Union Central for the three-month period ended March 31, 2005 the historical audited consolidated statements of income and for each of the years in the three-year period ended December 31, 2004. The condensed balance sheet and income statement format is consistent with historical financial presentations included in Union Central's Annual Policyholders' Report.

This unaudited pro forma combined consolidated financial information is presented for illustrative purposes only and is not necessarily indicative of the financial position or results of operations that would have actually been reported had the Reorganization occurred at the beginning of the periods presented, nor is it necessarily indicative of future financial position or results of operations. The unaudited pro forma combined consolidated financial information as of and for the periods presented may have been different had the companies actually been consolidated as of or during those periods due to, among other factors, possible revenue enhancements, expense efficiencies and integration costs. The unaudited pro forma combined consolidated financial statements are based upon the respective historical consolidated financial statements of Ameritas Acacia and Union Central and should be read in conjunction with the respective historical audited consolidated financial statements and notes thereto of Union Central and Ameritas Acacia for the years ended December 31, 2004 and 2003 included as Exhibits 2 and 3, respectively, in the Exhibit Volume as well as the accompanying notes to these unaudited pro forma combined condensed consolidated financial statements.

Pro Forma Unaudited U.S. GAAP Combined Balance Sheet (in thousands)

	As of March 31, 2005		Pro Forma Combined
	Ameritas Acacia	Union Central	UNIFI
Balance Sheet			
Assets			
Fixed income securities	$2,899,205	$3,396,368	$ 6,295,573
Equity securities	182,603	18,982	201,585
Loans	1,583,619	685,275	2,268,894
Other invested assets	171,305	102,859	274,164
Total invested assets	4,836,732	4,203,484	9,040,216
Other general account assets	677,659	923,691	1,601,350
Total general account assets	5,514,391	5,127,175	10,641,566
Separate account assets	2,613,561	2,053,150	4,666,711
Total Assets	$8,127,952	$7,180,325	$15,308,277
Liabilities and Equity			
Future policy benefits and claims	$3,149,149	$4,210,653	$ 7,359,802
Other general account liabilities	1,127,012	278,565	1,405,577
Total general account liabilities	4,276,161	4,489,218	8,765,379
Separate account liabilities	2,613,561	2,053,150	4,666,711
Total Liabilities	6,889,722	6,542,368	13,432,090
Minority interest in subsidiary	59,386	—	59,386
Equity	1,178,844	637,957	1,816,801
Total Liabilities and Equity	$8,127,952	$7,180,325	$15,308,277

Pro Forma Unaudited U.S. GAAP Combined Statements of Income (in thousands)

	For the Three Months Ended March 31, 2005		Pro Forma Combined
	Ameritas Acacia	Union Central	UNIFI
Statements of Income			
Revenue			
Insurance revenue	$148,670	$ 53,053	$201,723
Net investment income	65,255	52,291	117,546
Net realized gains on investments	5,944	10,965	16,909
Other revenue	42,209	12,029	54,238
Total Revenues	262,078	128,338	390,416
Benefits and Expenses			
Benefits paid or credited to policyowners or beneficiaries	126,616	64,385	191,001
Underwriting, acquisition and other expenses	100,409	45,338	145,747
Total Benefits and Expenses	227,025	109,723	336,748
Income before federal income tax and minority interest in earnings of subsidiary	35,053	18,615	53,668
Federal income tax expense	13,314	6,749	20,063
Income before minority interest in earnings of subsidiary	21,739	11,866	33,605
Minority interest in earnings of subsidiary	(1,367)	—	(1,367)
Net Income	$ 20,372	$ 11,866	$ 32,238

Pro Forma Unaudited U.S. GAAP Combined Statements of Income (in thousands)

	For the Twelve Months Ended December 31, 2004		Pro Forma Combined
	Ameritas Acacia	Union Central	UNIFI
Statements of Income			
Revenue			
Insurance revenue	$ 593,324	$207,798	$ 801,122
Net investment income	272,129	242,634	514,763
Net realized gains on investments	74,203	7,910	82,113
Other revenue	164,189	32,353	196,542
Total Revenues	1,103,845	490,695	1,594,540
Benefits and Expenses			
Benefits paid or credited to policyowners or beneficiaries	503,739	262,317	766,056
Underwriting, acquisition and other expenses	401,754	168,721	570,475
Total Benefits and Expenses	905,493	431,038	1,336,531
Income before federal income tax and minority interest in earnings of subsidiary	198,352	59,657	258,009
Federal income tax expense	62,758	16,136	78,894
Income before minority interest in earnings of subsidiary	135,594	43,521	179,115
Minority interest in earnings of subsidiary	(5,108)	—	(5,108)
Income before cumulative effect of change in accounting principle	130,486	43,521	174,007
Cumulative effect of change in accounting principle	(606)	—	(606)
Net Income	$ 129,880	$ 43,521	$ 173,401

Pro Forma Unaudited U.S. GAAP Combined Statements of Income (in thousands)

	For the Twelve Months Ended December 31, 2003		Pro Forma Combined
	Ameritas Acacia	Union Central	UNIFI
Statements of Income			
Revenue			
Insurance revenue	$590,021	$212,430	$ 802,451
Net investment income	259,249	252,776	512,025
Net realized gains (losses) on investments	(24,156)	29,151	4,995
Other revenue	151,394	34,093	185,487
Total Revenues	976,508	528,450	1,504,958
Benefits and Expenses			
Benefits paid or credited to policyowners or beneficiaries	511,631	281,379	793,010
Underwriting, acquisition and other expenses	375,152	198,169	573,321
Total Benefits and Expenses	886,783	479,548	1,366,331
Income before federal income tax and minority interest in earnings of subsidiary	89,725	48,902	138,627
Federal income tax expense	33,868	16,051	49,919
Income before minority interest in earnings of subsidiary	55,857	32,851	88,708
Minority interest in earnings of subsidiary	(5,781)	—	(5,781)
Net Income	$ 50,076	$ 32,851	$ 82,927

Pro Forma Unaudited U.S. GAAP Combined Statements of Income (in thousands)

	For the Twelve Months Ended December 31, 2002		Pro Forma Combined
	Ameritas Acacia	Union Central	UNIFI
Statements of Income			
Revenue			
Insurance revenue	$ 570,682	$ 235,817	$ 806,499
Net investment income	266,734	246,559	513,293
Net realized losses on investments	(15,572)	(42,233)	(57,805)
Other revenue	148,201	39,398	187,599
Total Revenues	970,045	479,541	1,449,586
Benefits and Expenses			
Benefits paid or credited to policyowners or beneficiaries	506,249	318,999	825,248
Underwriting, acquisition and other expenses	389,913	202,566	592,479
Total benefits and expenses	896,162	521,565	1,417,727
Income (loss) before federal income tax and minority interest in earnings of subsidiary	73,883	(42,024)	31,859
Federal income tax expense (benefit)	23,403	(16,517)	6,886
Income (loss) before minority interest in earnings of subsidiary	50,480	(25,507)	24,973
Minority interest in earnings of subsidiary	37	—	37
Net Income (Loss)	$ 50,517	$(25,507)	$ 25,010

Notes to the Unaudited Pro Forma U.S. GAAP Combined Consolidated Financial Statements

1. The Consolidated Financial Statements were prepared in accordance with United States generally accepted accounting principles.

2. The consolidated financial information was prepared under the pooling of interests method of accounting. Therefore, the historical balance sheets and income statements of the two entities were combined as stated.

3. Certain balance sheet and income statement line items were combined for the financial statement presentation; therefore, certain line items presented herein may not be identical to the corresponding line items in the historical audited consolidated financial statements. The unaudited pro forma combined consolidated financial statements should be read in conjunction with the respective historical audited consolidated financial statements and notes thereto of Union Central and Ameritas Acacia for the years ended December 31, 2004 and 2003 included as Exhibits 2 and 3, respectively.

4. It was assumed the Merger would occur in the fourth quarter of 2005, and possible revenue enhancements, expense efficiencies and integration costs have not been incorporated in the unaudited pro forma combined consolidated financial statements included herein. Specifically:

   - The anticipated transaction costs were not incorporated into the unaudited pro forma combined consolidated financial statements included herein.
   - The anticipated cost savings expected were not incorporated into the unaudited pro forma combined consolidated financial statements included herein.
   - The anticipated increases in sales were not incorporated into the unaudited pro forma combined consolidated financial statements included herein.
   - There were no intercompany transactions, and therefore, no eliminating entries posted in the unaudited pro forma combined consolidated financial statements included herein.

5. The unaudited pro forma combined consolidated financial statements included herein are presented for illustrative purposes only and are not necessarily indicative of the financial position or results of the operations that would have actually been reported had the Reorganization occurred at the beginning of the periods presented, nor is it necessarily indicative of future financial position or results of operations.

SPECIAL MEETING

This Policyholder Information Booklet is being furnished to all Union Central Policyholders in connection with the solicitation of proxies by Union Central for use at the Special Meeting to be held on September 1, 2005, at 10:00 a.m., at Union Central's home office, 1876 Waycross Road, Cincinnati, Ohio 45240. See "Notice of the Special Meeting of Union Central Policyholders" which immediately follows the Introduction to this Policyholder Information Booklet.

Matter to be Considered

At the Special Meeting, Voting Union Central Policyholders (as defined below) will be asked to consider and vote upon the following proposal (the "Proposal"):

To approve the Plan of Reorganization (the "Plan") of The Union Central Life Insurance Company ("Union Central") pursuant to the provisions of Sections 3913.25 through 3913.38 of the Ohio Revised Code and the transactions contemplated thereby, including the formation of Union Central Mutual Holding Company ("UCMHC") as a mutual insurance holding company, the conversion of Union Central from an Ohio mutual life insurance company to an Ohio stock life insurance company, which will become a wholly-owned subsidiary of UCMHC, the adoption of the Amended and Restated Articles of Incorporation and Code of Regulations of Union Central as a stock life insurance company, the merger of UCMHC with and into Ameritas Acacia Mutual Holding Company (which will be renamed UNIFI Mutual Holding Company) and the designation of the Union Central designees to initially serve as directors of UNIFI Mutual Holding Company and their initial terms of office, all as more fully described in the accompanying Policyholder Information Booklet.

Voting Union Central Policyholders

Only those Union Central Policyholders who, on the basis of records of Union Central, meet the eligibility requirements under the Ohio Revised Code and the Articles of Incorporation and Code of Regulations of Union Central are eligible to vote at the Special Meeting. These eligibility requirements include the following:

- such Union Central Policyholder is the owner of a life insurance or disability policy with a coverage (or annual benefit in the case of a disability policy) of at least $1,000; or
- such Union Central Policyholder is the owner of an annuity contract (or a certificate holder of certain group retirement annuity contracts) or pure endowment contract that requires the payment of $100 or more annually; and
- in either case, the insurance policy or annuity contract is in force and has been in force since August 31, 2004.

An assignee of a policy or contract is not deemed to be a Union Central Policyholder for purposes of determining eligibility to vote unless and until a written assignment shall have been filed at the principal office of Union Central naming an assignee other than Union Central. Such assignment will not be effective until 30 days after it has been filed with Union Central.

Each Union Central Policyholder entitled to vote at the Special Meeting shall have one vote irrespective of the number of policies or contracts held by such policyholder. In the case of group insurance master policies and group annuities, the employer, rather than the individual holders of the certificates issued under such policies or group annuities, shall be entitled to one vote regardless of the number of master policies or group annuities held by such employer, except to the extent that any such policies are held in different capacities.

Union Central is sending the notice and related informational materials to all Union Central Policyholders, including those who are not eligible to vote. Such informational materials are also posted on Union Central's Website at http://www.unioncentral.com.

Quorum; Vote Required

In accordance with the Code of Regulations of Union Central, the Voting Union Central Policyholders present in person, by proxy, including by virtue of having voted by telephone or Internet, at any special meeting shall constitute a quorum. Each Voting Union Central Policyholder is entitled to cast only one vote regardless of the number of policies or contracts that such Voting Union Central Policyholder may own or hold. A person who, or an entity which, owns policies in more than one capacity (e.g., as a trustee under separate trusts) may vote in each such capacity. To approve the Proposal, a majority of the Voting Union Central Policyholders present in person or by proxy, including by virtue of having voted by telephone or Internet,

at the Special Meeting of Union Central Policyholders must vote FOR the Proposal. Approval of the Proposal by the requisite vote of the Voting Union Central Policyholders is a condition to, and is required for, consummation of the Reorganization.

Voting by Proxy; Revocation of Proxies

For all Voting Union Central Policyholders, a proxy exclusively for use at the Special Meeting accompanies this Policyholder Information Booklet. The proxy serves as a ballot for Union Central Policyholders to vote **FOR** or **AGAINST** the Proposal. Voting Union Central Policyholders may use the proxy if they are unable to attend the Special Meeting in person or if they wish to vote by proxy even if they attend the Special Meeting. A proxy that is properly signed and received by Union Central prior to the Special Meeting will be voted at the Special Meeting in accordance with the instructions thereon, unless properly revoked prior to such vote. If a proxy is properly signed and received and the manner of voting is not indicated on the proxy, or is marked to vote both FOR and AGAINST the Proposal, such proxy will not be counted and will not be regarded as a vote cast at the Special Meeting. A replacement proxy may be obtained by writing Union Central—1876 Waycross Road, Cincinnati, Ohio 45240, Attention: Proxy Request or calling the Reorganization Information Line at 1-800-315-9781 Monday through Friday from 8:00 a.m. to 5:00 p.m., Eastern Time. A validly executed later dated proxy received prior to the Special Meeting will supersede a prior proxy.

Any proxy given in response to this solicitation may be revoked by the Voting Union Central Policyholder at any time prior to the voting thereof at the Special Meeting by filing with the Secretary of Union Central either a written revocation or a duly executed proxy bearing a later date. Attendance at the Special Meeting will not in and of itself constitute the revocation of a proxy.

Voting by Phone or Internet

You can vote on the Proposal (i) by mail by returning your proxy card to us in the postage-prepaid envelope as described above, (ii) by telephone by calling 1-800-318-2767, (iii) by the Internet at https://www.dfking.com/unioncentral, or (iv) in person at the Special Meeting of Union Central Policyholders. For more information on how to vote, please see the instructions on your proxy card. We strongly urge you to vote. Your completed proxy card, telephone vote or Internet vote must be received by us by 5:00 p.m., Eastern Time, on August 31, 2005, to be counted or you may vote in person at the Special Meeting of Union Central Policyholders on September 1, 2005. You can change your vote by any of the same methods up to the same deadline.

BACKGROUND AND REASONS FOR REORGANIZATION

Union Central has operated as an independent mutual life insurance company since 1954. Union Central has grown primarily through internal operations rather than through mergers and acquisitions. Union Central's success in recent years is largely attributable to its strong marketing and operating strategy, referred to as "One Company Marketing." One Company Marketing focuses on understanding and meeting a customer's total protection and savings needs through Union Central's wide range of complementary products and services. With One Company Marketing, Union Central's sales force, operations and systems have been integrated to promote the seamless delivery of products and services that satisfy a customer's needs independent of particular product lines or distribution channels.

During the period that Union Central has been developing, implementing and refining its One Company Marketing strategy, the Company has not been seeking business combination opportunities. In January 2004, in the course of exploring ways to improve Union Central's profitability and surplus through improved operations and other means, including the possible sale of certain non-core lines of business, Union Central management had discussions with executives of several insurance companies, including Ameritas Acacia. In the course of such discussions, it became apparent to the Union Central and Ameritas Acacia management that each company could potentially benefit from an alliance or business combination between them. The respective lines of business of the two companies were complementary and there were synergies that could be realized to the advantage of both companies. Although Union Central had historically not been receptive to business combinations due, in part, to its commitment both to One Company Marketing and to preserving its mutual form of organization and independence, management was aware of the insurance industry trend toward consolidation as a means of expanding product offerings, growing revenues and achieving operating efficiencies through economies of scale to improve profitability. Union Central management believed that Ameritas Acacia appeared to present a unique and compelling opportunity that was not likely to be present in other potential strategic partners due to the complementary lines of business of Ameritas Acacia and Union Central, the strong surplus position of Ameritas Acacia, the relative strengths and compatibility of the two companies and their senior management and the companies' similar corporate culture and values. In addition, the size of Ameritas Acacia was such that management believed it was reasonable to conclude that Union Central would not be subsumed by Ameritas Acacia in a business combination transaction.

Consequently, the Chairmen and CEOs of the two companies began the process of evaluating a potential combination.

In the spring of 2004, Mr. John H. Jacobs, Mr. Lawrence J. Arth and another senior executive from each company met and discussed, on a preliminary basis, the possibility of a business combination involving Union Central and Ameritas Acacia. On August 5, 2004 and August 6, 2004, senior executives of both companies met to discuss in more detail the possibilities for a strategic partnership, potential synergies and a structure for a business combination. Discussions continued through September and October 2004 and the parties began to develop preliminary terms upon which a business combination might be effected. In September and October, 2004, Union Central retained outside legal and financial advisors to assist the Union Central Board in evaluating the merits of a possible business combination with Ameritas Acacia.

The Union Central Board met six times between August 2004 and January 2005: on August 20, 2004; November 9, 2004; November 19, 2004; December 3, 2004; December 16, 2004 and January 28, 2005. The Union Central Board was briefed on each occasion by Mr. Jacobs regarding discussions between Union Central and Ameritas Acacia. Mr. Jacobs also met periodically with the Special Committee of the Union Central Board, a committee comprised of three Union Central outside directors. The Special Committee had originally been formed in November 1994.

At the Special Committee meetings, Mr. Jacobs reviewed the details of meetings with Ameritas Acacia and outlined some of the major principles that Union Central and Ameritas Acacia agreed would form a basis for a potential business combination, including:

- The combined company would have a new name at the mutual insurance holding company level;
- Union Central's separate corporate existence would continue;
- The combined company would adopt Union Central's One Company Marketing as its core marketing strategy for individual insurance products and retirement plans;
- Union Central's current senior management would have significant influence in the operations of the combined company pursuant to a documented succession plan; and

- Union Central would have significant representation on, but not control of, the Board of Directors of both the surviving mutual insurance holding company and the intermediate insurance holding company with veto power on certain corporate governance issues and other significant matters.

The Special Committee also discussed on several occasions alternative transactions. See "Consideration of Alternatives," at page 28.

On November 9, 2004, the Union Central Board held a special meeting to review the Special Committee's findings and to discuss with outside advisors the potential business combination with Ameritas Acacia. Outside counsel reviewed with the Union Central Board the transaction structure, regulatory approvals, due diligence matters and other issues concerning the proposed transaction. Union Central considered a possible universe of mutual insurance holding company and mutual insurance company merger partners identified by Morgan Stanley & Co. Incorporated ("Morgan Stanley") other than Ameritas Acacia. Morgan Stanley reviewed with the Union Central Board a comparative analysis of alternative hypothetical transactions. In particular, both the Special Committee and the Union Central Board considered the relative size, executive management, operations, strategic fit, financial strength and feasibility of pursuing a transaction with such companies. After deliberations based in part on Morgan Stanley's presentation, the Union Central Board determined not to pursue initiating business combination discussions with any other parties.

Mr. Arth then presented to the Union Central Board the business case for a combination with Ameritas Acacia. Mr. Arth described, among other things, Ameritas Acacia's business and recent results of operations and the potential benefits of the proposed transaction. Mr. Jacobs then updated the Union Central Board on discussions with Ameritas Acacia and discussed the strategic rationale for a business combination with Ameritas Acacia. During the meeting, the Union Central Board considered and assessed the benefits and risks of the proposed transaction for Union Central and its policyholders. Following such discussions, the Union Central Board authorized management to continue to pursue discussions with Ameritas Acacia and to commence the formal due diligence process.

The Union Central Board met on November 19, 2004, December 3, 2004 and December 16, 2004 to further analyze the financial, operational and legal implications of entering into a transaction with Ameritas Acacia. At these meetings, Mr. Jacobs gave a comprehensive update of discussions with Ameritas Acacia, presented management's analysis of potential benefits and risks and reviewed preliminary due diligence findings. In addition, Mr. Jacobs discussed the proposed CEO succession plan in which Mr. Jacobs would become Chairman and CEO of the combined companies no later than July 31, 2008. He also reviewed the proposed composition of the UNIFI Board and AHC Board pursuant to which Union Central would have substantial representation and supermajority veto power on certain significant matters for at least some period of time. Following the December 16 meeting, the Union Central Board authorized Mr. Jacobs to finalize a draft merger agreement for the Union Central Board's consideration at the next meeting scheduled for January 28, 2005.

From December 2004 through January 2005, representatives of Union Central and Ameritas Acacia, together with their advisors, including Milliman, Inc. ("Milliman") which was engaged by Union Central as its actuarial advisor in connection with the Reorganization, continued to develop the terms of a draft merger agreement and to discuss various issues relating to the proposed transaction, including the formation of a closed block for the benefit of existing Union Central Policyholders, corporate governance issues, regulatory process, due diligence findings and financial strength ratings for the combined company.

In the last week of January, the management of each of Union Central and Ameritas Acacia finalized the proposed merger agreement.

On or about January 24, 2005, Mr. Jacobs received a letter from the Chairman and Chief Executive Officer of Western & Southern Mutual Holding Company, an Ohio mutual insurance holding company, expressing a willingness on the part of Western & Southern Mutual Holding Company to explore a potential combination transaction with Union Central. No definitive terms or conditions were proposed in the letter. Mr. Jacobs disclosed the letter to the Special Committee and to the Union Central Board before the Union Central Board approved the Merger Agreement. The Union Central Board determined that it would not pursue Western & Southern's inquiry due to its previous analysis concluding that Western & Southern would not be a good strategic fit with Union Central.

At a special all-day meeting of the Union Central Board on January 28, 2005, Union Central's management extensively reviewed and discussed with the Union Central Board the potential financial and strategic benefits and risks of the proposed transaction for Union Central and its policyholders. Those potential benefits and risks are discussed herein under "Voting Considerations," at page 21. In addition, outside counsel reviewed in detail the terms and conditions of the Merger Agreement and the regulatory approvals required to consummate the proposed transaction. Morgan Stanley presented a preliminary

financial analysis of the proposed Merger and concluded, based on such preliminary analysis, that the proposed Reorganization is fair to Union Central Policyholders from a financial point of view. On January 28, 2005, Steven I. Schreiber and Daniel J. McCarthy of Milliman rendered opinions to the Union Central Board as to the fairness to policyholders of the Reorganization from an actuarial point of view and the appropriateness of the Closed Block as described in the Plan.

After full discussion and based on a review of then current information and consultation with its advisors, the Union Central Board authorized management to execute and deliver the Merger Agreement.

The parties executed the Merger Agreement on January 28, 2005 and amended it on July 20, 2005 to reflect certain ministerial changes.

On February 16, 2005 the Compensation Committee of the Union Central Board authorized one time cash bonuses to be paid to John Jacobs, Gary Huffman and David Westerbeck, senior executives of Union Central, in the amounts of $225,000, $100,000 and $75,000, respectively, for their role in the negotiation and execution of the Merger Agreement. These bonuses were initiated and authorized solely by the Compensation Committee of the Union Central Board, and the recipients had no advance knowledge that such bonuses would be paid.

A special meeting of the Union Central Board was held on July 20, 2005. At such meeting the Union Central Board reviewed and discussed the form of definitive Plan with the Company's financial, legal and actuarial advisors. Morgan Stanley issued its fairness opinion (which was substantially the same as its opinion rendered on January 28, 2005) as to the fairness of the Reorganization from a financial point of view as of July 20, 2005. The actuarial consultants issued their actuarial fairness opinion (which was substantially the same as their opinion rendered on January 28, 2005) as to the fairness of the Conversion and Merger from an actuarial point of view as of July 20, 2005, and issued another opinion concerning various aspects of the Closed Block as of July 20, 2005. After discussion, the Union Central Board determined that the Plan was fair and equitable to the Policyholders of Union Central, approved and adopted the Plan and recommended that the Policyholders vote "For" the Proposal.

The July 20, 2005 opinions of Morgan Stanley and the actuarial consultants appear in Exhibits 4 and 5 of the Exhibit Volume, respectively, and you are encouraged to review them, including the assumptions, qualifications and limitations expressed therein.

VOTING CONSIDERATIONS

The Union Central Board believes that the proposed Reorganization presents the opportunity to capitalize on the relative strengths of Union Central and Ameritas Acacia in terms of product offerings, distribution capacity, management expertise, financial resources and diversity of revenues and earnings. At the same time, each company will be able to retain its separate legal existence and a substantial presence in its respective state of domicile.

Potential Advantages of the Reorganization

The Union Central Board believes that the following are potential advantages anticipated to result from the Reorganization:

- *Anticipated Eventual Improvement in Financial Strength Ratings.* Being part of an organization with stronger combined financial resources and broader product offerings and distribution channels is anticipated to result in improvements in Union Central's financial strength ratings after the Reorganization. Upon completion of the Merger, UNIFI will have a pro forma combined United States Generally Accepted Accounting Principles ("GAAP") equity of approximately $1.9 billion and statutory capital of over $1.5 billion compared to a GAAP equity of $651 million and statutory capital of $338 million for Union Central as of December 31, 2004. The Merger Agreement contains provisions in which Ameritas Acacia has agreed that UNIFI and AHC will use reasonable efforts to provide capital support to Union Central, Ameritas Life and Acacia Life to maintain and improve their respective S&P financial strength ratings to a level equal to or better than the S&P rating of 'AA-' (Very Strong), which is the fourth highest of S&P's 21 ratings. Union Central is currently assigned a rating of 'A-', which is the seventh highest of S&P's 21 ratings. In November 2004, S&P lowered the financial strength ratings of Ameritas Life and Acacia Life one notch from 'AA' (Very Strong) to 'AA-' (Very Strong) due to declining sales relative to past periods. Based on preliminary discussions with S&P, which are not binding on S&P, Union Central believes that the Merger could, if the entities are successfully integrated, result in the eventual enhancement of UNIFI's financial strength ratings and those of its subsidiaries, including Union Central, Ameritas Life and Acacia Life. The Union Central Board believes that stronger financial strength ratings and access to greater financial resources through UNIFI will enable Union Central to better capitalize on opportunities to both fund internal growth and participate in strategic alliances, as well as to accelerate customer growth, especially in Union Central's primary target customer segment: affluent customers and small- to medium-sized businesses. These customers tend to place a high value on financial stability in choosing among competing financial institutions. In addition, the Union Central Board believes that improved financial strength ratings and capital position and resulting stronger customer base would increase Union Central's value to additional potential alliance partners that could help further expand the scope of Union Central's distribution network, product offerings and cross-selling opportunities.
- *Anticipated Improvement in Revenue Growth.* Union Central, Ameritas Life, and Acacia Life, while operating as separate insurance company subsidiaries of UNIFI, will seek to grow by combining and building upon highly complementary products and distribution channels, including increasing market penetration of existing and new customers through Union Central's One Company Marketing, all of which are expected to lead to an improvement in revenue growth at all three insurance companies. By expanding the scope of both products and distribution channels and aligning them under the UNIFI brand name, the Union Central Board believes that Union Central will be better positioned to enter new markets and capture a greater share of its customers' total protection and savings needs. Not only will Union Central and its policyholders benefit, through being part of UNIFI, from a wider range of products and greater customer coverage through a broader distribution network, but Union Central's sales and product specialists will have the ability through Union Central's One Company Marketing to sell a variety of products to meet a larger share of Union Central's customers' protection and savings needs. For example, a UNIFI sales specialist discussing life insurance needs with a customer would be able to also identify the customer's needs for a UNIFI retirements savings plan and sell such service by coordinating with a UNIFI retirement savings specialist to design a customized savings plan for the customer.
- *Anticipated Improvement in Profitability due to Cost Reductions and Additional Scale of Combined Operations.* The Union Central Board believes that the Reorganization will enable Union Central, once it is part of UNIFI, to reduce operating expenses and enhance its operating margins through a more efficient utilization of the combined assets, management and personnel of Union Central, Ameritas Life and Acacia Life. Union Central's management believes that UNIFI could realize cost savings for the combined companies by jointly selecting and utilizing the best practices and most productive employees at both Ameritas Acacia and Union Central. The Union Central Board also believes that this competitive selection process during the integration phase could result in preserving and enhancing several

key operating functions in Ohio, although some reduction in workforce from current levels is anticipated at all locations of UNIFI.

In addition to considering the factors outlined above, the Union Central Board considered the suitability of Ameritas Acacia as a strategic partner in terms of compatibility of corporate culture and values and other subjective criteria, including the continued influence of Union Central in the affairs of UNIFI. The Union Central Board believes that the following are also beneficial aspects of the Reorganization:

- *Continued Union Central Influence.* Union Central will have a significant role in its own future and in the future of UNIFI during the Six-Year Mandatory Period due to the following:
  - ➢ *Separate Legal Existence.* Union Central, as a reorganized Ohio stock insurance company, will continue as a stand-alone subsidiary of UNIFI, for at least the Six-Year Mandatory Period.
  - ➢ *UNIFI Board Representation.* The initial 25-member UNIFI Board will include eleven Union Central Designees (as defined herein) (all of whom are current directors of Union Central) and fourteen Ameritas Acacia Designees (as defined herein) (all of whom are current Ameritas Acacia, or Ameritas Life and Acacia Life directors) giving Union Central a significant presence on, but not control of, the UNIFI Board. The number of UNIFI directors may be modified from time to time pursuant to the by-laws of UNIFI, but Ameritas Acacia will always have at least one to three more designees on the UNIFI Board than will Union Central. Additionally, during the Six-Year Mandatory Period, a ratio of 12 to 9 Independent Ameritas Acacia Designees (as defined in the Merger Agreement) to Independent Union Central Designees (as defined in the Merger Agreement) must be maintained as precisely as practicable.
  - ➢ *Union Central Board.* Union Central Designees to the AHC Board will elect all of the directors of Union Central during the Six-Year Mandatory Period.
  - ➢ *CEO Succession.* The Union Central Board considered beneficial to Union Central and its policyholders the fact that Mr. Jacobs, Union Central's current Chairman, President and Chief Executive Officer, will succeed Mr. Arth of Ameritas Acacia as the Chairman of the Board and Chief Executive Officer of UNIFI no later than July 31, 2008. UNIFI and AHC have agreed to cause Mr. Jacobs to be elected and appointed as Chairman of the Board of Directors and Chief Executive Officer of both UNIFI and AHC to immediately succeed Lawrence J. Arth, such election and appointment to occur no later than July 31, 2008.
  - ➢ *Other Officers.* The Union Central Board also considered the fact that the terms of the Merger Agreement and the proposed amendments to the Articles of Incorporation and By-laws of UNIFI provide for additional ongoing representation of Union Central in the UNIFI senior management. These terms include making Gary Huffman, Union Central's Executive Vice-President in charge of One Company Marketing, the senior executive of UNIFI responsible for all individual insurance operations, which is intended to promote implementation of Union Central's One Company Marketing across all of the UNIFI companies.
  - ➢ *Supermajority Vote Requirements.* Under the UNIFI and AHC By-laws, a Supermajority Vote of 80% of the entire UNIFI Board or AHC Board (at the Effective Time, 20 of the 25 members), as applicable, is required to authorize any of the following actions during the Six-Year Mandatory Period: amendment to or waiver of any provisions of UNIFI's or AHC's By-laws; the redomestication, or change of domicile, of UNIFI or AHC from the State of Nebraska; relocation of the domicile of any of UNIFI's or AHC's subsidiaries from their current state of domicile; the change of any subsidiary's name; a material change to UNIFI's or AHC's capital structure; the sale of any subsidiary; sale or disposition of substantially all or all of the assets of UNIFI or any of its subsidiaries; a corporate reorganization of UNIFI or AHC; raising of debt or equity capital by UNIFI or AHC; the merger or consolidation, demutualization, liquidation, dissolution of UNIFI or AHC; and any modification, amendment or waiver of certain provisions of the Merger Agreement. By reason of the Supermajority Vote requirement, none of these significant actions may be authorized during the Six-Year Mandatory Period without the concurrence of at least a majority of both the Union Central and Ameritas Acacia designated directors to the UNIFI Board or the AHC Board, as the case may be. It should be noted, however, that such provisions may also have the effect of enabling a comparatively small number of the Ameritas Acacia designees to the UNIFI and AHC Boards to block or veto one or more of the above actions which the Union Central Designees might wish to pursue. Moreover, the fact that an 80% vote rather than a mere majority vote is required to authorize specified actions might operate to prevent such action from occurring at all, although a majority of the UNIFI directors favor such action.

The board composition and internal corporate governance provisions discussed above will be effective for the Six-Year Mandatory Period following the effective date of the Reorganization and may not be amended, modified or waived without an 80% vote of the entire UNIFI Board or the AHC Board, as the case may be, except that the requirement that Ameritas Acacia must have at least one director but not more than three directors more than Union Central on the UNIFI Board and AHC Board will survive indefinitely until amended or modified (and this requirement cannot be amended or modified without the unanimous vote of the UNIFI Board or the AHC Board, as applicable).

Potential Disadvantages of the Reorganization

The Union Central Board also considered potential disadvantages and risks of the Reorganization. Prior to voting, Voting Union Central Policyholders should carefully consider the potential risks and disadvantages of the Reorganization considered by the Union Central Board, as discussed below.

- *No Distribution of Cash, Securities or other Monetary Value.* Union Central is not demutualizing. Accordingly, Union Central Policyholders will not receive any distribution of cash, securities, policy credits or other monetary value at the time of the Reorganization. In addition, after the Reorganization there can be no assurance that members of UNIFI will ever be paid a dividend or distribution in respect of their membership interest in UNIFI, unless and until UNIFI were to liquidate, dissolve or demutualize. There are no current plans or intentions to dissolve, liquidate or demutualize UNIFI in the future and, consequently, Union Central policyholders should not expect any dividends or distributions in respect of their UNIFI membership interests. Furthermore, if UNIFI were to demutualize in the future, only Union Central Policyholders that are policyholders of Union Central at that time (along with policyholders of Ameritas Life and Acacia Life) will be eligible to receive any distribution resulting from such demutualization. By contrast, if Union Central were to demutualize at this time, Union Central Policyholders would receive a distribution of common stock of the reorganized company, or cash or policy credits or some other form of payment, in exchange for their membership interests in Union Central. There are no current plans to demutualize UNIFI.

- *Dividend Limitations.* After the Reorganization, Union Central Policyholders will no longer hold direct ownership interests in Union Central. UNIFI and AHC are both holding companies with no direct operations of their own. If one or more of the UNIFI operating companies were to pay dividends to AHC, AHC could, but would not be required to, pay dividends to its stockholder, UNIFI. Moreover, UNIFI would not be obligated to declare and pay any dividends it receives from AHC to UNIFI Members. In any event, the declaration and payment of dividends by AHC's subsidiaries could, depending on the amounts, be subject to prior regulatory approval, and the declaration and payment of member dividends by UNIFI would also be subject to prior regulatory approval. In addition, if AHC issues common stock to third parties, in a public offering or otherwise, such third party stockholders would also be entitled to any dividends that AHC declares and pays on its common stock, reducing the proportionate amounts available to pay to UNIFI, and potentially to UNIFI Members, including Union Central Policyholders who are members.

- *Loss of Control.* Presently, Union Central Policyholders elect all of the members of the Union Central Board. After the Reorganization, Union Central Policyholders and future Union Central Policyholders will comprise only a portion of the larger group of UNIFI Members, which will also include the existing and future policyholders of Ameritas Life and Acacia Life. Thus, the voting power of Union Central Policyholders with respect to the election of directors of UNIFI and other matters requiring a vote of UNIFI Members will be shared with the existing and future policyholders of Ameritas Life and Acacia Life who will also be UNIFI Members. It is estimated that the Union Central Policyholders would comprise approximately 60% of the voting members of UNIFI if the Merger had been consummated on June 15, 2005, resulting in substantial dilution in the voting power of Union Central Policyholders from the 100% they currently have as to Union Central. Union Central Policyholders will initially be represented on the UNIFI Board and the AHC Board by eleven designees who are current Union Central directors on the 25-member Boards of Directors of UNIFI and AHC. Furthermore, upon completion of the Reorganization, Union Central Policyholders, as members of UNIFI, will no longer have the ability to elect directly the members of the Union Central Board (which will be a subsidiary of AHC). The Union Central Board will be elected during the Six-Year Mandatory Period by the Union Central Designees to the AHC Board. Although certain actions will require a Supermajority Vote of 80% of the entire UNIFI or AHC Board, as the case may be, and the Union Central Designees, as directors of UNIFI and AHC, will have the right to exert significant influence over the strategic direction and operations of UNIFI, AHC and their subsidiaries, such Union Central Designees will not collectively have the voting power to control UNIFI and, therefore, AHC and its subsidiaries (other than Union Central), during the Six-Year Mandatory Period.

- *Supermajority Vote Limitations.* The Supermajority Vote provisions of the organizational documents of UNIFI and AHC are designed to provide Union Central with the ability to veto or block certain extraordinary corporate actions, such as a demutualization of UNIFI. Such provisions, however, also will have the effect of enabling a comparatively small number of the Ameritas Acacia designees to the UNIFI and AHC Boards to block or veto certain extraordinary transactions that might otherwise be desirable from the perspective of the Union Central Designees to such UNIFI and AHC Boards. Moreover, the fact that an 80% vote rather than a mere majority vote is required to authorize specified actions might operate to prevent such actions, such as demutualization, from occurring at all.

- *Costs of Reorganization.* Outside legal, financial, accounting, actuarial, printing, and other fees and expenses, including the fees and costs of experts hired by the Ohio and New York Departments of Insurance for which Union Central is responsible, are anticipated to be significant and are estimated at approximately $9.5 million. A substantial portion of those costs have already been incurred. Other significant transactions would also involve significant costs.

- *Change in Regulation.* Following the Reorganization, Union Central, as an Ohio-domiciled stock life insurer, will continue to be regulated by the Ohio Department of Insurance; however, its two parent companies, UNIFI and AHC, are and will continue to be Nebraska-domiciled companies regulated by the Nebraska Department of Insurance. Although members of a mutual insurance holding company such as UNIFI are generally afforded as much protection under the Nebraska Mutual Insurance Holding Company Act as they are under the Ohio mutual insurance holding company law, the two regulatory schemes are slightly different. Union Central does not believe that these differences are material. See "Regulatory Matters – General," at page 57.

- *Potential Conflicts of Interest between UNIFI and its Subsidiaries.* Because UNIFI will be comprised of multiple corporate entities, including several insurance companies, situations could arise in which the interests of UNIFI or one or more of its subsidiaries could conflict with the interests of other subsidiaries. Such conflicts could be related to the competition for customers, access to and distribution of products and the allocation of capital, employees and other resources. In order to minimize conflicts of interest in such situations, UNIFI will create an Intercompany Transactions Committee that will be required to review intercompany transactions and situations involving potential conflicts of interest among UNIFI and its subsidiaries, or any one of them, against such standards as may be imposed by state or federal law or which in the opinion of such Intercompany Transactions Committee should be applicable to a potential conflict of interest. The Intercompany Transactions Committee may or may not succeed in achieving balanced resolution of such conflicts, which could be detrimental to Union Central.

- *Potential for Increased Financial Leverage.* After the Reorganization, UNIFI and its subsidiaries, including Union Central, could incur debt in a greater variety of forms and in larger amounts than Union Central would be permitted to incur if Union Central remained a stand alone mutual insurance company. A mutual insurance company may issue debt in a variety of forms, but may not issue (a) convertible debt (such as promissory notes convertible into stock), (b) hybrid equity-debt arrangements such as the concurrent issuance of promissory notes and warrants for stock, or (c) preferred stock that has debt-like features (and may be treated as debt for accounting and tax purposes) and provides the holder with rights similar to those provided to a lender. Also, there are regulatory limitations on the issuance of debt by insurance companies that do not apply to a holding company issuer.

- *Potential Litigation.* At least five proposed mutual insurance holding company reorganizations have resulted in lawsuits: Provident Mutual Life Insurance Company, The Western and Southern Life Insurance Company, The Ohio National Life Insurance Company, National Life Insurance Company of Vermont, and Principal Mutual Life Insurance Company. These lawsuits focused on one or more of the following issues: the adequacy of disclosures made to policyholders (including descriptions of alternatives such as demutualization and the effect of the reorganization on policyholders' economic interests), the fairness of the reorganization plans (including whether policyholders were deprived of ownership rights without compensation), and/or the constitutionality of the statutes authorizing the reorganizations. All but one of the companies sued ultimately formed mutual insurance holding companies, and the fifth company, Provident Mutual, abandoned its reorganization plans (and was later acquired in a sponsored demutualization by Nationwide Financial). Two of these reorganizations involved Ohio mutual insurance companies, and both were consummated. There can be no assurance that adoption of the Plan would not result in litigation. Litigation can be both costly and time-consuming and could result in a diversion of effort and resources by management of Union Central and UNIFI.

- *Potential Payments under Change of Control Agreements.* If the nine executives that have entered into change of control agreements with Union Central were to become entitled to payments under such agreements by reason of such

executives having been terminated after the Merger without cause or being "effectively terminated" (*i.e.*, such executive suffers a significant reduction in salary or incentive compensation or is transfered to a location greater than 50 miles from the current job location without such executive's consent), Union Central would be obligated to pay a total of approximately $6.5 million in the aggregate to such persons. There are no present plans or intentions to terminate any of these executives after the Merger and it is believed to be unlikely that any such payments will be made. Similarly, if the 17 executives that have entered into change of control agreements with Ameritas Acacia were to become entitled to payments under such agreements by reason of such executives having been terminated after the Merger without cause or being "effectively terminated" (*i.e.*, such executive suffers a significant reduction in salary or incentive compensation or is transferred to a location greater than 50 miles from the current job location without such executive's consent), Ameritas Acacia would be obligated to pay a total of approximately $10.4 million in the aggregate to such persons. Union Central has been advised that there are no present plans or intentions to terminate any of these executives after the Merger and it is believed to be unlikely that any such payments will be made.

- *Failure to Realize Anticipated Benefits.* There can be no assurance that the anticipated advantages of the Reorganization described above will be realized. In particular, there can be no assurances that the financial strength ratings, revenue, growth or profitability of UNIFI or Union Central will improve following the Reorganization. These advantages could fail to be achieved for a variety of reasons; for example, UNIFI's operating strategies or those of its subsidiaries may not lead to improved revenue growth and profitability, or the operations of Union Central and Ameritas Acacia may not be integrated as effectively, or as promptly, as anticipated. To some extent, the two companies have complementary products, and it is possible that the respective distribution forces of the two companies may not be able to sell each other's products effectively, or that the customers of one company may not be receptive to the products of the other. For example, Union Central does not currently offer any group dental insurance, a major Ameritas Acacia line of business, to its customers. The success of UNIFI will also depend in large part upon the skill and judgment of UNIFI's senior management, which will be comprised of certain of the current senior officers of each of Ameritas Acacia and Union Central. The two companies will seek to assign their respective senior executives to the areas in which their particular expertise can be best utilized, but there can be no assurances that the efforts of such executives will be successful. If UNIFI is not successful in realizing the anticipated benefits of the Reorganization, it is possible that Union Central could become less profitable than it has been historically, which could adversely affect both its ability to compete and the interests of the Union Central Policyholders. There can be no assurances that, after the Reorganization, UNIFI will be able to sustain the current levels on its profitability or improve on, the profitability of Ameritas Acacia.
- *Classified Board of Directors.* UNIFI's Board has been "classified" into three separate classes of directors. This means that, at any given annual meeting of the members of UNIFI, only approximately one-third of the directors will stand for election. Under these circumstances, it would take the voting members of UNIFI three successive annual meetings to replace the entire UNIFI Board if they wanted to accomplish this result.

Advantages and Disadvantages of Mutual Holding Company Structure Resulting From the Reorganization

The Union Central Board also considered the potential advantages and disadvantages of the mutual insurance holding company structure associated with the Reorganization that will result in Union Central becoming a subsidiary of UNIFI. The Union Central Board has determined that Union Central would not reorganize into a mutual insurance holding company structure if the Merger will not be consummated; however, a mutual insurance holding company form of organization does have some advantages and disadvantages as compared to remaining a mutual insurance company.

The possible advantages of a mutual insurance holding company structure, which are also incidental advantages of the Reorganization, include the following:

- *More flexible corporate structure.* A mutual insurance holding company structure is a more flexible form of organization than a mutual insurance company structure or a stock insurance company structure and this flexibility could facilitate the ability to consummate acquisitions. A mutual insurance holding company can issue membership interests in connection with mergers or consolidations with other mutual insurance holding companies or mutual insurance companies, which a stock insurance company cannot do. In addition, an intermediate insurance holding company subsidiary of a mutual insurance holding company may issue shares of its capital stock in connection with acquisitions of other stock insurance companies. A mutual insurance company has no authorized capital stock and, therefore, cannot issue capital stock to make any acquisitions. In addition, a mutual insurance holding company, or its

intermediate holding company, can acquire other companies, including non-insurance companies, which offers the potential accounting advantage of the acquired company not being reflected on the statutory balance sheet of an insurance company. By comparison, a mutual insurance company would have to own any such acquisition vehicle directly and, therefore, reflect such non-insurance company subsidiary investment on its balance sheet.

- *More diversified access to capital if required by future business developments.* A mutual insurance holding company form of organization facilitates access to capital markets, including the equity capital markets, if and when any company in the structure has a need for additional capital. An intermediate insurance holding company subsidiary of a mutual insurance holding company may issue shares of its capital stock or debt securities for cash and such cash can then be contributed to one or more of its subsidiaries or used for acquisitions. A mutual insurance company cannot issue any equity securities, and it can issue debt securities only at the insurance company level, which debt issuance could adversely affect its financial strength ratings.

- *Ability to use stock in compensation and incentive plans.* A mutual insurance holding company group may adopt equity based compensation and incentive plans in order to enhance its ability to attract and retain management and other employees. UNIFI, as a mutual insurance holding company with a stock holding company subsidiary, AHC, could adopt equity-based incentive plans. A mutual insurance company cannot do this, although it can adopt a so-called phantom stock plan which can replicate certain features of a stock-based incentive plan. There are no current plans or intentions for UNIFI to adopt any form of equity-based compensation or incentive plans nor are there any plans or intentions to conduct an IPO of AHC stock.

Possible disadvantages of a mutual insurance holding company structure include the following:

- *Potential Disadvantages if Intermediate Insurance Holding Company Issues Common Stock.* Unlike a mutual insurance company structure in which the policyholders are also the exclusive owners of the operating insurance company, a mutual insurance holding company structure presents the possibility of stockholders who are not also policyholders at the intermediate insurance holding company level. Thus, a mutual insurance holding company form of organization (which will also occur in the Reorganization) has some potential disadvantages if its intermediate stock holding company (such as AHC) were to sell stock to one or more third parties. Although there are no current plans or intentions to either conduct an IPO of AHC's stock or to adopt any form of equity based compensation or incentive plans, if any of these events were to occur, some of the potential disadvantages are set forth below:

  - *Potential Conflicts of Interests between Policyholders/Members and Stockholders.* The Board of Directors of a mutual insurance company, like Union Central before the Reorganization, has a duty to act in the best interests of its policyholders. The board of directors of an intermediate holding company (such as AHC) has a duty to act in the best interests of its stockholders, including its parent mutual insurance holding company and, if it issues additional common stock in the future, any other stockholders of the intermediate holding company. In certain circumstances, the interests of a mutual insurance holding company (such as UNIFI) and its members could conflict with the interests of the other minority stockholders of the intermediate holding company. For example, policyholders have an interest in receiving insurance at low cost in the tradition of a mutual insurance company while the intermediate holding company stockholders would have an interest in receiving a high return on their investment. In addition, the holders of participating insurance policies of an insurance subsidiary of the mutual insurance holding company may receive policyholder dividends on their policies at varying annual rates, depending on the profitability of the insurance company; third party stockholders of the intermediate holding company might prefer that the profits of insurance company subsidiaries be paid as dividends to the intermediate holding company for distribution to stockholders rather than used to increase the policyholder dividends to the holders of participating policies of the insurance company subsidiaries. Alternatively, stockholders might prefer an insurance company subsidiary to raise its premiums to preserve or sustain a given level of profitability for the benefit of stockholders. These divergent interests could affect business decisions of the intermediate holding company board of directors, which must balance these potentially divergent interests of policyholders and stockholders (and stockholders could in the future include directors, officers, employees and agents of the stock life insurance company, as well as policyholders if they buy stock through subscription rights in an IPO of the intermediate holding company or otherwise). There can be no assurance that the board of directors of an intermediate holding company (such as AHC) would be able to effectively balance the interests of the members of its parent mutual insurance holding company (such as the UNIFI Members) with those of its public stockholders.

- ➢ *Reduction in Ownership Level.* If an intermediate holding company (such as AHC) were, in the future, to sell common stock to one or more third parties in a public offering or otherwise, the indirect beneficial ownership of mutual insurance holding company members in the intermediate holding company and its subsidiaries would be diluted from 100% to a lower percentage (not less than a majority). This reduced ownership level would reduce the overall voting power of the mutual insurance holding company members (such as UNIFI Members) and the economic stake of such members in the mutual insurance holding company.

- ➢ *Potential for Book Value Dilution Upon an Offering of Stock.* Initially, the shares of stock of an intermediate holding company that are owned by the mutual insurance holding company will have a book value equal to the capital and surplus of the intermediate holding company. A market value for the shares of an intermediate holding company will not be established unless and until shares are sold to the public or to other third parties. The sale of stock in an intermediate holding company to the public or to other third parties could have the effect of diluting or enhancing, from an accounting standpoint, the book value of the shares of the intermediate holding company held by the mutual insurance holding company. If shares of stock of an intermediate holding company are sold to the public or to other third parties at any time (initially or subsequently) at a per-share price less than the book value of such shares, the additional capital raised for the intermediate holding company will be less, in book value terms, than the proportionate number of shares acquired by the public shareholders, and the book value of shares owned by the mutual insurance holding company would be reduced proportionately. By the same token, if shares of stock of an intermediate holding company are sold to the public or to other third parties at any time (initially or subsequently) at a per-share price greater than book value, the additional capital raised for the intermediate holding company will be greater, in book value terms, than the proportionate number of shares acquired by the public or other third-party shareholders, and the book value of shares owned by the mutual insurance holding company would be increased proportionately. There can be no assurance that the market value of shares sold at any time will be equal to or greater than book value. In the event of a later demutualization of the mutual insurance holding company, the market value at that time of the shares of stock of an intermediate holding company owned by the mutual insurance holding company would likely be the measure of the total value available for distribution to eligible policyholders. A demutualization of the UNIFI mutual insurance holding company is not presently contemplated. If a demutualization never occurs, or until such time as it does occur, the value of the shares of stock of AHC, the intermediate holding company, held by the mutual insurance holding company would not translate into a direct economic benefit to Union Central Policyholders.

- ➢ *Potential Loss of Mutual Insurance Company Culture.* The mutual insurance company culture that exists among employees, agents and policyholders of a mutual insurance company (such as Union Central) could be lost or changed if an intermediate holding company (such as AHC) issues common stock, and this may be important to policyholders who believe that this culture generates value for them.

- *Insolvency or Liquidation of a Life Insurance Subsidiary Could Result in Claims Against UNIFI or AHC.* UNIFI and AHC would automatically be parties in the event of any insolvency or delinquency proceeding brought against Union Central, Ameritas Life or Acacia Life. If the assets of the insolvent life insurance subsidiary are insufficient to satisfy the claims of its policyholders, the assets of UNIFI and AHC could be used to satisfy such claims. These assets might in the future include the stock of other subsidiaries and/or funds or securities held at the UNIFI or AHC level.

CONSIDERATION OF ALTERNATIVES

Before adopting the Plan, the Union Central Board considered and weighed the potential advantages and disadvantages of the Reorganization as compared with the potential advantages and disadvantages of three other primary possible alternatives: (1) remaining an independent mutual insurer; (2) converting to a mutual insurance holding company structure without merging with Ameritas Acacia; and (3) demutualization. A discussion of the potential advantages and disadvantages of these alternatives as compared to the Reorganization follows below.

The Union Central Board has also considered in the past the advantages and disadvantages of a sponsored demutualization or a merger with another mutual insurer but did not specifically consider these as alternatives to the Reorganization, nor was the Union Central Board obligated to do so under Ohio law. A so-called "sponsored demutualization" is a demutualization in which another insurance company, usually a stock insurer that already has publicly traded common stock outstanding, acquires a mutual insurance company that simultaneously converts to a stock insurance company in a transaction in which the acquired company's members are paid cash and or securities in the acquiring company in exchange for their membership interests.

Remaining Independent

The Union Central Board compared and weighed the advantages and disadvantages of the Reorganization with those of remaining an independent mutual insurer. The Union Central Board concluded that the potential advantages of the Reorganization (after taking its disadvantages into account) outweighed the potential advantages of remaining an independent mutual insurer.

Potential Advantages

The possible advantages and disadvantages of the Reorganization are discussed herein under "Voting Considerations." The possible advantages of remaining an independent mutual insurer include the following:

- *Control Over the Union Central Board Retained.* Union Central Policyholders would retain the ability to elect the entire Union Central Board. After the Reorganization, Union Central Policyholders are estimated to have approximately 60% of the total member voting power of all UNIFI members, which will include policyholders of Ameritas Life and Acacia Life.
- *Potentially Larger Distributions Upon Potential Future Demutualization.* Union Central Policyholders would retain the sole ownership of Union Central and, accordingly, in the event of a demutualization of Union Central in the future, be entitled to all of the value of Union Central then distributable to its policyholders.
- *Potential Disadvantages of Reorganization Avoided.* Certain potential disadvantages of the Reorganization would be avoided. For example, under Union Central's current structure, there are no potential conflicts between interests of Union Central Policyholders and interests of others with indirect ownership interests in Union Central because Union Central Policyholders own all of the membership, *i.e.*, ownership, interests in Union Central. The only persons who receive distributions from Union Central are those Union Central Policyholders who receive policy dividends if and when declared by the Union Central Board. By contrast, under any of the other alternatives, including conversion to a mutual insurance holding company structure, outside investors can acquire stock, either directly or indirectly, in Union Central or in a company that will own Union Central, and their interests could conflict with the interests of Union Central Policyholders.
- *Future Transactions.* Under its current structure, Union Central would preserve its ability to pursue a merger with another mutual insurance company in the future, to pursue a stand-alone demutualization and to convert to a mutual insurance holding company in the future.
- *Mutuality Preserved.* A mutual structure, and in particular a mutual insurance company culture among employees, agents and Union Central Policyholders, may be important to Union Central Policyholders who believe that this culture generates value for them.

Potential Disadvantages

The possible disadvantages of remaining an independent mutual insurer and not merging with Ameritas Acacia include the following:

- *Potential Advantages Not Realized.* The potential advantages of the Reorganization, which the Union Central Board believes are significant, would not be realized at this time.
- *Competitive Position Could Erode.* An independent Union Central may not be able to compete as effectively in the future due to its comparatively small size, limited capital, smaller distribution force and fewer product offerings than other, larger insurers. If Union Central does not increase its size and scale of operations, its financial strength ratings could decline, which would adversely affect its ability to attract new policyholders and retain existing policyholders.

Conversion to a Stand-Alone Mutual Insurance Holding Company Structure

Union Central has determined that it will not convert to a mutual insurance holding company structure unless the Merger is consummated. The only reason for converting to a mutual insurance holding company structure at this time would be to facilitate the Merger with Ameritas Acacia since Ameritas Acacia is already organized as a mutual insurance holding company.

The Union Central Board compared and weighed the advantages and disadvantages of the Reorganization with the potential advantages and disadvantages of converting to a stand-alone mutual insurance holding company structure without the Merger, and concluded that the potential advantages of the Reorganization (after taking its disadvantages into account) outweighed the potential advantages of converting to a mutual insurance holding company structure without merging, primarily due to the compelling potential advantages of the Merger described elsewhere in this Policyholder Information Booklet.

Potential Advantages

The possible advantages of a stand-alone mutual insurance holding company structure, some of which are also incidental advantages of the Reorganization, include the following:

- *Same Advantages as Independence.* Union Central, converted to a stand-alone mutual insurance holding company structure, would present the same potential advantages with respect to remaining independent that are discussed above. See "Consideration of Alternatives – Remaining Independent – Potential Advantages," at page 28.
- *Same Advantages of Mutual Insurance Holding Company Structure.* Union Central converted to a stand-alone mutual insurance holding company structure would present the same potential advantages of such structure that are incidental advantages of the Reorganization discussed above. See "Voting Considerations – Advantages and Disadvantages of Mutual Holding Company Structure Resulting from the Reorganization," at page 25.

Potential Disadvantages

The possible disadvantages of a stand-alone mutual insurance holding company structure include the following:

- *No Merger.* The Merger would not occur and, consequently, many of the potential advantages of the Reorganization discussed elsewhere would not be realized at this time. In addition, an independent Union Central may not be able to compete as effectively in the future due to its comparatively small size, limited capital, smaller distribution force and fewer product offerings as compared to other, larger insurers.
- *Potential Disadvantages if Intermediate Holding Company Issues Common Stock.* The ability of a stand-alone mutual insurance holding company to cause its intermediate holding company subsidiary to issue common stock presents the same potential disadvantages that could arise from AHC issuing common stock as discussed above. See "Voting Considerations – Potential Disadvantages of the Reorganization," at page 23.
- *No Distribution of Cash, Securities or other Value.* Union Central Policyholders would not receive any distribution of cash, securities, policy credits or other value at the time of the conversion to such a structure.

Demutualization

The Union Central Board has considered the potential advantages and disadvantages of the Reorganization and compared and weighed such factors with the potential advantages of a demutualization transaction and has concluded that the potential advantages of the Reorganization (after taking its disadvantages into account) outweighed the potential advantages of a current demutualization.

Potential Advantages

The potential advantages of a demutualization include the following:

- Demutualization is the only alternative in which Union Central Policyholders would receive economic value in the form of stock, cash or policy credits, as a direct result of the transaction. That is because in the event of demutualization of Union Central, eligible Union Central Policyholders would be exchanging their membership interests for cash, stock or policy credits based on a formula that would allocate the equity of Union Central according to each eligible Union Central Policyholder's relative contributions to the surplus of Union Central. The determination of the value of this equity allocation to be received by eligible Union Central Policyholders would likely be based, at least to some extent, on the market value of the stock to be issued upon demutualization, as well as on the methodology for allocation of payment and the number of Union Central Policyholders eligible to receive such payment at that time.
- Due to enhanced structural flexibility, including the ability to issue capital stock, if the equity markets were receptive, a demutualized Union Central could issue capital stock and use the net proceeds thereof to increase its surplus, resulting in a financially stronger company. Such additional capital could potentially be used for a number of purposes. In addition, demutualization would provide the immediate opportunity to use stock as consideration to acquire another entity, while in the proposed mutual insurance holding company structure, this advantage would not be available unless and until an IPO of AHC is conducted. Capital stock would also permit the use of stock in compensation plans to attract and retain management and other employees after an IPO.

Potential Disadvantages

The potential disadvantages of demutualization include the following:

- The Merger would not occur and, consequently, the potential advantages of the Reorganization discussed elsewhere would not be realized at this time. In addition, an independent Union Central may not be able to compete as effectively in the future due to its comparatively small size relative to other insurers.
- There could be no assurances that the stock valuation of Union Central in a demutualization would be satisfactory to the Union Central Board or to Union Central Policyholders at this or any other time in light of the comparatively small size of Union Central relative to many publicly held stock life insurance companies. Moreover, the liquidity in any trading market of the stock of a demutualized Union Central could be limited.
- If Union Central were to demutualize, Union Central would lose the ability to effect a merger with other mutual insurers or mutual insurance holding companies, except by means of sponsoring their demutualization, which would necessitate the use of cash or stock rather than membership interests in exchange for membership interests of the target company.
- If Union Central were to demutualize, the mutual insurance company culture among employees, agents and Union Central Policyholders that exists today would be lost, and this may be important to Union Central Policyholders who believe that this culture generates value for them.

On the basis of these relative advantages and disadvantages of a demutualization, the Union Central Board concluded that at this time the Reorganization is preferable to a demutualization, converting without a merger or making no change in Union Central's structure. See "Voting Considerations," at page 21.

RECOMMENDATION OF THE UNION CENTRAL BOARD OF DIRECTORS

Based upon the factors discussed above in "Background and Reasons for Reorganization," "Voting Considerations" and upon extensive discussions with Union Central's management, legal counsel, financial advisors and actuarial consultants, the Union Central Board has determined that the Plan is fair and equitable to Union Central and its policyholders and approved and adopted the Plan. **Consequently, the Union Central Board unanimously recommends that the Voting Union Central Policyholders vote "FOR" the Proposal.**

Fairness Opinion of Financial Advisor to Union Central

In September 2004, Union Central engaged Morgan Stanley as financial advisor to assist Union Central in connection with its consideration of the Reorganization. On January 28, 2005, the date on which the Union Central Board approved the Merger Agreement, Morgan Stanley rendered its opinion to the Union Central Board that, subject to the assumptions, qualifications and limitations expressed in the opinion, as of such date, the Reorganization is fair from a financial point of view to Union Central Policyholders taken as a group.

On July 20, 2005, Morgan Stanley issued an updated opinion to the Union Central Board (which was substantially the same as its opinion rendered on January 28, 2005) that, subject to the assumptions, qualifications and limitations expressed in the opinion, as of such date, the Reorganization is fair from a financial point of view to Union Central Policyholders taken as a group. Morgan Stanley's July 20, 2005 opinion appears in Exhibit 4 of the Exhibit Volume, and you are encouraged to review it, including the assumptions, qualifications and limitations expressed therein. Morgan Stanley based its opinion on the review and analysis of information concerning the operations and financial position of Union Central and Ameritas Acacia, including (i) certain financial and actuarial information of Union Central and Ameritas Acacia, (ii) financial projections prepared by management of Union Central and Ameritas Acacia, (iii) participation in discussions with management of Union Central and Ameritas Acacia and their legal and actuarial advisors, (iv) materials and opinions related to the Closed Block and (v) third party reports relating to the pricing, product development and financial management practices of Union Central and Ameritas Acacia. Morgan Stanley also analyzed the impact of the proposed Merger by discussing the strategic objectives and rationale of the Merger with management of Union Central and Ameritas Acacia and reviewing rating agency analyses of the impact of the proposed Merger. Among other things, Morgan Stanley did not express any opinion as to the following matters: which of Union Central's Policyholders are considered members; matters relating to the allocation of combined membership interests or the value of the membership interests attributable to Union Central Policyholders pursuant to the Reorganization; matters relating to the establishment or operation of the Closed Block; or the fairness of the Plan to any individual Union Central Policyholder or class of Union Central Policyholders. Furthermore, while Morgan Stanley assisted Union Central in identifying the benefits and considerations, from a financial perspective, related to certain alternative transactions to the Reorganization considered by the Board of Directors (such as a demutualization), Morgan Stanley did not express any opinion as to the fairness to Union Central Policyholders of such alternative transactions (since Union Central chose not to pursue them) or as to the underlying business decision to undertake the Reorganization. Morgan Stanley's opinion also does not address any actions which Union Central may take following the Merger, including the terms of any IPO or any participation rights which may be offered to the Union Central Policyholders with respect thereto.

Morgan Stanley will be paid a fee for its services. Commencing in September 2004, a retainer fee accrues on a quarterly basis, until the engagement is terminated or the Merger is consummated, at the following rates: $150,000 fee for the first three months (through November 2004) and $75,000 for each subsequent three-month period. To date, Union Central has accrued approximately $300,000 in retainer fees payable to Morgan Stanley. In addition, upon the closing of the Merger, Morgan Stanley will be paid a contingent fee ranging from $2.5 million to $4.5 million. This contingent fee will not be payable if the Reorganization is not consummated. The precise amount of the final fee will be determined by Morgan Stanley and Union Central based on Union Central's assessment of the quality of services rendered by Morgan Stanley, as well as the duration, complexity and intensity of the engagement. The retainer fee will be credited against the final fee in full.

Opinions of Actuarial Consultants to Union Central

Opinion on Actuarial Fairness

On January 28, 2005, Steven I. Schreiber and Daniel J. McCarthy of Milliman also rendered an opinion to the Union Central Board that, as of such date, subject to the assumptions, qualifications and limitations expressed in the opinion, the proposed Reorganization is fair to Union Central's Policyholders from an actuarial point of view.

The actuarial fairness opinion addresses the question of whether or not the proposed Reorganization is fair to Union Central's policyholders from an actuarial point of view. The opinion states that 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, the opinion further states that, in the view of the actuarial consultants, the appropriate criteria for making an assessment as to the actuarial fairness to 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?

Based upon the analysis set forth in their fairness opinion, the consulting actuaries concluded that the answer to each of the above questions was "yes" and, therefore, that the Reorganization is fair to Union Central's policyholders from an actuarial point of view.

On July 20, 2005, Mr. Schreiber and Mr. McCarthy issued their updated opinion to the Union Central Board (which was substantially the same as their opinion rendered on January 28, 2005) that, as of such date, subject to the assumptions, qualifications and limitations expressed in the opinion, the proposed Reorganization is fair to Union Central's Policyholders from an actuarial point of view. Their July 20, 2005 fairness opinion appears in Exhibit 5 of the Exhibit Volume, and you are encouraged to review it, including the assumptions, qualifications and limitations expressed therein.

Opinions Relating to Closed Block

On January 28, 2005, Mr. Schreiber and Mr. McCarthy of Milliman rendered their opinion to the Union Central Board as to the appropriateness of the Closed Block as described in the Plan.

In considering the appropriateness of the Closed Block, the consulting actuaries first considered the legal requirements for such a mechanism. They concluded that, although not specifically required by Ohio law, there is precedent in Ohio for establishing a closed block in connection with the formation of a mutual insurance holding company in Ohio. They also considered the relevant actuarial literature relating to the appropriate objectives of a closed block, including the preservation of reasonable dividend expectations of each class of policyholders. Under the literature, "reasonable dividend expectations" is defined 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 accordingly if the experience changes. Based upon these principles and other matters identified in the opinion, the consulting actuaries concluded that the purpose of the Closed Block contemplated by the Plan is appropriate as an actuarial matter.

On July 20, 2005, Mr. Schreiber and Mr. McCarthy rendered certain opinions to the Union Central Board to the effect that, as of such date: (i) the purpose of the Closed Block, as described in Section 8.1 of the Plan, is appropriate, (ii) 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, (iii) the use of the 2005 Dividend Scale for determining the funding of the Closed Block is appropriate, and (iv) 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), 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, and 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. The opinions further state that Article VIII of the Plan also provides for the appropriate adjustment of the dividend scale if the underlying experience changes from that underlying the 2005 dividend scale. Their opinions are subject to the assumptions, qualifications and limitations expressed in the opinions.

The July 20, 2005 opinions of Mr. Schreiber and Mr. McCarthy appear in Exhibit 5 of the Exhibit Volume, and you are encouraged to review them, including the assumptions, qualifications and limitations expressed therein.

THE REORGANIZATION

The Plan contemplates that Union Central will first convert to a mutual insurance holding company structure and Policyholders' membership interests in Union Central will be automatically converted to membership interests in UCMHC. Immediately following the Conversion, the Plan contemplates that UCMHC will merge with Ameritas Acacia, which will change its name to UNIFI Mutual Holding Company, all pursuant to the Merger Agreement. The Merger Agreement provides that, if the Merger is consummated, membership interests in UCMHC will be converted into voting membership interests in UNIFI at the Effective Time of the Merger, without any act on the part of any member of UCMHC. Future Union Central Policyholders, like future policyholders of Ameritas Life and Acacia Life, will immediately become UNIFI Members upon issuance of an eligible policy. No other payment, such as cash, stock, or enhanced policy benefits, will be distributed to Union Central Policyholders in connection with the Reorganization. Following the Reorganization, Union Central will continue to operate as a subsidiary of UNIFI and will continue to be responsible for obligations owed to Union Central Policyholders under Union Central policies.

The following discussion highlights certain factors that Union Central Policyholders should take into account in determining how to vote with respect to the Proposal.

Impact on Your Membership Interests

General

Prior to the Reorganization, Union Central Policyholders possess all of the ownership rights over Union Central. They have both contract rights under their insurance policies or annuity contracts and all of the membership interests in Union Central. The principal right of Union Central Policyholders as insureds is the right to receive the type and amount of benefits specified in their policies or contracts in accordance with the terms and provisions thereof, including the right to receive policy dividends if, when and as declared by the Union Central Board in accordance with the terms and provisions of such policies. The principal rights of Union Central Policyholders as members include the right to vote on certain matters involving Union Central (assuming the Union Central Policyholder is a Voting Union Central Policyholder; see "Special Meeting — Voting Union Central Policyholders," at page 16) and the right to receive distributions from Union Central in the event of the ultimate dissolution or liquidation of Union Central. In addition, Union Central Policyholders as members have the right to receive stock, cash or policy credits, or other consideration, upon a demutualization.

Under the proposed Reorganization, at the Effective Time, the membership interests and the contract rights of Union Central Policyholders will be separated. By operation of Ohio law, Union Central Policyholders' membership interests in Union Central automatically will become membership interests in a newly formed Ohio mutual insurance holding company which will immediately, upon its formation, be merged into Ameritas Acacia to form UNIFI, and membership interests in Union Central will be extinguished. Union Central Policyholders owning policies in force at the Effective Time will have their membership interests in Union Central replaced by membership interests in UNIFI and will remain members of UNIFI for as long as their Union Central policies remain in force. Each person who becomes a Union Central Policyholder after the Effective Time will automatically become a member of UNIFI and will have membership interests in UNIFI as long as a qualifying Union Central policy owned by the member remains in force. Separate certificates evidencing the membership interests in UNIFI will not be issued. Members of Union Central before the Reorganization and members of UNIFI after the Reorganization will not receive shares of stock, cash, policy credits or other consideration or payment of any other kind attributable to the Reorganization (other than the UNIFI membership interest). Contract rights will remain with Union Central.

Under the Articles of Incorporation of UNIFI, Union Central Policyholders become members of UNIFI, and Union Central Policyholders who would have qualified as Voting Union Central Policyholders become the voting members of UNIFI.

Membership interests in Union Central prior to the Reorganization are not separately transferable from the underlying policies. A UNIFI Member will also not be able to transfer such membership interest in UNIFI (or any right arising from such membership) except in conjunction with permitted transfers of the underlying policy which creates such membership interest in UNIFI (the "Related Policy"). A membership interest in UNIFI will automatically terminate upon the lapse or termination of the Related Policy or upon the transfer of ownership, absolute assignment or other divestiture of the member's rights in the Related Policy. No UNIFI Member will be personally liable, as a member, for the debts, liabilities or obligations of UNIFI or subject to assessments of any kind related thereto.

The Reorganization would not preclude a subsequent demutualization of UNIFI at some future date, if the UNIFI Board were to determine that such a course of action is appropriate and UNIFI members, the Nebraska Director of Insurance (the "Nebraska Director") and other applicable regulatory authorities approve it. In the event that UNIFI is converted to a shareholder-owned company in a demutualization completed pursuant to a plan approved by its Board of Directors, members and the Nebraska Director, policyholder membership interests would be extinguished and each member of UNIFI (including members who are policyholders of Ameritas Life and Acacia Life) would receive payment therefor in the form of cash, policy credits, shares of capital stock of the resulting entity or some other form of payment in an amount and form to be determined in accordance with the demutualization plan as it is then adopted. There are no current plans to demutualize UNIFI. During the Six-Year Mandatory Period, a supermajority vote of 80% of the entire UNIFI Board would be required to authorize a demutualization of UNIFI.

If Union Central were to demutualize now instead of reorganizing into a mutual insurance holding company structure, Union Central Policyholders' membership interests would be extinguished, and in exchange Union Central Policyholders would receive payment in the form of stock, cash or policy credits, or other kinds of payment. Union Central Policyholders who received such payment in the form of stock would potentially receive dividends on such stock (in addition to whatever policy dividends they receive) and could sell such stock for cash. As under the proposed Conversion, policy terms and benefits would not be affected by a demutualization, and Union Central Policyholders would receive reasonable assurances, in the form of a Closed Block (such as the one being established for the proposed Conversion) that Union Central's basis for declaring policy dividends would not change as a result of a demutualization of Union Central.

Effect of an Offering of Stock by AHC

It is anticipated that after the Reorganization, the mutual insurance holding company structure of UNIFI will provide Union Central with potential access to additional capital resources. In the future, depending upon market conditions, AHC may be able to sell new shares of capital stock or securities convertible into common stock or debt securities to the public or other third parties, provided that, at all times, UNIFI will be required to approve the sale of any shares of AHC stock by AHC and provided further that UNIFI is required by law to retain a majority of the voting securities of AHC. The consent or approval of the UNIFI Members, either in their capacity as such or as policyholders, is not required for the sale of shares of AHC stock. UNIFI will also indirectly control Union Central through the ownership of a majority of AHC's voting securities.

If AHC were to issue shares of its common stock or other equity securities in the future, it would do so for value and the proceeds of such issuance would be used for the corporate purposes of AHC, including potentially providing capital to its insurance subsidiaries. AHC's subsidiaries, however, could not compel AHC to contribute such proceeds to their capital. It is unlikely that any of such proceeds would be paid or distributed to the members of UNIFI since such proceeds would likely be invested in the capital of one or more subsidiaries or used for other corporate purposes. The issuance by AHC of common stock or other equity securities would reduce the ownership level of UNIFI (and, therefore, UNIFI members) in AHC. This reduced ownership level would have the effect of reducing the total voting power and economic interest of UNIFI (and, therefore, the voting power and economic interest of the UNIFI Members) in AHC.

Any dividends payable by AHC or Union Central in the future with respect to their shares of capital stock, will be subject to determination and declaration by their respective Boards of Directors and to applicable regulatory constraints. It is anticipated that the principal factors affecting any such determination and declaration will include, among others, the respective companies' current financial condition and results of operations, tax considerations, dividend policies of comparable companies and economic conditions. Union Central Policyholders will not be stockholders of Union Central or AHC by reason of the Reorganization and, therefore, are not anticipated to receive any dividends if either pays such dividends in the future. As a holder of common stock of AHC, UNIFI would receive its share of any dividends paid by AHC in respect of its outstanding shares of common stock. UNIFI, however, would not be required to declare and pay any such dividends to its members, and if it did determine to do so, prior regulatory approval would be required in advance of such payment. In addition, AHC could issue a class of preferred shares that would be entitled to periodic dividends that would not be payable to holders of AHC common stock such as UNIFI.

Finally, if AHC were to issue shares of stock in the future, UNIFI's investment in AHC could be diluted from an accounting standpoint. Initially, after the Reorganization, the shares of stock of AHC that are owned by UNIFI will have a book value equal to the capital and surplus of AHC after the Reorganization. A market value for the shares of AHC will not be established unless and until shares are sold to the public or to other third parties. The sale of stock in AHC to the public or to other third parties could have the effect of diluting or enhancing, from an accounting standpoint, the book value of the shares of AHC held by UNIFI. If shares of stock of AHC are sold to the public or to other third parties at any time (initially or subsequently) at a

per-share price less than the book value of such shares, the additional capital raised for AHC will be less, in book value terms, than the proportionate number of shares acquired by the public shareholders, and the book value of shares owned by UNIFI would be diluted. By the same token, if shares of stock of AHC are sold to the public or to other third parties at any time (initially or subsequently) at a per-share price greater than book value, the additional capital raised for AHC will be greater, in book value terms, than the proportionate number of shares acquired by the public or other third-party shareholders, and the book value of shares owned by UNIFI would be enhanced. There can be no assurance that the market value of shares sold at any time will be equal to or greater than book value. In the event of a later demutualization of UNIFI, the market value at that time of the shares of stock of AHC owned by UNIFI would likely be the measure of the total value available for distribution to eligible policyholders. A demutualization of UNIFI is not presently contemplated. If a demutualization never occurs, or until such time as it does occur, the value of the shares of stock of AHC held by UNIFI will not translate into a direct economic benefit to policyholders.

Participation Rights in the Event of an Initial Public Offering by AHC

Although there is no present intention to do so, following the Effective Time, AHC may conduct an IPO of its shares of authorized capital stock representing less than a majority of its voting securities. An IPO does not create a value realization event for UNIFI Members, including the Union Central Policyholders. In the event AHC elects to conduct an IPO, UNIFI Members will, however, be offered the opportunity to purchase shares of common stock of AHC at a price per share equal to the IPO price per share. This opportunity to participate in an IPO is not transferable and does not have any appreciable independent value; it is simply the right to acquire the IPO stock on the same economic terms as the investing public, which would require an investment of cash by the holder of the right.

The participation in an IPO will be afforded to the Union Central Policyholders who are UNIFI Members on the date of the IPO in one or more of the following ways (in each case, subject to compliance with applicable federal and state securities laws): (i) providing priority subscription rights to purchase shares of common stock of AHC; (ii) reserving or setting aside for the Union Central Policyholders a specified number of shares of common stock being offered in the IPO ("Reserved Shares"); (iii) making an offering of a specified number of shares of common stock being offered in the IPO; (iv) providing the Union Central Policyholders with written notice of the proposed IPO with the opportunity to request a copy of the prospectus and purchase shares in the IPO on terms no less favorable to Union Central Policyholders than those offered to the public, subject to the availability of shares or other conditions appropriate for an IPO; or (v) providing other rights to participate in the IPO as are consistent with the Plan and the Merger Agreement and applicable law and are approved by the Ohio Superintendent. In each of (i) through (v) above, the common stock being offered in the IPO to the Union Central Policyholders who are UNIFI Members on the date of the IPO shall be offered at the price and on other terms no less favorable to such persons than those offered to the public in the IPO. UNIFI will give prior notice of a proposed IPO, and a description of the material terms and provisions thereof, when required by the Ohio Revised Code and/or the undertakings entered into by the Company with the Ohio Superintendent in connection with the Plan (the "Undertakings.") If the Ohio Superintendent does not object to the proposed terms and provisions of the IPO within the time period required by the Undertakings, then UNIFI may proceed with the IPO in a manner consistent with the terms and conditions as described to the Ohio Superintendent. It is not intended that any of such participation rights ("IPO Participation Rights") will be afforded in any initial offering of preferred stock which is not convertible or exchangeable into common stock and which has no ordinary voting rights for the election of directors. The AHC Board is authorized to impose conditions, limitations or exceptions with respect to such IPO Participation Rights as it deems appropriate and desirable in order to facilitate the IPO, including the specification, without limitation, of the following: a subscription or participation period, the expiration date, minimum or maximum number of shares which may be purchased by eligible members, the purchase price, and other terms of the participation; provided however, that all such conditions, limitations or exceptions shall be approved by the Ohio Superintendent as provided above. UNIFI Members that are policyholders of Ameritas Life and Acacia Life have similar participation rights by reason of the reorganization plans of such companies previously approved and adopted.

In connection with any IPO, AHC may authorize the creation of more than one class of capital stock with such classes having different provisions as to voting rights and/or other terms, subject to the requirement that UNIFI will directly or indirectly own at least the minimum number of voting shares required by applicable law. In connection with any IPO, the AHC Board may permit arrangements under which the directors, officers, employees, agents, and employee benefit plans for the benefit of UNIFI, AHC, Union Central, Acacia Life, Ameritas Life and affiliated companies may be entitled to purchase, for cash, shares of common stock at the same price offered to the public in the IPO. The number of shares which may be purchased pursuant to any such provisions may not exceed twenty percent (20%) of the aggregate number of shares issued in connection with any offering providing IPO Participation Rights to eligible members in the IPO. The number of shares allocated to any

single employee benefit plan may not exceed ten percent (10%) of the aggregate number of shares issued in connection with any offering providing participation rights to eligible members in the IPO. Prior to the commencement of any IPO, the boards of directors of UNIFI, AHC, and their subsidiaries may establish stock option, incentive and share ownership plans which are customary for publicly traded companies in the same or similar industries and, in connection with the IPO, may grant options or other rights having an exercise price not less than the same price as offered to the public in the IPO.

Following an IPO, AHC may issue additional shares of common stock, provided that UNIFI retains a majority of the outstanding voting securities of AHC.

No Impact on your Policy

The terms and provisions of the policies held by Union Central Policyholders will not be changed as a result of the Reorganization. In addition, the Reorganization will not result in any reduction or alteration in any way of any of the guaranteed benefits and values, and the contractual rights of Union Central Policyholders, as described in their policies, nor will the Reorganization cause the premiums required to be paid as specified in the policies to be increased or otherwise changed.

Impact on your Policy Dividends

Union Central's policy dividend practices will not be changed by reason of the Reorganization, although, as always, policy dividends may vary from year to year and future changes in policy dividend practices may occur in response to future events or circumstances. However, holders of certain dividend-paying policies issued by Union Central will have the protection of the Closed Block, as discussed below.

Closed Block

In connection with the Reorganization, an arrangement known as a Closed Block will be established, for policy dividend purposes only, for the exclusive benefit of the policies included therein. In general, participating individual life insurance policies which were issued by Union Central prior to the Effective Time and which receive dividends will be included in the Closed Block (the "Closed Block Policies"). 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 (par) business that is excluded from the Closed Block; however, the vast majority of the par business excluded from the Closed Block is universal life and annuity business for which dividends have not historically been paid and for which there are no expectations of projected dividends in the future.

The Closed Block is designed to give reasonable assurance to holders of Closed Block Policies that assets will be available to provide for continuation, in the aggregate, of dividends throughout the life of such policies based upon the 2005 dividend scale if the experience underlying such dividend scale (including portfolio interest rates) continues, and for appropriate adjustment in such dividend scale if the experience changes. After the Reorganization, policies will continue to be eligible for policy dividends as declared by the Union Central Board. The Closed Block consists of identifiable assets and cash flows agreed by Union Central and the Insurance Superintendent of the State of Ohio (the "Ohio Superintendent") to be designated for the benefit of the holders of Closed Block Policies, and is designed to maintain those Union Central Policyholders' reasonable policy dividend expectations. The purpose of the Closed Block is to reduce the potential of conflict, in the event that shares of AHC are sold to investors who are not Union Central Policyholders, between the interests of Union Central Policyholders who receive policy dividends and shareholders of AHC who receive shareholder dividends.

Assets of Union Central will be assigned to the Closed Block in an amount that produces cash flows which, together with anticipated revenues from the Closed Block Policies, are expected to be sufficient to support the Closed Block Policies, including, but not limited to, provisions for payment of claims and certain expenses and taxes, and to provide for continuation of the dividend scale payable for 2005 in the aggregate if the experience underlying such scale continues, and for appropriate adjustments in such scale if the experience changes. To the extent that over time cash flows from the assets of the Closed Block and other experience relating to the Closed Block Policies are, in the aggregate, more favorable than have been assumed, total policy dividends paid to the holders of Closed Block Policies in future years may be greater, in the aggregate, than if the dividend scale payable for policy years ending in 2005 had been continued. To the extent that over time such cash flows and other experiences are, in the aggregate, less favorable than have been assumed, policy dividends paid to holders of Closed Block Policies in future years may, in the aggregate, be less than if the dividend scale payable for policy years ending in 2005 had been

continued. Policy dividends on Closed Block Policies, as in the past, may vary from time to time and are not guaranteed. Union Central is not required to support the payment of policy dividends on Closed Block Policies from its general funds, although Union Central could choose to declare dividends in excess of those determined in accordance with the Plan. In the event of an insolvency of Union Central, the assets in the Closed Block would not be available exclusively to Union Central Policyholders included in the Closed Block.

Union Central will continue to pay guaranteed benefits under all policies, including the Closed Block Policies, in accordance with their terms. If the assets assigned to the Closed Block, the investment cash flows from those assets and the revenues from the Closed Block Policies prove to be insufficient to pay the benefits guaranteed under the Closed Block Policies, Union Central will be required to make such payments from its general funds. Although Union Central will use its best efforts to support the Closed Block Policies with the assets assigned to the Closed Block, these assets are Union Central's general account assets and are subject to the same liabilities (with the same priority in an insolvency or liquidation) as assets outside the Closed Block. While the Closed Block is in effect, none of the assets or cash flows of the Closed Block, except for deductions as permitted under the terms of the Plan and the Closed Block Memorandum, may revert to the benefit of Union Central's shareholder, AHC.

The Closed Block will initially be funded with policy loans on policies in the Closed Block, due and deferred premiums on the policies in the Closed Block, and certain designated assets in Union Central's general account (which may include bonds, notes, mortgages, due and accrued investment income on such bonds, notes and mortgages, stock, real estate, cash and other permitted investments). The composition of assets in the Closed Block will change over time as a result of new investments, which will be made in accordance with Union Central's investment policies and guidelines as adopted by the Union Central Board from time to time. The Closed Block Memorandum describes the methodology that the Company's actuaries will use to calculate the precise amount of assets that will be required to fund the Closed Block.

Operation of the Closed Block

Premiums received and investment cash flows from the assets allocated to the Closed Block will be added to, and policy benefits on the Closed Block Policies will be withdrawn from, the Closed Block as provided in the Plan. Federal and state taxes and certain other expenses relating to the Closed Block, and investment expenses associated with Closed Block assets, will be withdrawn from the Closed Block as provided in the Plan.

Policy dividends on the Closed Block Policies will be apportioned by the Union Central Board in accordance with policy provisions and applicable law and with the objective of minimizing tontine effects (a concept referring to a holder of an individual life insurance policy receiving proportionally greater dividends under the policy than another holder simply because the former outlived the latter) and exhausting assets allocated to the Closed Block with the final payment under the last policy contained in the Closed Block. Such dividends will also be allocated among the Closed Block Policies so as to reflect the underlying experience of the Closed Block and the degree to which the various classes of Closed Block Policies contributed to such experience. An income statement and balance sheet for the Closed Block will be prepared and submitted to the Ohio Superintendent, the Superintendent of Insurance of the State of New York (the "New York Superintendent") and the Union Central Board annually. In addition, Union Central will retain an independent consulting actuary to periodically review the operation of the Closed Block and to make a report thereon to the Union Central Board and to the Ohio Superintendent and the New York Superintendent. The first such review is required as of December 31, 2008, and subsequent reviews are required no less frequently than every fifth year thereafter or at such other times as the Ohio Superintendent or the New York Superintendent reasonably requires.

As noted above in "Closed Block," the Closed Block mechanism does not guarantee that policy dividends will continue according to the 2005 dividend scale or at all, nor does it create an absolute ceiling on dividends. It should be noted that any gains in efficiency realized by the Company as a result of a reduction in expenses, acquisitions or otherwise would generally inure to the benefit of AHC, the shareholder of Union Central, and ultimately to the shareholders of AHC, potentially including outside investors, if any, and not necessarily to holders of the Closed Block Policies through increased policy dividends.

The Closed Block will continue in effect until either (i) the last Closed Block Policy is no longer in force or (ii) the dissolution of the Closed Block. The Closed Block may not be dissolved without the approval of the Ohio Superintendent or, as to New York policyholders, the New York Superintendent. Even if the Ohio Superintendent approves a dissolution of the Closed Block, the Closed Block Policies at the time of dissolution will remain obligations of Union Central, and policy dividends on these policies must be apportioned by the Union Central Board in accordance with policy provisions and applicable law.

Amendments to the Plan of Reorganization

The Plan permits the Union Central Board, by the affirmative vote of not less than two-thirds of the directors, to amend the Plan (including the Exhibits) in certain respects at any time after approval of the Plan by Union Central Policyholders, but only if such amendment is required by the Ohio Superintendent in order for the Ohio Superintendent to approve the Plan as being fair and equitable to Union Central Policyholders or in order to conform the Plan to the requirements of applicable law, provided that no such amendment may be made which could adversely affect the interests of Union Central Policyholders in any material respect. Union Central, with the prior approval of the Ohio Superintendent, may make such minor modifications as are appropriate to correct errors, clarify existing items or make additions to correct manifest omissions in the Plan. At any time before the Plan has received the approval of the Ohio Superintendent under Section 3913.28 of the Ohio Revised Code, Union Central may, by the affirmative vote of not less than two-thirds of the Union Central Board, withdraw the Plan.

In addition to the above, after the Effective Time, the Plan may be amended or modified in any respect; provided that no such amendment or modification shall become effective unless and until it is (i) authorized by the affirmative vote of not less than two-thirds of the Union Central Board and 80% of the UNIFI Board; (ii) approved by the affirmative vote of at least a majority of the UNIFI Members voting in person or by proxy at a duly noticed and convened special or annual meeting of the UNIFI Members; and (iii) approved by the Ohio Superintendent and, if required by Nebraska law, the Nebraska Director. In addition to the foregoing, if the Ohio Superintendent or the Nebraska Director requires a public hearing relating to any proposed amendment to or modification of the Plan, such amendment or modification shall not be effective until such hearing has been held and any order resulting therefrom issued.

Change of Control Agreements

Union Central

Union Central has Key Officer Change in Control Agreements ("Change in Control Agreements") in place with nine of its executive officers, including John H. Jacobs, Gary Huffman, David F. Westerbeck, Steve Johnston, Steven R. Sutermeister, Steve Valerius, Lisa Mullen, Elizabeth Monsell and Dale Johnson (collectively, the "Key Officers"). These Change in Control Agreements were entered into between Union Central and each such Key Officer on September 16, 2004 to induce the Key Officer to remain in the employ of Union Central despite uncertainties created by any potential change in control of Union Central, which would include the Reorganization. The Change in Control Agreements state, generally, that if any Key Officer's employment is terminated without cause, or the Key Officer is "effectively terminated" (*i.e.*, such officer suffers a significant reduction in salary or incentive compensation or is transfered to a location greater than 50 miles from the current job location without such officer's consent), within a twenty-four (24) month period following a "Change in Control" (as defined in the Change in Control Agreements), then Union Central will: (a) continue to pay to the applicable Key Officer his or her base salary (minus all applicable tax and benefit deductions) for a specified period ranging from twenty-four (24) to thirty-six (36) months after the date his or her employment was terminated, and (b) continue to provide benefits in effect under Union Central's or its successor's then current group medical, dental, vision, and life insurance plans, subject to current employee and Union Central cost sharing contribution levels, for the same period after the date his or her employment was terminated or until the Key Officer commences other employment with substantially equivalent benefits, whichever comes first. Under the Change in Control Agreements, a Change in Control is deemed to have occurred if, among other things, Union Central merges with and into another entity not owned exclusively by Union Central Policyholders. The Merger constitutes a Change in Control under such definition. It is not anticipated that any of the Key Officers will waive their respective rights under their Change in Control Agreements. If all nine executives that have entered into Change in Control Agreements were to become entitled to payments under such agreements by reason of such executives having been terminated after the Merger without cause or "effectively terminated," Union Central would be obligated to pay a total of approximately $6.5 million in the aggregate to such persons. There are no present plans or intentions to terminate any of these executives after the Merger.

Ameritas Acacia

Ameritas Acacia also has key officer change in control agreements ("Ameritas Acacia Change in Control Agreements") in place with 17 of its executive officers (collectively, the "Ameritas Acacia Key Officers"). These Ameritas Acacia Change in Control Agreements were entered into between Ameritas Acacia and each such Ameritas Acacia Key Officer to induce the Ameritas Acacia Key Officer to remain in the employ of Ameritas Acacia despite uncertainties created by any potential change in control of Ameritas Acacia, which would include the Reorganization. The Ameritas Acacia Change in Control Agreements

state, generally, that if any Ameritas Acacia Key Officer's employment is terminated without cause, or the Ameritas Acacia Key Officer is "effectively terminated" (*i.e.*, such officer suffers a significant reduction in salary or incentive compensation or is transfered to a location greater than 50 miles from the current job location without such officer's consent), within a twenty-four (24) month period following a "Change in Control" (as defined in the Ameritas Acacia Change in Control Agreements), then Ameritas Acacia will: (a) continue to pay to the applicable Ameritas Acacia Key Officer his or her base salary (minus all applicable tax and benefit deductions) for twenty-four (24) months after the date his or her employment was terminated, or the Ameritas Acacia Key Officer can elect to receive the full amount as a lump sum at the time of termination; (b) continue to provide benefits in effect under Ameritas Acacia's or its successor's then current group medical, dental, vision, and life insurance plans, subject to current employee and Ameritas Acacia cost sharing contribution levels, for the same period after the date his or her employment was terminated or until the Ameritas Acacia Key Officer commences other employment with substantially equivalent benefits, whichever comes first; and (c) vest certain rights to the Ameritas Acacia Key Officers under certain company incentive plans as further described in the Ameritas Acacia Change in Control Agreements. The severance payments and benefits described above are subject to certain tax related events, which could alter the severance payment paid to an Ameritas Acacia Key Officer. Under the Ameritas Acacia Change in Control Agreements, a Change in Control is deemed to have occurred if, among other things, any person or group becomes the beneficial owner of more than fifty percent (50%) of the then outstanding voting stock of Ameritas Acacia. The Merger constitutes an Ameritas Acacia Change in Control under such definition. It is not anticipated that any of the Ameritas Acacia Key Officers will waive their respective rights under their Ameritas Acacia Change in Control Agreements. If all 17 executives that have entered into Ameritas Acacia Change in Control Agreements were to become entitled to payments under such agreements by reason of such executives having been terminated after the Merger without cause or "effectively terminated," Ameritas Acacia would be obligated to pay a total of approximately $10.4 million in the aggregate to such persons. There are no present plans or intentions to terminate any of these executives after the Merger.

The majority of these Ameritas Acacia Change in Control Agreements were entered into in September of 2002 and were amended in 2005 to comport with the requirements of the American Jobs Creation Act of 2004. The Ameritas Acacia Change in Control Agreements were not entered into specifically in contemplation of the pending Merger. Rather, they were entered into as a result of Ameritas Acacia's ongoing business objective of seeking growth opportunities through appropriate mergers and acquisitions.

Comparison of Union Central Policyholders' Rights Before and After the Reorganization

The following table provides a brief description of the effects the Reorganization will have on the contract rights and membership interests of Union Central Policyholders.

	Rights	Before Reorganization	After Reorganization
Contract Rights	Right to receive, as a Union Central Policyholder, policy benefits and policy guarantees	Policy benefits and guarantees are obligations of Union Central.	Union Central Policyholders continue to be policyholders of the same (reorganized) life insurance company, Union Central. The Plan will not in any way increase premiums or contributions, or diminish policy benefits, values, guarantees, or other policy obligations. All policy obligations will remain obligations of Union Central.
	Policy dividends	Some policies are "participating" policies and pay policy dividends as declared by the Union Central Board. Policy dividends generally are based on actual experience (including investment, mortality, persistency and expense experience). Dividends may increase or decrease as experience changes.	Dividend-paying policies will continue to pay policy dividends as and when declared by the Union Central Board. As before, policy dividends may increase or decrease as experience changes.
			For most participating individual policies that were issued by Union Central prior to the Effective Time and which receive dividends, the Closed Block Policies, Union Central will establish a Closed Block to which certain assets will be allocated. These assets will produce cash flows, which, together with anticipated revenues from the Closed Block Policies, are expected to be sufficient to support the Closed Block Policies and to provide for continuation of participating dividends in aggregate in accordance with the 2005 dividend scale if the experience underlying such scale continues, and for appropriate adjustments in the dividend scale if the experience changes. The Closed Block is designed to give reasonable assurance to holders of Closed Block Policies that Union Central's basis for declaring policy dividends will not be changed by reason of the Reorganization. The Union Central Board may, if conditions permit and in its discretion, pay dividends on Closed Block Policies that are greater than those determined in accordance with the provisions of the Plan and the Closed Block Memorandum attached as Exhibit M to the Plan (the "Closed Block Memorandum"). See "The Reorganization – Impact On Your Policy Dividends," at page 36.

	Rights	Before Reorganization	After Reorganization
Membership interests	Voting for election of directors and on other corporate matters	One vote per Voting Union Central Policyholder in elections of directors of Union Central and on other matters presented for member vote in accordance with Articles of Incorporation and Code of Regulations of Union Central and as provided by law. Union Central Policyholders have the power to elect all members on the Union Central Board.	Voting rights in Union Central become voting rights in UNIFI. Policyholders of Ameritas Life and Acacia Life will also be UNIFI Members that are entitled to vote. Accordingly, the voting power of Union Central Policyholders will be diluted in the sense that the voting power of Union Central Policyholders will be shared with all of the UNIFI Members. One vote per voting UNIFI Member in elections of directors of UNIFI and on other matters presented for member vote in accordance with Articles of Incorporation and By-laws of UNIFI. It is estimated that the Union Central Policyholders would comprise approximately 57% of the voting members of UNIFI if the Merger had been consummated on June 15, 2005, resulting in substantial dilution in the voting power of Union Central Policyholders.
	Nomination of Director Candidates	Voting Union Central Policyholders may nominate candidates for election to the Union Central Board in accordance with the Code of Regulations of Union Central.	During the Six-Year Mandatory Period, designees of Union Central shall have the right to nominate, for election by UNIFI members, 11 of the 25 members of the Boards of Directors of UNIFI and AHC, which is less than a majority of such members. During such period, designees of Ameritas Acacia (*i.e.*, Ameritas Life and Acacia Life) shall have the right to nominate, for election by UNIFI members, the remaining 14 members of the UNIFI Board. UNIFI Members may also propose director nominees to stand for election at the annual meeting of the UNIFI Members pursuant to its Amended and Restated Bylaws. The UNIFI Board and the AHC Board will have the discretion to reduce the number of persons that constitute their entire respective Board of Directors to not less than three, subject to certain limitations. In all cases, however, Union Central will not have the ability to nominate a majority of the members of the Board of Directors of either UNIFI or AHC. For the same period, all of the members of the Union Central Board shall be comprised of persons selected by the Union Central Designees to the AHC Board.

Rights	Before Reorganization	After Reorganization
Liquidation	Under Ohio law, Union Central Policyholder claims have priority over claims of most of the insurer's creditors. In addition, Union Central Policyholders, as members, share in any assets left after payment of all liabilities to policyholders and creditors in the event the insurer ceases to exist.	Upon liquidation of Union Central, Union Central Policyholder claims have the same priority as before the Reorganization. If Union Central (or Ameritas Life or Acacia Life) is unable to satisfy the claims of its policyholders, the assets of UNIFI and AHC could be used to satisfy such claims. These assets might in the future include the stock of other subsidiaries and/or funds or securities held at the AHC or UNIFI level. Upon liquidation of UNIFI, Union Central Policyholders, as UNIFI Members, also share upon liquidation in any assets of UNIFI left after payment of its liabilities to all policyholders of the insurance companies and creditors.
Reorganization to a stock corporation (demutualization)	Under Ohio law, Union Central may convert to a stock corporation that is not part of a mutual insurance holding company structure through a process known as a demutualization, if the Union Central Board and the Union Central Policyholders determine that such a conversion is appropriate and if the Ohio Superintendent approves the conversion.	Under Nebraska law, UNIFI may convert to a stock corporation through a demutualization at some future date, if the UNIFI Board (by Supermajority Vote) and UNIFI Members determine that such a conversion is then appropriate and if the Nebraska Director and other applicable regulatory authorities approve the conversion. Under Nebraska law, the Nebraska Director may not approve a demutualization plan unless he finds that the plan is fair and equitable to policyholders, and that the plan does not deprive policyholders of property rights or due process.
In the Event of an Initial Public Offering	A mutual insurance company may not issue shares of capital stock of any class.	AHC will be able to issue stock. UNIFI Members will have the right to participate in any future IPO of AHC on the same economic terms as the investing public. This right is not transferable and does not have any separate or immediate value. The participation in the IPO will be made available to Union Central Policyholders in one or more of the following ways: (i) providing priority subscription rights to purchase shares of common stock of AHC; (ii) reserving or setting aside for the Union Central Policyholders the Reserved Shares; (iii) making an offering of a specified number of shares of common stock being offered in the IPO;

Rights	Before Reorganization	After Reorganization
		(iv) providing the Union Central Policyholders with written notice of the proposed IPO with the opportunity to request a copy of the prospectus and purchase shares in the IPO on terms no less favorable to Union Central Policyholders than those offered to the public, subject to the availability of shares or other conditions appropriate for an IPO; or (v) providing other rights to participate in the IPO as are consistent with the Plan and the Merger Agreement and applicable law and are approved by the Ohio Superintendent. In each of (i) through (v) above, the common stock being offered in the IPO to the Union Central Policyholders who are UNIFI Members on the date of the IPO shall be offered at the price and on other terms no less favorable to such persons than those offered to the public in the IPO.

CORPORATE GOVERNANCE OF UNIFI AND SUBSIDIARIES

General

In the Merger Agreement, Ameritas Acacia and Union Central agreed to certain matters relating to the composition of the boards of directors of UNIFI, AHC and Union Central, the composition of various committees of the boards of UNIFI and AHC and certain matters relating to the conduct of the affairs of UNIFI and its subsidiaries, including Union Central. These agreements, most of which are reflected in the By-laws of UNIFI and AHC, will remain in effect for the Six-Year Mandatory Period. If the Reorganization is not consummated, these corporate governance provisions will not become effective. These agreements are discussed below.

Post-Merger Board of Directors

Board of Directors of UNIFI and AHC

At the Effective Time, the UNIFI Board will be comprised of 25 directors consisting of a total of 14 Ameritas Acacia (or Ameritas Life and Acacia Life) designees ("Ameritas Acacia Designees") and 11 Union Central Designees ("Union Central Designees"). During the Six-Year Mandatory Period, no more than two of the Ameritas Acacia Designees may be an "Inside Director" (defined as a person who has been a full-time employee of Ameritas Acacia, Union Central or their respective affiliates at any time during the past five years, or who receives remuneration from such entities other than customary director's fees) and no more than two of the Union Central Designees may be an Inside Director; provided, however, that after Mr. Larry Pike (who, along with Mr. Jacobs is one of the two initial Union Central designated Inside Directors) retires from the UNIFI Board, no more than one Union Central Designee may be an Inside Director.

The AHC Board at the Effective Time will be comprised of the same 25 persons that are serving as UNIFI directors at such time. Thereafter, during the Six-Year Mandatory Period, the directors of AHC will be nominated by the two Designation Committees of AHC (one Union Central and one Ameritas Acacia) and elected by UNIFI. If the UNIFI Board is reduced to a number less than 25, the AHC Board shall also be reduced to the same size.

The UNIFI Board and the AHC Board will both be "classified" into three separate classes. This means that, at any given annual meeting of the members of UNIFI, only approximately one-third of the directors will stand for election. The number of Ameritas Acacia Designees serving in any single class may not exceed the number of Union Central Designees serving in such class by more than one director (other then Class III, in which the difference may be two) for more than a reasonable period of time. See "Initial UNIFI Board of Directors," at page 53. The members of UNIFI will elect Class III Directors whose terms expire in 2006 at the annual meeting of members in 2006 and, thereafter, at each successive annual meeting, the Directors of the class whose term is then expiring.

During the Six-Year Mandatory Period, in the event of a vacancy of a Union Central Designee on the UNIFI Board for any reason, if the UNIFI Board determines to fill such vacancy rather than reduce the size of the UNIFI Board consistent with the ratio requirements, the remaining Union Central Designees have the right to designate another director to fill the vacancy to serve in such vacating director's stead for the remainder of the term of such vacating director, subject to the proposed replacement director being acceptable to the UNIFI Board. Such replacement director must be an Independent Director if the person he is replacing was an Independent Director. Such replacement director may be either an Independent Director or an Inside Director if the person he is replacing was an Inside Director (other than Mr. Pike, whose replacement if he vacates must be an Independent Director). Ameritas Acacia has identical rights to fill vacancies of Ameritas Acacia Designees that arise for any reason during the Six-Year Mandatory Period, subject to the proposed replacement director being acceptable to the UNIFI Board.

Vacancies in the AHC Board during the Six-Year Mandatory Period are filled in the same manner.

Committees of the UNIFI Board

Under the Merger Agreement and the By-laws, UNIFI is required to maintain the following Board committees: Executive; Audit; Nominating and Corporate Governance; Compensation; Intercompany Transactions; Ameritas Acacia Designation Committee and Union Central Designation Committee.

Pursuant to the Merger Agreement, the initial chairpersons and members of the committees (other than the Designation Committees described below) will be determined by an eight-member ad hoc Committee Designation Committee (the "CDC"), all of the members of which shall be Independent Directors. The CDC will be comprised of four directors selected by Ameritas Acacia and four directors selected by Union Central.

At the Effective Time and during the Six-Year Mandatory Period, the Merger Agreement provides that at least one of the following Board committees of the UNIFI Board and the AHC Board shall be chaired by a Union Central Designee: Nominating and Corporate Governance Committee, Audit Committee, Compensation Committee.

Vacancies in any committee (other than the Ameritas Acacia Designation Committee, the Union Central Designation Committee and the Nominating and Corporate Governance Committee) may be filled by action of the UNIFI Board. In addition, the CDC's initial committee nominations will be subject to UNIFI Board approval.

A brief description of each committee follows:

- Executive Committee. Except as limited by the laws of the State of Nebraska or by the provisions of the Articles of Incorporation, the Executive Committee has all the powers of the UNIFI Board in the interim between meetings of the UNIFI Board. The Executive Committee is obligated to carry into practical effect all orders and directions of the UNIFI Board and shall in such interim decide all questions of current business policy. The Executive Committee may elect, appoint, employ, remove or authorize the appointment, employment or removal of such supervisory and administrative officers and employees as it shall deem necessary for the conduct of UNIFI's business, including one or more assistant secretaries and one or more assistant treasurers, with full authority to perform the duties of Secretary and Treasurer, respectively, and fix and authorize payment of the compensation of such officers and employees. It may, at its discretion, adjust the compensation of such officers and employees so elected, appointed or employed.

- Audit Committee. The Audit Committee is comprised of Independent Directors who shall serve until their successors are elected and qualified. The Audit Committee assists the UNIFI Board in its oversight of the integrity of UNIFI's financial statements, UNIFI's compliance with legal and regulatory requirements and the performance of UNIFI's internal audit functions. The Audit Committee will also interact directly with and evaluate the performance of independent auditors, including determining whether to engage or dismiss such independent auditors and will monitor their qualifications and independence.

- Nominating and Corporate Governance Committee. During the Six-Year Mandatory Period, the nominees selected by the Designation Committees to stand for election at the next Annual Meeting are required to be submitted by the Nominating and Corporate Governance Committee as the management nominees to the UNIFI Board. The UNIFI Board is required to declare them as the official nominees for director elections at the next Annual Meeting. This committee also makes periodic recommendations to the UNIFI Board as to committee appointments. During the Six-Year Mandatory Period, the Nominating and Corporate Governance Committee will be comprised of an equal number of Ameritas Acacia Independent Directors and Union Central Independent Directors. In the event of a vacancy on the Nominating and Corporate Governance Committee during the Six-Year Mandatory Period, the Ameritas Acacia Designation Committee (if the vacating director is an Ameritas Acacia Independent Director) and the Union Central Designation Committee (if the vacating director is a Union Central Independent Director) will designate another director to serve in such vacating director's stead.

- Compensation Committee. The Compensation Committee is comprised of Independent Directors who shall serve until their successors are elected and qualified. The Compensation Committee evaluates and make recommendations (and reports such evaluations and recommendations to the Board of Directors) with respect to the compensation of the officers of UNIFI, and their performance relative to their compensation, to assure that they are compensated effectively in a manner consistent with the overall objectives of UNIFI. The Board of Directors makes all final determinations relating to the compensation of executive officers of UNIFI.

- Intercompany Transactions Committee. The Intercompany Transactions Committee is comprised of six (6) Independent Directors who shall serve until their successors are elected and qualified. During the Effective Period, four (4) of the members of the Intercompany Transactions Committee shall be Ameritas Acacia Designees (two of which Ameritas Acacia Designees shall be persons then serving as directors of Ameritas Life and two of which shall be persons then serving as directors of Acacia Life) and two (2) shall be Union Central Designees (which Union Central Designees shall be persons then serving as directors of Union Central). The Intercompany Transactions Committee is required to review intercompany transactions involving potential conflicts of interest among UNIFI and its subsidiaries, or any one of them, involving transactions between or among (a) Ameritas Life or subsidiaries, (b) Acacia Life or any Acacia Life subsidiaries, and/or (c) Union Central or any Union Central subsidiaries, against standards as may be imposed by the Nebraska Insurance Holding Company Systems Act, Sections 44-2120 through 44-2153, Sections 23A, 23B, 22(g) and 22(h) of the Federal Reserve Act (FRA), through Section 10 of the

Home Owners' Loan Act (HOLA) 12 USC 1468 or which in such Committee's opinion might be applicable to a potential conflict of interest. In the event that AHC or any of its subsidiaries shall determine to raise debt or equity capital in the future, prior to initiating any such transaction, the Intercompany Transactions Committee will review such transaction or transactions between the outside investor or investors and UNIFI or its subsidiaries for the purpose of ensuring that the interests of members are protected.

- Designation Committees. During the Six-Year Mandatory Period, UNIFI shall have an Ameritas Acacia Designation Committee and a Union Central Designation Committee (together, the "Designation Committees"). Each party's Designation Committee will be comprised of the Ameritas Acacia Designees and the Union Central Designees then serving as directors of UNIFI. During the Six-Year Mandatory Period, the Ameritas Acacia Designation Committee will select and designate the Ameritas Acacia Designees, and the Union Central Designation Committee will select and designate the Union Central Designees, to be nominated to stand for election as management nominees at each annual meeting of the UNIFI Members ("Annual Meeting"). Each party's Designation Committee will provide a list of its designees to be so nominated to the Nominating and Corporate Governance Committee prior to the next Annual Meeting. The nominees so designated are all management nominees on whose behalf proxies are required to be solicited by UNIFI or AHC. Members shall be permitted to nominate candidates for election to the UNIFI Board in accordance with the Amended and Restated UNIFI Articles. In addition, the By-laws empower the Union Central Designation Committee to enforce the corporate governance provisions in the Merger Agreement and the UNIFI By-laws.

- Nominations by Members. Nominations for candidates to stand for election to the UNIFI Board may also be made by qualified voting UNIFI Members by petition filed with the Secretary of UNIFI at least five (5) months prior to the meeting at which the election is to be held. Each such petition is required to include, in addition to the name, address, date of signing, and policy number of each signer, the name, address, occupation, and state of qualifications of each nominee. The minimum number of valid signatures required for nomination is three percent (3%) of the total number of qualified voters. Upon written request by a qualified voting UNIFI Member delivered to the Secretary of UNIFI not sooner than eight (8) months before the meeting at which an election of directors is to be held, the Secretary of UNIFI shall provide by first class mail to the address of the requesting UNIFI Member, an estimate of the number of qualified voting UNIFI Members as of the date that such written request is received by the Secretary. The number of UNIFI Members so specified by the Secretary as of such date shall be deemed controlling for purposes of determining the above 3% requirement. No signatures affixed to the petition more than sixty (60) days before the filing shall be counted. Upon receipt of proper nomination by petition, the Secretary of UNIFI must forward to the Nebraska Director notice of such nomination and include the names of such nominees on the ballot with nominees of the UNIFI Board, both with appropriate designations.

Committees of the AHC Board

AHC, during the Six-Year Mandatory Period, is required to have the same Board Committees as does UNIFI. For the Six-Year Mandatory Period, the Union Central Designation Committee of AHC will have the ability to elect all of the members of the Union Central Board.

Enforcement of Corporate Governance Provisions; Supermajority Vote

The board composition and internal corporate governance provisions discussed above will be effective for the Six-Year Mandatory Period and may not be amended, modified or waived without a Supermajority Vote of 80% of the entire UNIFI Board or the AHC Board, as the case may be (which means that they could not be amended, modified or waived without the concurrence of at least some of the Union Central Designees to the UNIFI or AHC Board, as the case may be), except that the requirement that Ameritas Acacia must have at least one director but not more than three directors more than Union Central on the UNIFI Board and the AHC Board will survive indefinitely until amended or modified (and this particular amendment or modification will require the unanimous vote of the UNIFI Board or AHC Board, as applicable). Finally, the UNIFI and AHC By-laws will empower the Union Central Designation Committee and the Ameritas Acacia Designation Committee to enforce these board composition and corporate governance provisions. No Union Central Designee or Ameritas Acacia Designee will be personally liable to UNIFI or any UNIFI Member or to AHC or any stockholder thereof for monetary damages that arise as a result of enforcing the board composition and corporate governance provisions of the Merger Agreement or any provision in the By-laws.

Under the UNIFI By-laws, a Supermajority Vote of 80% is also required to authorize any of the following actions: amendment to or waiver of any provisions of UNIFI's By-laws; the redomestication or change of domicile of UNIFI from the State of Nebraska; relocation of the domicile of any of UNIFI's subsidiaries from their current state of domicile; the change of any

subsidiary's name; a material change to UNIFI's capital structure; the sale of any subsidiary; sale or disposition of substantially all or all of the assets of UNIFI or any of its subsidiaries; a corporate reorganization of UNIFI; raising of debt or equity capital by UNIFI; the merger or consolidation, demutualization, liquidation or dissolution of UNIFI; and any modification, amendment or waiver of certain provisions of the Merger Agreement. The voting requirements described in this paragraph remain in effect for the Six-Year Mandatory Period and, thereafter, automatically become null and void. Unless a Supermajority Vote of 80% is required, the action of the majority of the Directors present at a meeting at which a quorum is present shall be sufficient to authorize corporate action on behalf of UNIFI, unless a greater vote is required by law. The AHC by-laws similarly provide for a Supermajority Vote.

Post-Merger Management

CEO Succession

In the Merger Agreement, Ameritas Acacia and Union Central have agreed that, at the Effective Time and continuing until the earlier to occur of (x) the date upon which Lawrence J. Arth, the current Chairman and Chief Executive Officer of Ameritas Acacia and AHC, no longer serving as Chief Executive Officer of UNIFI and AHC or (y) July 31, 2008, UNIFI and AHC will cause Mr. Arth to serve as Chairman of the Board of Directors and Chief Executive Officer of UNIFI and AHC and John H. Jacobs, the current Chairman and Chief Executive Officer of Union Central, to serve as Vice Chairman of the Board of Directors, President and Chief Operating Officer of both UNIFI and AHC. UNIFI and AHC will cause Mr. Jacobs to be elected and appointed as Chairman of the Board of Directors and Chief Executive Officer of both UNIFI and AHC to immediately succeed Mr. Arth no later than July 31, 2008. During the Six-Year Mandatory Period, the employment of Mr. Arth and Mr. Jacobs cannot be terminated without a Supermajority Vote of 80%, except in connection with the CEO succession discussed above. In addition, after the consummation of the Merger, Mr. Arth and Mr. Jacobs will promptly submit a written detailed CEO succession plan to the UNIFI Board and AHC Board for their review and action, as applicable.

Executive Officers

Gary Huffman, Union Central's Executive Vice-President in charge of One Company Marketing, will be the senior executive of UNIFI responsible for all individual insurance operations, which is expected to facilitate the implementation of Union Central's One Company Marketing across all of the UNIFI companies.

Executive Offices

The executive offices of Ameritas Life, Acacia Life and Union Central are, respectively: Lincoln, Nebraska; Bethesda, Maryland; and Cincinnati, Ohio. The Merger Agreement provides that at least one senior executive of UNIFI and AHC will maintain a presence at each of the Lincoln, Bethesda and Cincinnati executive office locations. It also provides that at least one of the Chairman, CEO, President or COO of each of UNIFI and AHC shall reside at the Lincoln executive office location and at least one shall reside at the Cincinnati executive office location. The Lincoln executive office location will continue to be designated as the corporate domicile of UNIFI and AHC.

THE MERGER AGREEMENT

The following is a brief summary of certain material provisions of the Merger Agreement. The descriptions of the terms and conditions of the Merger Agreement set forth below or included elsewhere in this Policyholder Information Booklet are qualified in their entirety by reference to the Merger Agreement, a copy of which is included as Exhibit B to the Plan. Union Central Policyholders are urged to read the Merger Agreement in its entirety prior to voting on the Plan.

The Merger

The Merger Agreement provides that, at the time the merger becomes effective, UCMHC will merge with and into Ameritas Acacia. Ameritas Acacia will be the surviving entity in the merger, and the name of the surviving entity will be changed to UNIFI Mutual Holding Company. As contemplated in the Merger Agreement, Union Central adopted the Plan on July 20, 2005 and filed it with the Ohio Superintendent immediately thereafter. Pursuant to the Plan, Union Central will convert to an Ohio mutual insurance holding company structure and will immediately thereafter effect the Merger with Ameritas Acacia. The Conversion will not be effective unless the Merger is consummated.

The Merger Agreement contains detailed representations, warranties and covenants by each of Union Central and Ameritas Acacia which are customary for a transaction of this type. In particular, the Merger Agreement contains material covenants of Ameritas Acacia that survive the Merger, including covenants regarding post-Merger corporate governance, subsidiary operations and the determination of policyholder equity shares in the event UNIFI were to demutualize after the Merger. The Merger Agreement and the Plan also require that Union Central establish a closed block to support the dividend expectations of certain Union Central Policyholders. In addition, each of the Conversion and the Merger is subject to the satisfaction of certain conditions including the requisite approvals of policyholders/members and the receipt of all required regulatory approvals.

The Merger Agreement also contains a specific representation and warranty by Ameritas Acacia relating to a joint venture agreement between Ameritas Life and AmerUs Life Insurance Company, dated March 8, 1996, as amended. The representation (the "AMAL Representation and Warranty") is to the effect that the Reorganization will not prevent, prohibit or restrict UNIFI or Union Central from conducting Union Central's individual variable life insurance and annuity business in the same manner as such business was conducted by Union Central prior to the Reorganization; provided, however, that the variable insurance products issued, marketed and sold by Union Central would have to be distributed through marketing channels which do not include the existing distribution channels of Ameritas Acacia. Generally, the breach of representations and warranties in the Merger Agreement give the non-breaching party the right to terminate the Merger Agreement only if the failure of such representations and warranties to be true and correct at closing would, individually or in the aggregate, have a "Material Adverse Effect" or a material adverse effect on the ability of the breaching party to consummate the Merger or any other of the transactions contemplated by the Merger Agreement. The AMAL Representation and Warranty, however, must be true and correct in all material respects as of the date of the Reorganization without regard to whether or not the failure of such representation and warranty to be true and correct would have a Material Adverse Effect, either individually or in the aggregate with other representations and warranties of Ameritas Acacia in the Merger Agreement.

It is possible that Ameritas Acacia will determine that UNIFI's individual variable life business (including that of Union Central) should not be conducted through separate distribution channels. In such event, Union Central believes that Ameritas Acacia would seek to amend the AMAL Joint Venture Agreement to accommodate the Union Central individual life business in a mutually satisfactory manner. If a satisfactory arrangement cannot be negotiated with the joint venture partner, a separate distribution channel would have to be maintained by Union Central, which would involve duplicative marketing costs for such products. Such costs, however, would not be material to UNIFI.

Conditions to Effectiveness of Reorganization

The obligations of Union Central and Ameritas Acacia to consummate the Merger are subject to the satisfaction of the following conditions: (1) the approval of the Reorganization by the Union Central Policyholders and approval of the Merger by the Ameritas Acacia Members; (2) the receipt of certain specified regulatory approvals and other consents, including the approval of the Ohio Superintendent, the Nebraska Director and a no-action letter from the Securities and Exchange Commission (the "SEC") or an opinion of counsel to the effect that no registration under the Securities Act of 1933 is required; (3) the absence of any order, law or proceeding entered, promulgated, enacted or brought by any governmental entity restraining or materially delaying the Merger; (4) Ameritas Acacia shall have received a private letter ruling from the Internal Revenue Service or an opinion of counsel to the effect that the Merger will be treated for federal income tax purposes as a Section 368(a) reorganization; (5) Union Central shall have received a private letter ruling from the Internal Revenue Service or an

opinion of counsel to the effect that the Merger will qualify as a transaction in which no gain or loss will be recognized to Union Central, Union Central Policyholders, or UCMHC under Section 368 and/or Section 351 and that the Merger will be treated for federal income tax purposes as a Section 368(a) reorganization; (6) the termination or expiration of any waiting period applicable to the consummation of the Reorganization under the Hart-Scott-Rodino Antitrust Improvements Act of 1976; (7) Union Central shall have established the Closed Block; (8) the truth and accuracy of the representations and warranties of Union Central and Ameritas Acacia as if made at the Effective Time of the Merger; (9) receipt of a certificate from each of the parties certifying each party's compliance with their respective obligations under the Merger Agreement; (10) receipt of actuarial fairness opinions relating to the Reorganization; and (11) Union Central shall have received a fairness opinion from Morgan Stanley relating to the Merger.

The effectiveness of the Plan is subject to the satisfaction of the following conditions: (1) the approval of the Plan by the Union Central Policyholders; (2) the receipt of certain specified regulatory approvals and other consents, including the approval of the Ohio Superintendent; (3) receipt by Union Central of an actuarial opinion relating to the sufficiency of the funding of the Closed Block; (4) receipt by Union Central of a fairness opinion from Morgan Stanley relating to the Reorganization; and (5) the filing of the Plan and certain other required documents with the Ohio Secretary of State.

Conduct of Business Prior to Completion of the Merger

Pursuant to the Merger Agreement, Union Central and Ameritas Acacia have agreed that from January 28, 2005, the date of the Merger Agreement, until the Effective Time of the Merger, Union Central, Ameritas Acacia, and their respective subsidiaries will conduct their businesses in the ordinary course, consistent with past practices and will use all reasonable efforts to preserve intact their business organizations and goodwill relationships with third parties.

Specifically, Union Central and Ameritas Acacia has each agreed, among other things, as to itself and its subsidiaries prior to the Merger, subject to certain exceptions, to: (1) conduct its business in the ordinary course; (2) use all reasonable efforts to preserve its relationships with its respective policyholders, members, insureds, agents, brokers, suppliers, customers, depositors and others having business dealings with it; (3) not make or propose any change in its premium rates, dividends, underwriting, investment and other material insurance or business practices or policies in any material respect other than in the ordinary course of business; (4) not amend its articles or by-laws/code of regulations; (5) except pursuant to certain disclosed contracts, not issue or sell any shares of, or rights of any kind to acquire any shares of or to receive any payment based on the value of, its capital stock or any securities convertible into shares of any such capital stock; not incur any indebtedness for borrowed money other than in the ordinary course of business and other than borrowings less than one percent (1%) of each party's assets in the aggregate; (6) not make any material change in any method of accounting or accounting practice or policy, except as required by law; (7) except as otherwise contemplated under the Merger Agreement, not agree to any merger, consolidation, demutualization, redomestication, sale of all or substantially all of its assets, bulk or assumption reinsurance arrangement or similar reorganization, or business combination; (8) not enter into any contract that could materially and adversely affect such party's ability to perform its obligations under the Merger Agreement; (9) not enter into any contract limiting the ability of such party or any of its subsidiaries to engage in any business, to compete with any person, to do business with any person or in any location or to employ any person; not enter into any contract relating to the direct or indirect guarantee (other than the endorsement of negotiable instruments for collection in the ordinary course of business) of any obligation of any person (other than its subsidiaries or UNIFI) in respect of indebtedness for borrowed money or other financial obligations of any person (other than its subsidiaries or ultimate parent); (10) not take any action that would be reasonably likely to adversely affect the status of either the Merger as a reorganization under Section 368(a) of the Code; (11) not modify any contract in existence as of the date of the Merger Agreement in such a way as would violate clauses (4) through (10) above; (12) not increase in any manner the compensation of its directors, officers or employees, except in the ordinary course of business or pursuant to the terms of agreements or plans currently in effect; (13) except as previously disclosed in writing, not pay or agree to pay any pension, severance, retirement allowance or other employee benefit not required by any existing employee benefit plan, agreement or arrangement to any director, officer or employee, whether past or present, except that either party may offer a reasonable employee retention plan or program or a reasonable early retirement plan or program to meet its business needs; (14) except as required by the terms of any existing plan or contract, not adopt or commit itself to or enter into any additional pension, profit-sharing, bonus, incentive, deferred compensation, group insurance, severance pay, retirement or other employee benefit plan or contract, or to any employment or consulting agreement with or for the benefit of any person which cannot be terminated by a party to the Merger Agreement, its successor in interest or its subsidiary upon notice of thirty (30) days or less without penalty or premium; (15) not amend any plan or contract referred to in clause (14) above, not enter into, adopt or increase any indemnification or hold harmless arrangements with any directors, officers or

other employees or agents of any person; (16) other than in the ordinary course of business, not make any capital expenditures or commitments for capital expenditures (other than in respect of Investment Assets as defined in the Merger Agreement) which individually exceed $500,000 or which in the aggregate for such party and its subsidiaries, taken as whole, exceed $5 million; (17) other than in the ordinary course of business, not settle or compromise any claim in any proceeding or investigation which could result in an expenditure in excess of $500,000; (18) not take any action that would reasonably be expected to result in a reduction of a life insurance subsidiary's financial strength or claims paying ratings; and (19) not agree, in writing or otherwise, to take any of the actions prohibited by clauses (1) through (18) above.

No Solicitations of Other Transactions

Union Central and Ameritas Acacia has each agreed that pending the Effective Time, it shall not, nor shall it permit any of its subsidiaries to, without obtaining prior written consent of the other party, authorize or permit any of its officers, directors, employees or other persons retained by it or on its behalf to: (1) solicit or take any action to pursue any inquiries or the making of any proposal which constitutes, or is reasonably likely to lead to, any competing offer (as defined below); (2) participate in any discussions regarding, or furnish to any person other than the other party to the Merger Agreement (and its representatives) any information with respect to, or otherwise cooperate in any way with, any efforts which may lead to a competing offer, or (3) approve any competing offer; *provided*, Union Central or Ameritas Acacia may (A) provide information in response to a request by a person who has made an unsolicited *bona fide* written competing offer; (B) engage in discussions with any person who has made an unsolicited *bona fide* written competing offer; or (C) recommend such a competing offer to the members or policyholders of their respective companies, if, (x) in each such case referred to in (A), (B) or (C) above, the Board of Directors of the party to whom such competing offer is made determines in good faith that the failure to take such action is reasonably likely to result in a breach of the Board of Directors' fiduciary duties under applicable laws; and (y) in each case referred to in (B) or (C) above, the applicable Board of Directors determines in good faith that such competing offer may be a superior proposal.

The parties may engage in discussions with persons with respect to any transaction (other than a merger involving Ameritas Acacia or Union Central) involving an acquisition or sale of assets with a fair market value, individually or in the aggregate, of $25 million or less. Neither Ameritas Acacia nor Union Central will finalize any such transaction without the other's prior written approval.

A "competing offer" for purposes of the prohibition on solicitation means, other than the transactions contemplated by the Merger Agreement, any offer, proposal or inquiry relating to, or any third party indication of interest in, (A) any acquisition or purchase, direct or indirect, of all or a significant amount of the consolidated assets of the applicable party and its subsidiaries (other than investment assets) or (B) a merger, consolidation, business combination, reorganization, recapitalization, demutualization, bulk or assumption reinsurance arrangement involving all or a significant portion of insurance liabilities, liquidation, dissolution or other similar transaction involving the applicable party or any of its subsidiaries whose assets, individually or in the aggregate, constitutes more than 50% of the consolidated assets of the applicable party.

If either Union Central or Ameritas Acacia terminates the Merger Agreement by reason of a competing offer, a termination fee may be payable to the non-terminating party. The Merger Agreement provides that if a party terminates the Merger Agreement in order to accept a competing offer or due to the fact that its Board of Directors withdrew its recommendation to avoid breaching its fiduciary duties, then the terminating party shall pay immediately to the other party an amount of $30 million as liquidated damages in addition to all reasonable out-of-pocket expenses incurred by the non-terminating party in pursuit of the Reorganization.

Certain Post-Merger Governance Matters

Ameritas Acacia and Union Central agreed to certain matters relating to the composition of the Boards of Directors of UNIFI, AHC and Union Central, the composition of various committees of the Boards of UNIFI and AHC and certain matters relating to the conduct of the affairs of UNIFI and its subsidiaries, including Union Central. Many of these agreements, some of which are reflected in the By-laws of UNIFI and AHC, will remain in effect for the Six-Year Mandatory Period. See "Corporate Governance of UNIFI and Subsidiaries," at page 44.

Separate Existence of Union Central; Financial Strength Rating

The Merger Agreement contemplates that each of the three principal operating subsidiaries of UNIFI (*i.e.*, Ameritas Life, Acacia Life and Union Central) will continue to exist as a separate corporate entity. With respect to Union Central, UNIFI and AHC have agreed in the Merger Agreement to use their reasonable efforts to ensure that Union Central will be in a position to pursue its strategic business objectives (including One Company Marketing) and develop its products. This principle is supported by a covenant to allocate capital fairly among the operating insurance subsidiaries; specifically, the Merger Agreement contemplates that UNIFI and AHC will use their reasonable efforts to maintain or invest additional capital in each subsidiary or take such other action to ensure that each subsidiary's separate S&P financial strength rating (or equivalent rating from another rating agency of national reputation) is at least equal to the combined rating, *i.e.*, UNIFI's rating, it being understood that UNIFI and AHC cannot control the actual ratings assigned by any rating agency to any insurer. The obligation of UNIFI and AHC to so maintain or invest capital in any such subsidiary (including Union Central) is subject to (i) the applicable insurance subsidiary submitting a business proposal demonstrating a satisfactory return on the requested additional capital or such other action to maintain or ensure financial strength ratings and (ii) approval of such plan by the UNIFI Board and AHC Board.

Operations of UNIFI and Subsidiaries Following the Merger

Ameritas Acacia and Union Central agreed upon a non-binding statement of operating principles (the "Statement of Operating Principles") to realize the competitive advantages of linking the businesses of Ameritas Acacia and Union Central as contemplated by the Merger Agreement. The parties intend to work together as affiliates in the UNIFI mutual insurance holding company structure to, and cause UNIFI and its subsidiaries to, carry out in good faith the post-merger integration plan based on the principles set forth in the Statement of Operating Principles. The parties acknowledge that there will be deviations from the post-merger integration principles set forth in the Statement of Operating Principles which may need to be made from time to time to allow the parties the maximum flexibility they need in order to achieve an efficient integration. The focal points of the Statement of Operating Principles include maintaining the operating independence of Ameritas Life, Acacia Life, Union Central, and their subsidiaries, implementing the integration plan, implementing the Union Central One Company Marketing philosophy, and increasing economies of scale and reducing overhead costs. Ameritas Acacia and Union Central have also agreed that the principles and practices that each of them currently applies in the redetermination of non-guaranteed charges and/or benefits for individual life insurance contracts and annuity contracts will continue to be applied by each such company after the Effective Time with respect to such contracts that are in force at the Effective Time until such time as such principles and practices are revised by the Board of Directors of Union Central, Ameritas Life or Acacia Life, as the case may be. The Statement of Operating Principles is attached to the Merger Agreement as Exhibit 1.9(d).

These principles and practices for Union Central include the following: (i) the contract classes applicable to a new contract that is being introduced will be identified at the time of initial determination of non-guaranteed charges and benefits, (ii) the process of redetermination of such non-guaranteed charges and/or benefits will be carried out for a single contract class or for several related contract classes, (iii) non-guaranteed charges will be assessed on a class basis and will not be made in a way that unfairly discriminates between individual contracts, (iv) changes to non-guaranteed elements will be done in accordance with applicable state laws and regulations, (v) new non-guaranteed charges or benefits applicable to contracts in force will be consistent with those charged for similar contracts available for sale at the time of change, (vi) changes to non-guaranteed elements will only reflect experience anticipated in the future which might have changed since the time the contract was issued and will not be used to recover past losses or distribute gains that occurred prior to the time of the rate change, (vii) profit margins that were in an acceptable range at the time the policies were sold would be maintained in the same range at the time of rate revisions unless there is sufficient justification for a change, and (viii) experience will be reviewed not more than annually or less than every five years with respect to the need to change non-guaranteed elements and should be reviewed whenever similar new contracts are introduced.

Amendments

The Merger Agreement may be amended in writing by the parties at any time before or after the approval of the Reorganization by the Union Central Policyholders or by the Ameritas Acacia Members, but after either such approval, no amendment or modification may be made which in any way materially adversely affects the rights of such persons without the further approval of such persons. Union Central and Ameritas Acacia have agreed to amend the Merger Agreement to the extent

necessary to obtain the regulatory approvals and other consents, including the approval of the Ohio and Nebraska Departments of Insurance, required to consummate the Merger, provided that the Union Central Board and the Ameritas Acacia Board each may withdraw the authorization to enter into any such amendment if such board determines that the amendment materially detracts from the value of the transaction to the respective company's policyholders. Any amendments, modifications or material waivers by the parties to the Merger Agreement shall be subject to the approval of the Ohio Superintendent and the Nebraska Director.

Termination

The Merger Agreement may be terminated prior to the Effective Time, whether before or after approval of the Reorganization by the Union Central Policyholders or by the Ameritas Acacia Members, as follows: (1) by mutual consent of the Union Central Board and the Ameritas Acacia Board; (2) by either of the Union Central Board or the Ameritas Acacia Board if the Merger has not been consummated on or before December 31, 2005, *provided*, a party may not terminate the Merger Agreement if its own failure to fulfill a closing obligation is the reason for the Merger not yet having been consummated; (3) by either of the Union Central Board or the Ameritas Acacia Board if the requisite policyholder and member approvals were not obtained; (4) by either of the Union Central Board or the Ameritas Acacia Board if either party enters into a definitive binding agreement with a third party for the transactions contemplated by a competing offer, *provided*, that prior to any such termination, the party seeking to terminate and enter into another agreement (i) complies in all respects with certain other provisions of the Merger Agreement, (ii) provides five business days prior written notice to the other party of its intention to enter into such other agreement, and (iii) makes the payments contemplated by the Merger Agreement; (5) by either of the Union Central Board or the Ameritas Acacia Board, if the Board of Directors of such other party changes, withdraws or adversely modifies its recommendations from those set forth in the Merger Agreement to avoid breaching its fiduciary duties under applicable law due to a competing offer having been made; or (6) by either of the Union Central Board or the Ameritas Acacia Board (provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained in the Merger Agreement which would be reasonably expected to have an Ameritas Acacia Material Adverse Effect or Union Central Material Adverse Effect (as defined in the Merger Agreement), as the case may be, on such terminating party), if there has been a material breach on the part of the other party of any representation, warranty or agreement contained in the Merger Agreement and such breach would be reasonably expected to have an Ameritas Acacia Material Adverse Effect or a Union Central Material Adverse Effect, and such breach cannot be or has not been cured within 60 days after written notice.

Costs and Expenses; Termination Fee

The Merger Agreement provides, generally, that each of Union Central and Ameritas Acacia will bear its own expenses, and jointly incurred expenses shall be borne equally by the parties. However, if a party terminates the Merger Agreement in order to accept a competing offer or due to the fact that its Board of Directors withdrew its recommendation to avoid breaching its fiduciary duties, then the terminating party shall pay immediately to the other party an amount of $30 million as liquidated damages in addition to all reasonable out-of-pocket expenses incurred by the non-terminating party in pursuit of the Reorganization (the "Termination Fee"). The Termination Fee will not become payable if the Union Central Policyholders or the Ohio Superintendent or the Nebraska Director do not approve the Reorganization.

The amount of the Termination Fee was determined by negotiations between the parties to the Merger Agreement. The Termination Fee is approximately 4.9% of the consolidated GAAP net worth of Union Central and its subsidiaries at December 31, 2003, and approximately 3% of the consolidated GAAP net worth of Ameritas Acacia at such date. The Union Central Board believes that a termination fee of this size is within the range of termination fees for transactions of the size and complexity of the Reorganization and provides reasonable compensation to the non-terminating party for its time, effort and opportunity costs, especially in light of the comparatively long period of time between execution of the Merger Agreement and the likely consummation of the transaction.

INITIAL UNIFI BOARD OF DIRECTORS

At the Effective Time, the following persons shall comprise the Board of Directors of UNIFI and AHC, to serve as such for the term indicated.

	Director/Biography	Initial Term Expires	Union Central Designee/Ameritas Acacia Designee
Class I	**Mr. James M. Anderson,** 63, President and CEO, Children's Hospital Medical Center, Cincinnati, Ohio, since 1996. Mr. Anderson is currently a member of the Boards of Directors of Children's Hospital Medical Center, Gateway Investment Trust and the National Stock Exchange. Mr. Anderson is also a trustee and member of various health associations.	2008	Union Central Designee
	Mr. John H. Jacobs, 58, Chairman, President and Chief Executive Officer of The Union Central Life Insurance Company since September 2002. Mr. Jacobs served as President and Chief Executive Officer from May 2000 until September 2002 and as President and Chief Operating Officer from July 1998 until May 2000. Mr. Jacobs joined The Union Central Life Insurance Company in 1981 and served in several capacities until his election as President and Chief Operating Officer in 1998. Mr. Jacobs is also Chairman of the Board of the Dan Beard Council of the Boy Scouts of America and serves on the boards of other non-profit organizations in the Cincinnati, Ohio, community.	2008	Union Central Designee
	Mr. Larry R. Pike, 69, Former Chairman, President and Chief Executive Officer of The Union Central Life Insurance Company. Mr. Pike served as Chairman, President and Chief Executive Officer from February 1990 until September 2002 and as President and Chief Operating Officer from April 1989 until February 1990. Mr. Pike joined the Company in 1987. Mr. Pike is also active in the Boy Scouts of America and The Salvation Army.	2008	Union Central Designee
	Mr. Dudley S. Taft, 65, President of Taft Broadcasting since 1987. Mr. Taft also serves on the Boards of Directors of Fifth Third Bancorp, Cinergy Corporation, and Tribune Company.	2008	Union Central Designee
	Mr. Lawrence J. Arth, 61, Chairman of the Board & Chief Executive Officer, Ameritas Life, Lincoln, Nebraska.	2008	Ameritas Acacia Designee
	Mr. Bert A. Getz, 66, Chairman, Globe Corporation, Scottsdale, Arizona.	2008	Ameritas Acacia Designee
	Ms. Floretta D. McKenzie, 69, Chairwoman and Founder, The McKenzie Group, Washington, D.C.	2008	Ameritas Acacia Designee
	Mr. Winston J. Wade, 54, Retired Chief Executive Officer, Media One – Malaysia, Vice President, Media One	2008	Ameritas Acacia Designee
	Mr. Robert M Willis, 60, President and Chief Executive Officer, McCarran Ferguson Captive Management, Inc.	2008	Ameritas Acacia Designee

	Director/Biography	Initial Term Expires	Union Central Designee/Ameritas Acacia Designee
Class II	**Mr. Michael S. Cambron**, 61, Senior Portfolio Manager, Bartlett and Company, Cincinnati, Ohio. Mr. Cambron began his career with Bartlett and Company in 1970. Mr. Cambron's community service includes serving as Chairman of the Salvation Army's Advisory Committee, trustee to the Children's Hospital Medical Center and serving on the Hamilton County, Ohio, Hospital Commission.	2007	Union Central Designee
	Mr. Richard H. Finan, 70, Past President of the Ohio State Senate. Mr. Finan became a member of the Ohio State Senate in 1978. Mr. Finan currently practices law and is a member of the Boards of Directors of First Franklin Corporation, Rest Haven Cemetery Association, and Franklin Savings and Loan.	2007	Union Central Designee
	Mr. Michael A. Fisher, 46, President and Chief Executive Officer of the Greater Cincinnati USA Regional Commerce since 2001. Mr. Fisher is a member of the Board of Directors of Premier Manufacturing Support Services, Inc. and is a Principal in the Fisher Investment Group. Mr. Fisher also serves on several non-profit boards in the Cincinnati, Ohio, community.	2007	Union Central Designee
	Mr. Francis V. Mastrianna, Ph.D., 64, Former Dean, College of Information Science and Business Administration at Slippery Rock University of Pennsylvania. Dr. Mastrianna was named Dean in 1987 and retired in 2002. From 1980 until 1987, Dr. Mastrianna served as a Dean at Xavier University in Cincinnati, Ohio. Dr. Mastrianna joined the faculty of Xavier University in 1971.	2007	Union Central Designee
	Mr. James P. Abel, 53, President of NEBCO, Inc. in Lincoln, Nebraska.	2007	Ameritas Acacia Designee
	Mr. Haluk Ariturk, 55, Executive Vice President of Ameritas Acacia Mutual Holding Company, Bethesda, Maryland.	2007	Ameritas Acacia Designee
	Mr. Tonn M. Ostergard, 45, President & Chief Executive Officer, Crete Carrier Corporation.	2007	Ameritas Acacia Designee
	Mr. Wayne D. Silby, 56, Co-Chairperson, Calvert Social Investment Fund, Bethesda, Maryland.	2007	Ameritas Acacia Designee
Class III	**Mr. Thomas E. Petry**, 64, Former Chairman of the Board, President and Chief Executive Officer of Eagle-Picher Industries, Inc. Mr. Petry joined the company in 1968 and served in various capacities until his retirement in 1998. Mr. Petry is currently a member of the Boards of Directors of US Bancorp, Cinergy Corporation and William Powell Company.	2006	Union Central Designee
	Myrtis H. Powell, Ph. D., 66, President and Chief Executive Officer of the Cincinnati Youth Collaborative since November 2003. From June, 1989 until June 2002. Dr. Powell served as Vice President for Student Affairs at Miami University in Oxford, Ohio. Dr. Powell also serves on the boards of several non-profit organizations in the Cincinnati, Ohio community.	2006	Union Central Designee

Director/Biography	Initial Term Expires	Union Central Designee/Ameritas Acacia Designee
John M. Tew, Jr., M.D., 69, Professor of Neurosurgery and Medical Director – The Neuroscience Institute at University Hospital, Cincinnati, Ohio. Dr. Tew currently serves on the Boards of Directors of various medical companies. Dr. Tew is an honorary fellow of the Royal College of Surgeons of Edinburgh, Scotland.	2006	Union Central Designee
Mr. William W. Cook, Jr., 66, President and Chief Executive Officer, the Beatrice National Bank & Trust Company.	2006	Ameritas Acacia Designee
Mr. James R. Knapp, 68, Chairman, The Brookhollow Group, Costa Mesa, California.	2006	Ameritas Acacia Designee
Ms. Patricia A. McGuire, 54, President, Trinity University, Washington, D.C.	2006	Ameritas Acacia Designee
Mr. Eward J. Quinn, Jr., 63, Chairman and Chief Executive Officer, T.W. Perry, Chevy Chase, Maryland.	2006	Ameritas Acacia Designee
Mr. Paul C. Schorr, III, 67, President and Chief Executive Office, ComCor Holding, Inc., Lincoln, Nebraska.	2006	Ameritas Acacia Designee

UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

Circular 230 Disclosure:

The summary tax discussion set forth below is not intended or written to be used, and it cannot be used, by any Union Central Policyholder for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code on the Union Central Policyholder. It was written to support the promotion or marketing of the Reorganization. The Policyholder should seek advice based on the Union Central Policyholder's particular circumstance from an independent tax advisor.

Federal Income Tax Regulations effective on June 20, 2005 require the foregoing disclosure to accompany a summary tax discussion such as the one set forth in this Policyholder Information Booklet.

Scope of Summary

The following is a summary of the United States federal income tax consequences of the Reorganization. This summary is for general information only, and it is not intended to be a complete discussion of all tax consequences that may be relevant to a particular Union Central Policyholder. Additionally, this summary does not address the federal estate, state, and local tax consequences of the Reorganization. Accordingly, each Union Central Policyholder may wish to consult a tax advisor to determine the federal estate, state, local, and any applicable foreign tax consequences of the Reorganization.

Union Central has received an opinion from LeBoeuf, Lamb, Greene & MacRae, LLP that this summary of the United States federal income tax consequences of the Reorganization is correct and complete in all material respects as of the date hereof. In addition, Union Central expects to receive a private letter ruling from the Internal Revenue Service (the "IRS Ruling") confirming the tax consequences of the Reorganization to the Union Central policyholders and to Union Central, UCMHC, Ameritas Acacia, and AHC that are described below. The IRS Ruling will be binding on the Internal Revenue Service provided the Reorganization is consummated in the manner described in this Policyholder Information Booklet and provided the representations Union Central made to the IRS regarding the Reorganization remain true at the Effective Time.

Consequences to Union Central Policyholders

Union Central Policyholders will not recognize gain or loss on the termination of a membership interest in Union Central or on the receipt of a membership interest in Ameritas Acacia (to be renamed UNIFI) in connection with the Reorganization. The holding period that a Union Central Policyholder will have in its UNIFI membership interest will include the period the Union Central Policyholder held its membership interest in Union Central (provided the membership interest was held at the Effective Time as an asset on which capital gain or loss would be recognized on disposition). In addition, in accordance with the IRS's ruling position, a Union Central Policyholder will have a tax basis (or tax cost) of zero in its UNIFI membership interest.

The federal income tax treatment of policyholders of certain life insurance and annuity policies has been changed significantly by a number of different tax laws since 1981. These tax legislative changes generally have been applied on a prospective basis so that the prior tax treatment of policies issued, purchased, or entered into before some effective date associated with the legislative consideration of such change would not have been affected by such change. The Reorganization will not cause any policy issued by Union Central to be treated as newly issued, purchased or entered into, and the Reorganization will not require testing or the start of new test periods for contracts for purposes of determining whether each policy is treated as life insurance, an annuity, or a modified endowment contract, or whether policy loan interest is deductible. Thus, if a policy was issued before changes in the federal income tax treatment of newly issued policies of the same type became effective, the treatment of that policy under the prior tax law will not be adversely affected by the Reorganization.

With respect to those Union Central Policyholders who hold policies that are individual retirement annuities or tax sheltered annuities, or are otherwise part of a tax-qualified retirement funding arrangement, the Reorganization will not adversely affect the tax-favored status of such policies, and the Reorganization will not result in current federal income or excise taxes for the holders of such policies. Moreover, the Reorganization will not be treated as causing a contribution or distribution that would result in additional taxes or penalties or be subject to withholding taxes for holders of such policies under the Code.

Consequences to Union Central, UCMHC, Ameritas Acacia, UNIFI and AHC

Union Central will not realize or recognize any taxable income as a result of the Reorganization, except that certain previously deferred gains and losses on intercompany transactions between and among Union Central and its subsidiaries may be required to be taken into account as gain or loss, as the case may be, as a result of the transaction. The Reorganization will be tax free to UCMHC, Ameritas Acacia, UNIFI and AHC.

REGULATORY MATTERS

General

Union Central, a mutual life insurance company organized under Ohio law, is subject to the regulation and supervision of the State of Ohio. The Reorganization is subject to review by, and the approval of the Ohio Superintendent pursuant to the requirements of Sections 3913.25 to 3913.38 of the Ohio Revised Code. The Reorganization is further subject to the review by, and approval of, the Nebraska Director because Ameritas Acacia, the company with and into which UCMHC will be merged, is a mutual insurance holding company organized under Nebraska law. In addition, the New York Superintendent of Insurance is reviewing the Plan under Section 1106(i) of the New York Insurance Law with respect to the fairness of the Plan to Union Central's New York policyholders and to determine whether to lodge any objections with the Ohio Superintendent and Union Central; other than satisfactory resolution of such objections (if any), no approval by the New York Superintendent is required, however.

Upon the Reorganization, UCMHC will be merged with and into Ameritas Acacia, which will then be renamed UNIFI Mutual Holding Company. UNIFI, a mutual insurance holding company, and AHC, an intermediate holding company and UNIFI's direct subsidiary, both organized under the Nebraska Mutual Insurance Holding Company Act, will continue to be subject to the supervision of the Nebraska Director to ensure that both member and policyholder interests of the policyholders are protected. Neither UNIFI nor AHC is a licensed insurance company and therefore neither has the authority to directly engage in the business of insurance; however, as insurance holding companies, UNIFI and AHC will continue to be subject to regulation by the Nebraska Department of Insurance pursuant to the provisions of the Nebraska Mutual Insurance Holding Company Act. Such ongoing regulation will include UNIFI and AHC continuing to be treated as domestic insurance companies subject to the Nebraska Insurers Demutualization Act, the Nebraska Insurers Supervision, Rehabilitation and Liquidation Act, and Chapter 44, Article 2 and Section 44-301 of Nebraska Revised Statutes. Except with the approval of the Nebraska Director, UNIFI may not encumber more than 49% of AHC or any reorganized stock insurer. At least 50% of UNIFI's net worth, as determined by generally accepted accounting principles, is required to be invested in insurance companies. In addition, UNIFI will, except as otherwise limited by the insurance laws of the State of Nebraska, have all the powers granted to corporations organized pursuant to the Nebraska Business Corporation Act.

Upon the Reorganization, Union Central will be a direct subsidiary of AHC, along with Ameritas Life and Acacia Life. Union Central will continue to be an Ohio-domiciled insurer subject to ongoing insurance regulation by the Ohio Superintendent, with the exception that it will be subject to those provisions of the Ohio law relating to stock, as opposed to mutual, insurance companies. Ameritas Life will continue to be a Nebraska-domiciled insurer subject to ongoing insurance regulation by the Nebraska Director. Acacia Life will continue to be a District of Columbia-domiciled insurer subject to ongoing insurance regulation by the District of Columbia Insurance Commissioner.

Nebraska Approval Order

The Nebraska Insurance Law requires the prior approval of the Merger Agreement by the Nebraska Director and the Merger Agreement provides that the consummation of the Merger is conditioned upon the receipt of such approval. Pursuant to Nebraska Revised Statutes § 44-224.07 and § 44-6125, Ameritas Acacia filed the Merger Agreement with the Nebraska Department of Insurance on March 11, 2005 and subsequently filed a number of supplements and related documents. After reviewing the Merger Agreement, as supplemented, and the related documents, the Nebraska Director has determined that, on the basis of the information filed with the Nebraska Department of Insurance, there is sufficient reason to find that the interests of the policyholders of Ameritas Life and the members of Ameritas Acacia will be protected under the proposed Merger. The Nebraska Director approved the Merger Agreement and issued an approval order dated July 19, 2005. The order is subject to the following conditions: (i) issuance of an order approving the reorganization of Union Central into a mutual insurance holding company structure and approval of the Merger Agreement by the Ohio Department of Insurance; (ii) approval by two-thirds majority of the votes cast by the eligible members of Ameritas Acacia as defined in the Merger Agreement at the Special Meeting of Members on August 31, 2005; (iii) approval by a majority of the votes cast by eligible Union Central Policyholders as defined in the Plan and in the Merger Agreement at the Special Meeting of Policyholders on September 1, 2005; (iv) receipt by the Nebraska Department of Insurance of the Articles of Merger; and (v) receipt by the Nebraska Department of Insurance of a copy of a tax opinion of Ameritas Acacia counsel.

Additionally, on or about June 29, 2005, the Nebraska Department of Insurance approved Ameritas Acacia's request to exempt Ameritas Acacia from the filing of a Form A Statement of Acquisition of Control pursuant to Nebraska Revised Statutes §44-2128(2) in connection with the Merger. The exemption was granted on the basis that the Merger is not made or entered into for the purpose, and does not have the effect of changing or influencing the control of, Ameritas Acacia, AHC or Ameritas Life. In its exemption order, the Nebraska Department of Insurance reserved the power to re-examine the control issue at a later date if new information should warrant such review.

Mutual Insurance Holding Company Assets Available to Satisfy Claims of Union Central Policyholders

UNIFI and AHC would automatically be parties in the event of any insolvency or delinquency proceeding brought against (i) Union Central under the Ohio Insurers Supervision, Rehabilitation and Liquidation Act, Ohio Rev. Code Sections 3093.01 to 3903.59, (ii) Ameritas Life under the Nebraska Insurers Supervision, Rehabilitation and Liquidation Act, Neb. Rev. Stat. Sections 44-4803 to 4862, or (iii) Acacia Life under the District of Columbia Insurers Rehabilitation and Liquidation Act of 1993, Title 31, Sections 1301-1357, D.C. Code Ann. If necessary, the assets of UNIFI and AHC may be deemed to be assets of Union Central, Ameritas Life or Acacia Life for purposes of satisfying the claims of their policyholders. This means that in the unlikely event that Union Central, Ameritas Life or Acacia Life could not satisfy the claims of its policyholders, the assets of UNIFI and AHC could be used to satisfy such claims. These assets might in the future include the stock of other subsidiaries and/or funds or securities held at the AHC or UNIFI level.

Dissolution or Liquidation of Mutual Insurance Holding Company

UNIFI and AHC may not dissolve or liquidate without the approval of the Nebraska Director or as ordered by a court of law pursuant to Nebraska law. In the event of the ultimate dissolution or liquidation of UNIFI, any surplus which remains at the time of such dissolution or liquidation after payment of the liabilities of UNIFI would be distributed to the UNIFI Members (which would include policyholders of Union Central, Ameritas Life and Acacia Life) in a manner determined by the UNIFI Board and as approved by the Nebraska Director pursuant to Nebraska Statutes Annotated, Section 44-4842 and other provisions of the Nebraska Insurers Supervision, Rehabilitation and Liquidation Act.

Affiliated Transactions

Any material transaction between Union Central and any of its affiliates must, among other things, be on terms which are fair and reasonable. Certain transactions involving Union Central may not be entered into until 30 days after the Ohio Superintendent has received, for her review, written notice of the insurer's intention to enter into the transaction and if, during that period, the Ohio Superintendent has not disapproved the proposed transaction. The transactions requiring such prior notice include (i) sales, purchases, exchanges, loans, or extensions of credit, guarantees, or investments if such transactions are equal to or exceed the lesser of 3% of the entity's admitted assets as of December 31 of the preceding year or 25% of the entity's surplus as regards policyholders as of December 31 of the preceding year, (ii) loans or extensions of credit to any person who is not an affiliate, when the insurer makes such loans or extensions of credit with the agreement or understanding that the proceeds of such transactions, in whole or in substantial part, are to be used to make loans or extensions of credit to, to purchase assets of, or to make investments in any affiliate of the insurer making such loans or extensions of credit if such transactions are equal to or exceed 3% of the insurer's admitted assets as of December 31 of the preceding year or 25% of the entity's surplus as regards policyholders as of December 31 of the preceding year, (iii) reinsurance agreements or modifications thereto in which the reinsurance premium or a change in the insurer's liabilities equals or exceeds 5% of the insurer's policyholders surplus as of December 31 of the preceding year, (iv) management agreement, service contract or cost-sharing arrangement, and (v) any material transaction, specified by rule and regulation, which the Ohio Superintendent determines may adversely affect the interests of Union Central Policyholders.

Similarly, other life insurance subsidiaries of UNIFI that enter into such affiliate transactions may also be required to provide prior notice to their respective state insurance regulators according to relevant insurance laws and regulations of their respective domiciliary states.

Dividends

Under Ohio law, Union Central may not pay any extraordinary dividend or make any other extraordinary distribution to its sole shareholder, AHC, until 30 days after the Ohio Superintendent has received notice of the declaration of such dividend and has not within such period disapproved such payment (or the payment has been approved within such 30-day period). An

extraordinary dividend or distribution, for these purposes, includes any dividend or distribution of cash or other property, whose fair market value, together with that of other dividends or distributions made within the preceding 12 months, exceeds the greater of 10% of Union Central's surplus as of the preceding December 31 or the net income of Union Central for the 12-month period ending the preceding December 31, but shall not include pro rata distributions of any class of Union Central's own securities. Any dividend or distribution paid from other than earned surplus is also considered an extraordinary dividend or extraordinary distribution for these purposes. "Earned Surplus" in this context means an amount equal to an insurer's unassigned funds as set forth in its most recent statutory financial statement submitted to the Ohio Superintendent, including net unrealized capital gains and losses or revaluation of assets.

As discussed elsewhere in this Policyholder Information Booklet, even if Union Central were to declare and pay dividends to AHC, the payment thereof does not mean that the members of UNIFI would receive a dividend concurrently, or at all. See "The Reorganization – Impact on Your Membership Interests – Effect of an Offering of Stock by AHC," at page 34.

Under Nebraska law, any distribution to UNIFI's members will require prior written approval of the Nebraska Director and may be made only upon the Nebraska Director's satisfaction that such distribution is fair and equitable to policyholders as UNIFI Members. In addition, UNIFI will not, under its Amended and Restated Articles of Incorporation, be permitted to make any direct payment of dividends or any other distributions or payments of income, dividends or profits directly to members, except as provided for in the Amended and Restated Articles of Incorporation in the event of the ultimate dissolution or liquidation of UNIFI or as otherwise approved by the Nebraska Director.

Stipulation with the New York Department of Insurance

Although Union Central is domiciled in the State of Ohio, the New York State Insurance Department ("New York Department") has conducted a review of the Plan pursuant to Section 1106(i) of the New York Insurance Law. Ameritas Acacia (on behalf of itself and after the Effective Time, UNIFI), AHC and Union Central, as well as any party that subsequently acquires control of Union Central (the "Bound Parties") have agreed to comply with certain terms that the New York Superintendent has required. These terms are set forth in a stipulation that will be entered into by the Bound Parties and the New York Department (the "Stipulation"). The Stipulation is summarized below.

Any application seeking the demutualization, conversion or any other change in corporate form of UNIFI, or other transaction, which is reasonably expected to permit or cause the members of UNIFI to realize all or part of the economic value of their membership interests in UNIFI, will be subject to review by the New York Department. Prior to the issuance or sale of any securities by a Bound Party that is subject to the review of the Ohio Superintendent or the Nebraska Director or any other insurance regulatory body, certain information will be filed with the New York Superintendent relating to such securities offering. Prior notification of the New York Superintendent will also be required for each Affiliate Transaction (as defined in the Stipulation), that involves payments, transfers, value or property in an amount equal to or exceeding 5% of the admitted assets of Union Central as of the preceding December 31 (other than reinsurance transactions, which require prior notification without regard to amount). If the New York Superintendent finds that any of these transactions will not be fair or equitable to New York policyholders of Union Central, the New York Superintendent will set forth the reasons for such findings and notify the primary regulators and the Bound Parties, advising them of any requirements necessary for the protection of New York policyholders of Union Central in order to permit Union Central to continue to do business in New York.

The Bound Parties also have agreed to support and not to interfere with any efforts made by the New York Superintendent to assert standing in any rehabilitation or liquidation proceeding of UNIFI, or to which UNIFI is a party.

In addition, the Stipulation requires Union Central to comply with the following requirements relating to the Closed Block:

- Union Central must obtain the prior approval of the New York Superintendent prior to ceasing to maintain the Closed Block, if the Closed Block at such time includes policies held by New York policyholders;
- Union Central must obtain the prior approval of the New York Superintendent prior to changing the federal income, state and local tax allocation or charging procedures relating to the Closed Block, if the Closed Block at such time includes policies held by New York policyholders;
- Union Central must notify the New York Superintendent with respect to various other matters concerning the Closed Block;

- If Union Central declares or pays, with respect to any class of policies (as defined in the Stipulation) other than Closed Block Policies, policy dividends that are based on the overall financial experience (as defined in the Stipulation) of Union Central rather than on the financial experience of such class of policies, Union Central must pay a reasonably proportionate amount with respect to Closed Block policies, and such amount paid with respect to Closed Block policies will not be charged to the Closed Block;
- Union Central must redevelop dividend rates during 2006 for the dividend scale payable in 2007 based on a traditional three-factor dividend methodology; and
- Union Central must obtain the prior approval of the New York Superintendent prior to changing its Non-Guaranteed Element Principles and Practices document, including any change in profit margins, as it affects New York policyholders. The Non-Guaranteed Element Principles and Practices document governs the determination of non-guaranteed elements for policies not included in the Closed Block or covered by the Closed Block Memorandum.

Risk Based Capital

As of December 31, 2004, Union Central's Risk Based Capital ("RBC") Ratio was 313%, Ameritas Life's was 958% and Acacia Life's was 430%. For purposes of this paragraph, "RBC Ratio" with respect to a life insurance company means an amount (expressed as a percentage) calculated as (A) the total adjusted capital of such life insurance company as shown on such life insurance company's most recently filed annual statutory statement required to be filed by it with one or more state insurance commissioners or other state insurance regulatory authorities divided by (B) the Company-Action-Level, which can be calculated as 2 times the Authorized Control Level RBC as shown on such life insurance company's most recently filed annual statutory statement.

Undertakings to be Provided to the Ohio Department of Insurance

Union Central will adopt undertakings or enter into agreements with the Ohio Superintendent covering such matters as the Ohio Superintendent may require in connection with her approval of the Plan. These undertakings may be amended by agreement between Union Central and the Ohio Superintendent at a future time without a vote of Union Central's Policyholders or the UNIFI Members.

BUSINESS OF THE COMPANIES

The Union Central Life Insurance Company

General

Established in 1867, Union Central is an Ohio-domiciled mutual life insurance company that provides insurance and financial products and services to assist individual, group and pension policyholders in achieving their financial goals. Union Central subsidiaries offer other services, including securities brokerage, mutual fund management, asset management, mortgage banking and pension administration. Union Central offers life and disability insurance, annuities and retirement plans through a network of field associates including general agents, brokerage general agents, disability income centers and retirement plan sales consultants. Union Central is licensed in all 50 states and the District of Columbia, and is one of the 10 largest mutual life insurance companies in the United States in terms of assets. Approximately 14% of Union Central Policyholders are New York policyholders.

In 2004, Union Central's statutory capital grew to $338 million, an increase of more than 8% from 2003, and statutory assets under management reached $6.5 billion.

Union Central's corporate objectives continue to follow the overall strategic direction we began in 1995. Through our corporate objectives, we strive to deliver value to our customers, sustain managed financial growth and expand One Company Marketing.

Union Central's field representatives and home office associates remain committed to the corporate goal we've embraced throughout our 138-year history: to assure Union Central's financial strength and stability in the best, long-term interest of our policyholders. We strive not only to provide our clients with financial solutions that meet their individual needs, but also to exceed their expectations of what an insurance company can do for them.

Union Central is rated "Secure" by three major independent rating agencies. Fitch as of March, 2005, rated Union Central 'A' (Strong), the third highest rating out of Fitch's twelve ratings, viewing it as possessing a strong capacity to meet policyholder and contract obligations. S&P rated Union Central 'A-' (Strong), the seventh highest rating out of S&P's 21 ratings, as of February, 2005, stating that Union Central has strong financial security characteristics, but noting that it is somewhat more likely to be affected by adverse business conditions than are insurers with higher ratings. A.M. Best rated Union Central 'A-' (Excellent), the fourth highest rating out of A.M. Best's fifteen ratings, as of February 2005.

Products and Services

Union Central offers a wide variety of annuities, individual insurance and financial products designed to serve the needs of its customers. Annuity products consist of fixed, variable and equity indexed annuities. Individual insurance products consist of term insurance, traditional whole life insurance, universal life insurance, variable universal life insurance and disability income insurance. Financial products consist of mutual funds.

As of December 31, 2004, the number of contracts issued by Union Central and in force were as follows: individual life insurance, 198,975; individual annuities, 33,328; individual disability insurance, 49,017; group life insurance, 83; group disability insurance, 564; and group annuities, 2,582.

Life Insurance. Union Central provides a wide range of individual life and disability income products focused on meeting the needs of our target markets: small- to medium-sized business owners and upwardly mobile and affluent individuals.

Our current life insurance products include:

- Whole life insurance that has guaranteed death benefits and guaranteed cash values paid for through periodic fixed premiums. Several options and riders are offered in connection with these policies to provide such benefits as waiver of premium, accidental death, paid up additions, additional term and accelerated benefits.
- Universal life insurance that has flexible premiums and adjustable death benefits. Premiums in excess of specified charges are credited to the account value of the policy, which is credited with interest at a rate that is set periodically, subject to minimum guaranteed contract credit rates. The cost of insurance and certain administrative charges are deducted from the account value. Union Central also offers "second-to-die" universal life policies, and "indexed" universal life policies.

- Variable universal life insurance that has flexible premiums and adjustable death benefits. Premiums in excess of specified charges are credited to the account value of the policy and may be invested in one or more variable account investment options of the Carillon Life Account, an investment company under the Investment Company Act of 1940 and registered separate account of Union Central, or to the guaranteed account, or to both. All or a portion of policy values vary with the performance of a separate account.
- Term life insurance that provides life insurance coverage for a fixed period and has no cash value. Union Central offers the following type, among others: term insurance with 10, 15, 20 and 30 year guaranteed level premiums and annually renewable term insurance.
- Disability income insurance that provides income payments to an insured who is unable to work because of sickness or injury. Individual disability income insurance is generally issued by Union Central on a non-cancelable long term basis. Union Central also issues Business Overhead Insurance, which covers the costs of running a business in the event the owner is disabled.

Annuity. Our Annuity line of business provides a wide range of individual and group annuity products for individuals, corporations and other institutions.

Union Central's principal annuity products are:

- Deferred annuity contracts that accumulate funds in a fixed account and permit the election of periodic income benefits beginning at a specified future date and continuing for the life of the annuitant, the lives of two or more persons or for a specified period of time. Union Central offers several varieties.
- Immediate annuities (*i.e.*, single premium products with benefit payments commencing immediately or shortly after issue.)
- Deferred fixed annuities on an individual or group basis that may be single premium or flexible (periodic) premium products. The premium is deposited in a fixed interest account and credited with interest at a rate that is periodically set by Union Central, but not less than the rate guaranteed in the contract.
- Equity index annuities: Deferred, flexible premium fixed index annuities (*i.e.*, non-variable) annuities. The premium is deposited, per the policyholder's instructions, into either a fixed interest account or an indexed account. In the fixed interest account, the funds are credited with interest at a rate that is periodically set by Union Central, but not less than the rate guaranteed in the contract. Funds in the indexed account are credited interest at a rate that is based upon the movement of the S&P 500 index, subject to a maximum and subject to a participation rate set by Union Central; however, the credited interest rate on the indexed account cannot be less than zero.
- Variable annuities, both individual and group. Individual annuities include contract values that may be invested in one or more variable account investment options of the Carillon registered separate account, an investment company under the Investment Company Act of 1940 and an affiliate of Union Central, or to the guaranteed account, or to both.

Retirement Plans. Union Central provides an Employee Savings Plan product primarily to employers with 25 to 250 employees in the 401(k) market. This product is offered on a bundled basis that includes investments and full administrative services or on an investments-only basis.

Marketing and Distribution

Union Central uses two sustainable competitive strategies with our customers and distribution partners. It refers to its customer strategy as "One Company Marketing" and its distribution partner strategy as "Trusted Relationships." Both are difficult for competitors to duplicate because they are derived from our unique culture, values and management expertise.

Union Central's One Company Marketing business culture emphasizes synergy, cooperation and common interests among all operational and functional areas to better meet the needs of our customers. A diverse portfolio of products and services provide customers and producers with a wide range of choices. From a corporate standpoint, it also minimizes the risks of market shifts and legislative or tax changes. One Company Marketing is intended to result in Union Central providing a larger share of its clients' financial planning needs, while at the same time providing dependable services. One Company Marketing has encouraged producers to sell multiple products from different product lines in order to enhance producer productivity and client service.

Union Central's Trusted Relationships is its practice of associating with producers that have a shared customer focus to that of Union Central. Through association with like-minded producers, both Union Central and the producers are positioned to achieve their respective long-term goals. These producers share our vision, values, and target markets. Union Central believes it is an attractive partner to high quality producers who successfully build long-term relationships with their clients. Past experience demonstrates that these partners are dedicated, loyal and productive.

Trusted Relationships are embodied in our Field Advisory Cabinet ("FAC"), established in 1959. FAC members are more than business partners – they also serve as strategic partners, providing input on key business decisions that impact our direction in the marketplace, and playing an integral role in developing products, programs and procedures.

Union Central distributes its products in all 50 states and the District of Columbia. Union Central's product portfolio is sold through a diverse and synergistic multiple channel distribution system with these main distribution avenues: General Agencies, Brokerage General Agencies, Disability Income Centers and Retirement Plans Sales Consultants. We have successfully grown and maintained multiple channels of distribution. A significant number of large sales volume producers sell multiple Union Central products. Union Central believes that multiple channel distribution benefits all involved: it offers Union Central diversity in distribution; it offers producers diversity in access to Union Central, its products and services; and it offers customers choices in how they interact with the agent.

General Agency Channel. The core General Agency ("GA") system consists of offices with demonstrated expertise in Union Central's target markets: upwardly mobile and affluent individuals, and small- to medium-sized businesses. Those with Million Dollar Round Table level producers (*i.e.*, those producers who generate $1 million or more of annual sales in terms of premiums) are our target. These agencies appreciate strong home office support and relationships. They also share our company culture and values.

Brokerage General Agency Channel. ("BGAs") Brokerage General Agencies ("BGAs"), while generally product-specific in focus, effectively differentiate themselves beyond product or price. We are particularly interested in partnering with BGAs who are relationship-driven, as they offer value added advanced underwriting expertise or other specialized services to the independent representative.

Disability Income Center Channel. Disability Income Centers are company-owned brokerage offices whose primary customers are brokers within specific geographical regions. As the name implies, Disability Income Centers focus primarily on generating disability income premium, although some life and annuity premium comes from this channel as well. As a result of their emphasis and expertise in Disability Income, Disability Income Centers show strong underwriting profitability.

Retirement Plan Sales Consultants. Retirement Plan Sales Consultants are specialized staff, located around the country, who support retirement plans sales. Retirement Plans Sales Consultants work with GAs and independent producers to drive retirement plans sales through multiple channels.

Subsidiaries and Affiliates

Other financial products and services are offered through Union Central's wholly-owned non-life insurance subsidiaries and affiliates. Carillon Investments Inc. is a wholly-owned retail securities broker-dealer, operating on a fully disclosed basis, registered under the Securities Exchange Act of 1934, and an investment advisor registered under the Investment Advisors Act of 1940. Carillon Investments Inc. markets securities through its registered representatives, all of whom are insurance agents of Union Central. Carillon Investments Inc. serves as a distributor for affiliated mutual funds, variable annuity and variable universal life contracts issued by Carillon Account and Carillon Life Account, respectively, and the Employee Saving Plan group annuity contracts of Union Central.

Diversified Financial Services

The Summit Group is comprised of the three wholly-owned subsidiaries listed below. Assets under management were in excess of $6 billion as of December 31, 2004.

Summit Investment Partners, Inc. provides investment advisory services to institutional clients and is the advisor to Summit Mutual Funds, Inc.

Summit Investment Partners, LLC provides investment advisory services to Union Central in addition to the special purpose entities.

Union Central Mortgage Funding, Inc. originates and places commercial mortgages. In addition, this group services in excess of $1 billion in loans.

Underwriting and Pricing

Individual insurance underwriting involves the selection of risks consistent with product pricing. Union Central's underwriting department is responsible for reviewing and underwriting applications for coverage. The underwriters are expected to comply with Union Central's established practices and procedures that are designed to appropriately assess and quantify all manners of risk. The underwriting of these risks may take into account multiple factors, including an applicant's medical history, alcohol, drug and tobacco use, driving record, occupation and financial profile. A policy is not issued until recognized risk factors have been evaluated and the extent of the risks has been resolved.

Union Central bases underwriting primarily on its own mortality and morbidity experience in addition to comparing its underwriting against industry standards. This process is consistently evaluated and updated based upon industry experience and advances in medical science.

Product pricing reflects Union Central's underwriting standards. Factors considered in setting premiums and charges for insurance products include assumptions as to future investment returns, expenses, persistency, mortality, morbidity, taxes and certain macroeconomic factors such as inflation. Product specifications and underwriting are designed to produce experience, which Union Central periodically monitors, that is equal to or more favorable than pricing assumptions. The long term profitability of Union Central is affected by the degree to which future experience deviates from these assumptions.

Reserves

Like other insurance companies, Union Central establishes and carries liabilities for actuarially determined statutory reserves that are calculated to meet the payment of future policy benefits and obligations. Reserves are based on actuarially recognized methods that employ prescribed mortality and morbidity tables in general use, which are modified to reflect actual experience when appropriate. These reserves are computed at amounts that, with additions from future premiums and interest on such reserves compounded at specified assumed rates, are expected to be sufficient to meet an insurer's future policy obligations. Reserves for assumed reinsurance are computed on a basis comparable to direct insurance reserves.

The GAAP reserves that appear in Union Central's audited consolidated financial statements may vary from those established based on statutory accounting practices. Statutory accounting practices are specified by the various state insurance departments through statute or regulation. GAAP accounting is governed by the Financial Accounting Standards Board.

Reinsurance

Union Central follows the standard industry practice of reinsuring ("ceding") certain portions of its insurance risks with other insurance companies under traditional indemnity reinsurance agreements. Union Central uses reinsurance in this manner to limit the mortality and morbidity risk on its individual life and disability insurance business.

Reinsurance does not discharge an insurer from its obligations to pay policy claims on the reinsured business. Accordingly, Union Central remains fully responsible for claims on policies it has ceded even if the reinsurer should fail to pay its portion of the claims. For this reason, Union Central only enters into reinsurance treaties with highly rated reinsurers that have passed an internal due diligence review.

Conventional reinsurance, or indemnity reinsurance, is obtained on doubtful risks or when the automatic retention limits are exceeded. Automatic retention limits vary by issue age and underwriting rating. Maximum retention for Union Central is $1 million on any one life. At December 31, 2004, reinsurance ceded by Union Central was $18.9 billion of insurance in force, representing 57% of in force business.

Maximum retention for Union Central is $4,000 per month on any one disability risk. In 2004, $15 million, or 28% of direct premiums, had been ceded by Union Central.

Investment Portfolio

Summit Investment Partners, Inc. manages Union Central's investment operations. In consultation with product actuaries, Summit is responsible for determining, within specified risk tolerances and investment guidelines, the asset allocation, duration, and other characteristics of Union Central's investment portfolio.

Competition

Competition among life insurance companies is intense and many of Union Central's competitors have substantially more resources than Union Central. Union Central competes on the basis of product offerings and customer service. Union Central management believes that consolidation within the insurance industry will continue as companies seek to reduce unit costs and overhead expenses. Such consolidation could result in more formidable competition.

In recent years, there has been a trend in the industry away from products that protect against the uncertainties of death to products that allow customers to accumulate assets so as to maintain an acceptable standard of living during their retirement years. This change has resulted in the introduction of new insurance and financial products and has increased competition with non-insurance company rivals, such as mutual funds. In addition, insurance and annuity products may now be purchased through banks, broker/dealers, financial planners, and the Internet, which also increases competition.

The life insurance industry enjoys favorable tax treatment for several of its life and annuity products. The attractiveness of these products hinges on the continued existence of such favorable tax treatment including tax deferral features. Recently, however, some legislators and politicians have indicated that the tax-favored treatment of these products is unnecessary and should therefore be lessened, if not eliminated. Union Central believes that if Congress were to repeal this favorable tax treatment, the overall competitiveness of insurers, including Union Central, and their products compared to substitute products would be adversely affected in the long term.

Legal Proceedings

Like other U.S. insurers, Union Central is a respondent in a number of legal proceedings. Union Central is a defendant in actions arising out of its business and is, from time to time, involved as a party in various governmental and administrative proceedings. Union Central does not believe that any liability which may result from these actions is likely to have a material adverse effect on its business, financial position or results of operations.

Employees

As of December 31, 2004, Union Central employed approximately 900 employees. Union Central has good relations with its employees.

Ameritas Acacia Mutual Holding Company

The information that follows about Ameritas Acacia and its subsidiaries was provided by Ameritas Acacia.

Ameritas Acacia was formed effective January 1, 1999, as a result of the merger of Acacia Mutual Holding Company into Ameritas Mutual Insurance Holding Company. This merger represented the first merger of mutual holding companies.

Ameritas Acacia owns 100% of the stock of AHC. AHC owns 100% of the stock of both Ameritas Life and Acacia Life.

Ameritas Acacia Life Insurance Companies - Individual Company Information

Ameritas Life Insurance Corp.

Ameritas Life, formerly known as Bankers Life Insurance Company of Nebraska, was originally incorporated as a stock insurance company under the laws of Nebraska in 1887. Ameritas Life began its operations as mutual life insurance company in 1949. It became the fifth mutual life insurance company in the United States to reorganize under the mutual insurance holding company laws, completing its reorganization effective January 1, 1998. Ameritas Life with its subsidiaries, maintains in excess of $5.5 billion in consolidated assets and in excess of $839 million equity as of December 31, 2004.

Ameritas Life and its subsidiaries provide a broad range of individual life and annuity products for individuals and business. Principal products include term life, variable life and annuity contracts and a low load series of universal and variable life and variable annuity products. As of December 31, 2004, approximately 132,000 individual life policies were in force with a face amount in excess of $21.2 billion and 49,000 individual annuities were in force.

Ameritas Life markets variable life and annuity products primarily through its affiliate, Ameritas Variable Life Insurance Company ("AVLIC"). AVLIC also markets fixed annuity products. In 1996, Ameritas Life entered into a Joint Venture with AmerUs Life Insurance Company to form AMAL Corporation. AMAL Corporation owns 100% of AVLIC and Ameritas

Investment Corp. ("AIC"), a full service broker-dealer. Ameritas Life currently owns 52.4% of AMAL Corporation, Acacia Life and subsidiaries currently owns 14% of AMAL Corporation, and the remaining 33.6% is owned by AmerUs Life Insurance Company, which is not affiliated with either Ameritas Life or Acacia Life. For further information about the Joint Venture Agreement between Ameritas Acacia and AmerUs Life Insurance Company, see "The Merger Agreement – The Merger" at page 48.

Individual insurance operations are conducted through diversified distribution systems that include career agencies, special marketing agencies, personal producing general agents, and a broker-dealer distribution system for variable products.

Ameritas Life is known for its group dental and eyecare products and services. Group dental products include trust plans; tailored indemnity programs; and programs in a participating provider panel setting. Ameritas Life also provides administration and claims services only business for other companies. In 2004, total premium income for this line of business exceeded $425 million. Group products and services in New York are marketed by First Ameritas Life Insurance Corp. of New York.

The Ameritas Life Retirement Line of business offers a wide range of investment products for qualified pension plans. The Retirement Line also provides administrative services for qualified plans. The Pension Line has over $1 billion of assets under management.

Investment products and services are marketed through Ameritas Life affiliated companies. AIC offers a wide spectrum of investment products, including stocks, bonds, mutual funds, and fee based advisory services, as well as serving as the principal underwriter for variable contracts issued by Ameritas Life and AVLIC. The Public Finance Division of AIC specializes in developing and marketing bond offerings for corporations, municipalities, and school districts.

Ameritas Investment Advisors, Inc ("AIA") provides investment advisory services to Ameritas Life, Acacia Life, and other affiliated insurance companies. AIA also offers an investment management account, giving non-affiliated, non-insurance clients the opportunity to obtain professional investment advisory services.

Pathmark Administrators, Inc. distributes and administers worksite products and services. Ameritas Life's financial strength and operating performance is rated 'Ag*' (Excellent) by A.M. Best, the third highest rating of fifteen ratings. Upon announcement of the merger, this rating was affirmed. S&P rates Ameritas Life as 'AA-' (Very Strong), the fourth highest of S&P's 21 ratings for its financial strength. Upon announcement of the Merger, this rating was affirmed. Moody's rates Ameritas Life as 'A1', which is the seventh highest of Moody's 27 ratings for long-term insurance financial strength. Upon announcement of the merger, this rating was affirmed.

Acacia Life Insurance Company

Acacia Mutual, chartered by a Special Act of Congress in 1869, was the third mutual life insurance company in the United States to reorganize into the mutual holding company form. The reorganization, completed effective June 30, 1997, simultaneously created a mutual insurance holding company and reorganized Acacia Mutual as a stock life insurance company of the new mutual holding company. Acacia Life with its subsidiaries, maintains in excess of $2.6 billion in consolidated assets and equity in excess of $359 million as of December 31, 2004.

Acacia Life provides a broad range of fixed life insurance products for individuals and businesses. These products include traditional whole life, universal life, and fixed annuities.

As of December 31, 2004, approximately 102,000 individual life policies were in force with a face amount in excess of $5.7 billion and 14,000 individual annuities were in force.

Individual insurance operations are conducted through diversified distribution systems that include career agencies, special marketing agencies, personal producing general agents, and a broker-dealer distribution system for variable products.

Diversified Financial Services

Acacia Life owns all of the outstanding stock of the Acacia Financial, a holding company that owns all of the stock of various other subsidiaries, including:

Calvert, a wholly-owned subsidiary of Acacia Financial, which through its subsidiaries and affiliates, offers a broad range of investment products and services, including the nation's largest family of socially responsible mutual funds. Calvert offers a full family of mutual funds designed to help investors achieve financial security while helping to build a sustainable future.

With over 25 years of expertise, Calvert offers a diversified range of fixed income funds including corporate bond, tax-free and money market funds. Calvert employs their unique, investment strategies to achieve competitive performance. For the year ended December 31, 2004, total revenue for Calvert was $93.3 million, and total assets under management were $10.3 billion.

Acacia Federal, a wholly-owned subsidiary of Acacia Financial, offers its customers a wide range of banking products and services. Acacia Federal offers certificates of deposit, money market accounts, and IRAs. Acacia Federal also offers automobile loans, unsecured credit lines, secured and unsecured personal loans, residential mortgage loans, including fixed and adjustable rate first trust mortgages, second trust loans, home equity lines of credit, and residential construction and commercial loans. For the year ended December 31, 2004, Acacia Federal had assets of $957.6 million and total revenues were $47.4 million.

The Acacia Realty Corp., another wholly-owned subsidiary of Acacia Financial, owns commercial real estate properties.

Ameritas Acacia Life Insurance Companies - Combined Operations Information

Employees and Sales Representatives

As of June 30, 2005, the Ameritas Acacia group of companies, including Ameritas Life and Acacia Life, employed approximately 1,550 employees and contracted with approximately 1,700 sales representatives. Ameritas Life and Acacia Life have good relations with their employees and sales representatives.

Underwriting and Pricing

Individual insurance underwriting involves the selection of risks consistent with product pricing. The Ameritas Life and Acacia Life underwriting department is responsible for reviewing and underwriting applications for coverage. The underwriters are expected to comply with Ameritas Life and Acacia Life established practices and procedures that are designed to appropriately assess and quantify all manners of risk. The underwriting of these risks may take into account multiple factors, including an applicant's medical history, alcohol, drug and tobacco use, driving record, occupation and financial profile. A policy is not issued until recognized risk factors have been evaluated and the extent of the risks has been resolved.

Ameritas Life and Acacia Life base underwriting primarily on the mortality experience criteria of their reinsurers, in addition to comparing their underwriting against industry standards. This process is consistently evaluated and updated based upon industry experience and advances in medical science.

Product pricing reflects Ameritas Life and Acacia Life underwriting standards. Factors considered in setting premiums and charges for insurance products include assumptions as to future investment returns, expenses, persistency, mortality, morbidity, taxes and certain macroeconomic factors such as inflation. Product specifications and underwriting are designed to produce actual experience, which Ameritas Life and Acacia Life periodically monitor, that is equal to or more favorable than pricing assumptions. The long term profitability of Ameritas Life and Acacia Life is affected by the degree to which future experience deviates from these assumptions.

Competition

Competition among life insurance companies is intense and many of Ameritas Life's and Acacia Life's competitors have substantially more resources than Ameritas Life and Acacia Life. Ameritas Life and Acacia Life compete on the basis of product offerings and customer service. Ameritas Life and Acacia Life management believe that consolidation within the insurance industry will continue as companies seek to reduce unit costs and overhead expenses. Such consolidation could result in more formidable competition.

In recent years, there has been a trend in the industry away from products that protect against the uncertainties of death to products that allow customers to accumulate assets so as to maintain an acceptable standard of living during their retirement years. This change has resulted in the introduction of new insurance and financial products and has increased competition with non-insurance company rivals, such as mutual funds. In addition, insurance and annuity products may now be purchased through banks, broker/dealers, financial planners, and the Internet, which also increases competition.

The life insurance industry enjoys favorable tax treatment for several of its life and annuity products. The attractiveness of these products hinges on the continued existence of such favorable tax treatment including tax deferral features. Recently, however, some legislators and politicians have indicated that the tax-favored treatment of these products is unnecessary and should therefore be lessened, if not eliminated. Ameritas Life and Acacia Life believe that if Congress were to repeal this

favorable tax treatment, the overall competitiveness of insurers, including Ameritas Life and Acacia Life, and their products compared to substitute products would be adversely affected in the long term.

Legal Proceedings

Like other U.S. insurers, Ameritas Life and Acacia Life are respondents in a number of legal proceedings. Ameritas Life and Acacia Life are defendants in actions arising out of their business and are, from time to involved as parties in various governmental and administrative proceedings. Ameritas Life and Acacia Life do not believe that any liability which may result from these actions is likely to have a material adverse effect on their business, financial position or results of operations.

Reserves

Information related to reserve calculations is contained in Footnote 1, pages 3-9 to 3-15, Footnote 3, pages 3-17 to 3-19, and Footnote 11, page 3-30 of the Audited Consolidated Financial Statements of Ameritas Acacia. For further details, see "The Ameritas Acacia Mutual Holding Company and Subsidiaries Consolidated Financial Statements for years ended December 31, 2004 and 2003 with Report of Independent Auditors," included in Exhibit 3 of the Exhibit Volume.

Reinsurance

Reinsurance calculations are contained in Footnote 10, page 3-29 of the Audited Consolidated Financial Statements of Ameritas Acacia. For further details, see "The Ameritas Acacia Mutual Holding Company and Subsidiaries Consolidated Financial Statements for years ended December 31, 2004 and 2003 with Report of Independent Auditors," included in Exhibit 3 of the Exhibit Volume.

Investment portfolio

Information related to investments is contained in Footnote 1, pages 3-9 to 3-10, Footnote 4, pages 3-19 to 3-23, and Footnote 13, pages 3-32 to 3-33 of the Audited Consolidated Financial Statements of Ameritas Acacia. For further details, see "The Ameritas Acacia Mutual Holding Company and Subsidiaries Consolidated Financial Statements for years ended December 31, 2004 and 2003 with Report of Independent Auditors," included in Exhibit 3 of the Exhibit Volume.

AVAILABLE INFORMATION

Union Central is organized in Ohio and is subject to Ohio laws and regulations applicable to life insurance companies. In accordance with those laws and regulations, Union Central files financial reports and other public information with the Ohio Department of Insurance. The publicly available financial reports and other information regarding Union Central can be inspected at the offices of the Ohio Department of Insurance at 2100 Stella Court, Columbus, Ohio, during normal business hours.

Union Central is filing an application for approval of the Plan and related documents (the "Filing") with the Ohio Superintendent in compliance with Section 3913.26(G) of the Ohio Revised Code. The Filing, including the complete text of the exhibits to the Plan, can be inspected at the offices of the Ohio Department of Insurance at 2100 Stella Court, Columbus, Ohio, or at the offices of Union Central, 1876 Waycross Road, Cincinnati, Ohio, during normal business hours. You can also call Union Central's Reorganization line at 1-800-315-9781 if you have any questions about the Reorganization.

Ameritas Acacia is subject to the laws and regulations of the State of Nebraska applicable to mutual holding companies and therefore is required to file financial reports and other information with the Nebraska Department of Insurance. The publicly available financial reports and other information regarding Ameritas Acacia are available at the offices of the Nebraska Department of Insurance, 941 "O" Street, Lincoln, Nebraska 68508.

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EXHIBITS TO

THE UNION CENTRAL LIFE INSURANCE COMPANY

POLICYHOLDER INFORMATION BOOKLET

Dated: July 21, 2005

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EXHIBIT 1

PLAN OF REORGANIZATION
OF
THE UNION CENTRAL LIFE INSURANCE COMPANY

Under Sections 3913.25 to 3913.38
of the Ohio Revised Code

Dated as of July 20, 2005

EXHIBIT A	Corporate Structures of the Company and Ameritas Acacia MHC before the Reorganization, the Company after the Conversion, and the Surviving MHC after the Reorganization
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PLAN OF REORGANIZATION
OF
THE UNION CENTRAL LIFE INSURANCE COMPANY

Under Sections 3913.25 to 3913.38
of the Ohio Revised Code

This Plan of Reorganization has been approved and adopted by the Board of Directors of The Union Central Life Insurance Company (before and after the transactions described herein, the "Company"), a mutual life insurance company organized under the laws of Ohio, at a meeting duly called and held on July 20, 2005. This Plan of Reorganization provides for the conversion of the Company into a stock life insurance company within a mutual holding company structure (the "Conversion"), in which the Company will become a subsidiary of a newly formed Ohio mutual insurance holding company ("Union Central MHC"), and the merger of Union Central MHC with an existing Nebraska mutual insurance holding company (the "Merger"), in accordance with the requirements of Sections 3913.25 to 3913.38 of the Ohio Revised Code and in accordance with the Merger Agreement (the Conversion and the Merger, collectively, the "Reorganization"). The Merger Agreement was approved by the Board on January 28, 2005.

ARTICLE I.
EFFECT OF CONVERSION AND MERGER

The Conversion and Merger are part of a plan to merge the membership interests of members of the Company with and into membership interests of Ameritas Acacia Mutual Holding Company ("Ameritas Acacia MHC"), a mutual insurance holding company domiciled in Nebraska. The Conversion and the Merger constitute a series of transactions pursuant to a single integrated reorganization plan and neither the Conversion nor the Merger will be consummated without or independently of the other. All capitalized terms used but not defined in this Article I shall have the definitions ascribed to them in Article III.

At the Effective Time, Union Central MHC, through the series of related transactions set forth below in this Article I, will merge with and into Ameritas Acacia MHC and the Company will become a wholly-owned stock life insurance company subsidiary of the surviving mutual holding company, which shall be re-named in the Merger ("Surviving MHC"). Surviving MHC will then concurrently contribute all of the Voting Stock of the Company to its existing wholly-owned intermediate holding company subsidiary, currently named Ameritas Holding Company ("Intermediate Holding Company"), which will after the Merger own 100% of the stock of each of three converted stock life insurance companies: the Company, Ameritas Life Insurance Company and Acacia Life Insurance Company. The Company will be at all times, directly or indirectly, at least a majority-controlled subsidiary of Surviving MHC, in accordance with Nebraska law. Diagrams showing the corporate structures of (i) the Company and Ameritas Acacia MHC before the Reorganization, (ii) the Company after the Conversion, and (iii) the Surviving MHC after the Reorganization are in Exhibit A attached hereto.

As part of the Reorganization:

- the Company will become a stock life insurance company, within a mutual holding company structure,
- the membership interests of policyholders of the Company will become membership interests in Union Central MHC, and concurrently the policyholders' membership interests in the Company will be extinguished,
- a Closed Block (as defined and described in Article VIII) will be established for the benefit of certain policyholders who own individual dividend-paying participating policies of the Company at the Effective Time of the Reorganization for the purpose of providing reasonable assurance to holders of the policies included that assets will be available to continue the 2005 dividend scale in aggregate if the experience underlying such scale continues, and to allow for appropriate adjustment in such scale if the experience changes,
- the Company will issue all of its Voting Stock to Union Central MHC,
- Union Central MHC will merge with and into Ameritas Acacia MHC pursuant to the Agreement and Plan of Merge between the Company and Ameritas Acacia MHC, as amended (the "Merger Agreement"),
- the membership interests of policyholders of Union Central MHC will become membership interests in Surviving MHC and concurrently the membership interests in Union Central MHC will be extinguished, and
- Surviving MHC will contribute all of the Voting Stock of the Company to Intermediate Holding Company.

ARTICLE II.
PURPOSE OF REORGANIZATION

Through the series of transactions contemplated by this Plan of Reorganization and the Merger Agreement, the Company will become an indirect wholly-owned subsidiary of Surviving MHC. The Board believes that the Reorganization will be in the best interests of the Company and its policyholders because, among other things:

- the Reorganization will enable the Company to be part of a larger and financially stronger business enterprise with greater resources to support its obligations to policyholders,
- the Reorganization will help assure the continuity of the Company's life insurance and other business, will enhance the competitiveness of the Company and will generate greater efficiencies and significant opportunities for improved financial performance,
- the Reorganization will provide the Company with greater flexibility to obtain capital as compared to the current mutual life insurance company structure,
- the Reorganization will provide the Company with increased flexibility to fund the growth of existing product lines, expand into new product lines and take advantage of investment and acquisition opportunities, and
- the Reorganization will enable the Company to use stock in compensation and incentive plans in order to enhance ability to attract and retain management and employees.

THE CONTRACTUAL TERMS AND PROVISIONS OF THE POLICIES HELD BY POLICYHOLDERS WILL NOT BE CHANGED AS A RESULT OF THE REORGANIZATION. IN ADDITION, THE GUARANTEED BENEFITS AND VALUES, AND THE RIGHTS OF POLICYHOLDERS, AS DESCRIBED IN THEIR POLICIES, WILL NOT BE REDUCED OR ALTERED IN ANY WAY, AND THE PREMIUMS REQUIRED TO BE PAID AS SPECIFIED IN THE POLICIES WILL NOT BE INCREASED OR OTHERWISE CHANGED AS A RESULT OF THE REORGANIZATION. THE COMPANY, REORGANIZED AS A STOCK LIFE INSURANCE COMPANY FROM AND AFTER THE EFFECTIVE TIME OF THE REORGANIZATION AND THE MERGER, WILL REMAIN FULLY OBLIGATED UNDER ALL OF ITS POLICIES.

ARTICLE III.
DEFINITIONS

As used in this Plan of Reorganization the following terms have the following meanings:

"Ameritas Acacia MHC" has the meaning specified in Article I.

"Board" means the Board of Directors of the Company.

"Certificate of Reorganization" has the meaning specified in Section 7.1.

"Closed Block" has the meaning specified in Section 8.1(a).

"Closed Block Assets" has the meaning specified in Section 8.1(b).

"Closed Block Business" has the meaning specified in Section 8.1(a).

"Closed Block Financial Statements" has the meaning specified in Section 8.2(e)(i).

"Closed Block Funding Date" has the meaning specified in Section 8.1(b).

"Closed Block Memorandum" has the meaning specified in Section 8.1(a).

"Company" means The Union Central Life Insurance Company, a mutual life insurance company organized under the laws of Ohio, prior to the Effective Time and a stock life insurance company within a mutual holding company structure organized under the laws of Ohio at the Effective Time but immediately prior to the consummation of the Merger and under the laws of Nebraska after the consummation of the Merger.

"Conversion" has the meaning specified in the first paragraph in this Plan of Reorganization.

"Effective Time" means the Effective Time of this Plan of Reorganization, as determined in accordance with Section 7.2(b).

"Hearing" means the public hearing or hearings to consider this Plan of Reorganization, as specified in Section 6.2(a).

"Intermediate Holding Company" has the meaning specified in Article I.

"Membership Interests" means, with respect to the Company, the membership interests of Policyholders arising under the laws of the State of Ohio and the amended articles of incorporation and amended code of regulations of the Company. "Membership Interests" means, with respect to Union Central MHC, the membership interests of members arising under the laws of the State of Ohio and the articles of incorporation and code of regulations of Union Central MHC. "Membership Interests" means, with respect to Surviving MHC, the membership interests of members arising under the laws of the State of Nebraska and the articles of incorporation and code of regulations of Surviving MHC. Membership Interests do not include the contractual rights and interests expressly conferred by an insurance policy or annuity contract issued by the Company.

"Merger" has the meaning specified in the first paragraph of this Plan of Reorganization.

"Merger Agreement" has the meaning specified in Article I.

"Person" means an individual, partnership, firm, association, corporation, joint-stock company, limited liability company, trust, government or governmental agency, state or political subdivision of a state, public or private corporation, board, association, estate, trustee or fiduciary, or any similar entity. A Person who is a policyholder in more than one legal capacity (*e.g.*, a trustee under separate trusts) shall be deemed to be a separate Person in each such capacity.

"Plan of Reorganization" means this Plan of Reorganization (including all Schedules and Exhibits hereto), as it may be amended or corrected from time to time in accordance with Section 9.7.

"Policyholder" means a Person who, on the basis of the records of the Company and under Section 3913.10 of the Ohio Revised Code and the amended articles of incorporation and amended code of regulations of the Company, is deemed to be a policyholder of the Company.

"Policyholders' Meeting" has the meaning specified in Section 5.1(a).

"Reorganization" has the meaning specified in the first paragraph in this Plan of Reorganization.

"State" means the District of Columbia and any state, territory or insular possession of the United States of America.

"Superintendent" means the Superintendent of Insurance of the State of Ohio, or such governmental officer, body or authority as may succeed such Superintendent as the primary regulator of the Company and Union Central MHC.

"Surviving MHC" has the meaning specified in Article I.

"2005 Dividend Scale" means the formula for calculating dividends approved by the Board on November 17, 2004 according to which the dividends payable during the year 2005 will be determined with respect to the Company's participating dividend-paying policies.

"Union Central MHC" has the meaning specified in the first paragraph in this Plan of Reorganization.

"Voting Policyholder" means any Person who is (or, collectively, Persons who are), based on the Company's records, a Policyholder of the Company as of the date of the Policyholders' Meeting who is eligible to vote under Sections 3913.10 (for individual policies) and 3917.03 (for group policies) of the Ohio Revised Code and under the Company's Amended Articles of Incorporation and Code of Regulations. To be eligible to vote, the Policyholder must be insured in the sum of at least $1,000 or must be the owner of an annuity contract which at the normal date of maturity requires the payment of $100 or more annually, and such insurance policy or annuity contract must be and have been in force for at least one year prior to the date of the Policyholders' Meeting.

"Voting Stock" means securities of any class or any ownership interest having voting power for the election of directors, trustees, or management of a Person, or the voting power conferred by such securities, other than securities having voting power only as a result of the occurrence of a contingency.

ARTICLE IV.
ADOPTION AND APPLICATION

Section 4.01. *Adoption by the Board.* This Plan of Reorganization has been approved and adopted by the unanimous affirmative vote of the Board at a meeting duly called and held at the offices of the Company on July 20, 2005. This Plan of Reorganization provides for the Conversion and Merger in accordance with the requirements of Sections 3913.25 to 3913.38 of the Ohio Revised Code and the Merger Agreement.

Section 4.02. *Application.* Within 90 days after adoption of this Plan of Reorganization by the Board, the Company shall file an application with the Superintendent for her approval of this Plan of Reorganization in accordance with Section 3913.28(A) of the Ohio Revised Code. The application relating to the Plan of Reorganization shall be accompanied by true and correct copies of the following documents: this Plan of Reorganization; the Merger Agreement; the notice to Voting Policyholders to be provided pursuant to Section 5.2; the form of proxy to be solicited from Voting Policyholders in connection with the Policyholders' Meeting; the articles of incorporation and codes of regulations/by-laws of the Company, Union Central MHC, Surviving MHC and Intermediate Holding Company; the names, addresses and occupational information of all corporate officers and members of the boards of directors of Union Central MHC, Surviving MHC and Intermediate Holding Company at the time of and immediately following the Merger; information demonstrating that the Company will, after the Effective Time, satisfy the requirements for the issuance of a license to write the lines of insurance for which it is presently licensed; an index demonstrating where in the application information supplied in compliance with this Section is found; and such other documents and information as may be requested by the Superintendent. The application, as it may be amended and supplemented from time to time, will be open to public inspection at the Superintendent's office in such manner as the Superintendent may determine and at the home office of the Company during normal business hours until the Effective Time.

ARTICLE V.
APPROVAL BY POLICYHOLDERS

Section 5.01. *Policyholder Vote.* (a) The Company shall hold a meeting of Policyholders to vote on the proposal to approve this Plan of Reorganization, the Merger Agreement and the proposed articles of incorporation and codes of regulations/by-laws of the Company, Union Central MHC, Surviving MHC and Intermediate Holding Company (the 'Policyholders' Meeting"). The Policyholders' Meeting may be a special meeting or the annual general meeting of Policyholders of the Company. At such Policyholders' Meeting, any Person who is (or, collectively, Persons who are), based on the Company's records, a Voting Policyholder shall be entitled to one vote on the proposals presented at the Policyholders' Meeting. A Voting Policyholder is entitled to cast only one vote, in person or by proxy, on the proposals presented at the Policyholders' Meeting regardless of the number of policies or contracts that the Voting Policyholder may own or hold. Only proxies specifically relating to this Plan of Reorganization and the Merger Agreement presented at the Policyholders' Meeting shall be used in determining whether this Plan of Reorganization and the Merger Agreement have been approved. The proposed articles of incorporation and codes of regulations of the Company, Union Central MHC, Surviving MHC and Intermediate Holding Company shall be substantially in the forms attached as Exhibits E-L hereof. The existing articles of incorporation and code of regulations of the Company are attached as Exhibit C and Exhibit D hereof.

(b) This Plan of Reorganization, the Merger Agreement and the proposed articles of incorporation and codes of regulations/by-laws of the Company, Union Central MHC, Surviving MHC and Intermediate Holding Company shall be approved upon receiving the affirmative vote of at least a majority of the votes cast by Voting Policyholders. Voting Policyholders may not vote separately on the Conversion and the Merger as neither will occur without the other.

Section 5.02. *Notice of Vote.* (a) Subject to Section 9.6, the Company shall mail notice of the Policyholders' Meeting to each Voting Policyholder at such Voting Policyholder's address as it appears on the books and records of the Company. The notice shall set forth the time and place of the Policyholders' Meeting, and shall include a summary of this Plan of Reorganization and the Merger Agreement, including an analysis of the material financial aspects and potential for dilution of policyholders' interests in the Company under the Reorganization; a form of uniform proxy, including ballot, allowing Voting Policyholders to vote for or against this Plan of Reorganization, the Merger Agreement and the proposed articles of incorporation and codes of regulations/by-laws of the Company, Union Central MHC, Surviving MHC and Intermediate Holding Company; a statement informing the Voting Policyholders that the Superintendent may fix a time and place for one or more Hearings, the first of which shall be held within 30 days after the Superintendent's receipt of written notice from the Board of the Voting Policyholders' approval of this Plan of Reorganization; and such other information as the Superintendent shall require. Such notice shall be given at least 30 days prior to the Policyholders' Meeting. Such notice period for the

Policyholders' Meeting may run concurrently with the notice period for the Hearing provided for in Section 6.2, and the notice of the Hearing provided for in Section 6.2 may be given together with the notice of the Policyholders' Meeting.

(b) The notice mailed to Voting Policyholders as provided in subsection (a) of this Section 5.2 shall be accompanied by information relevant to the Policyholders' Meeting, including a copy of this Plan of Reorganization, the Merger Agreement and a summary of this Plan of Reorganization and the Merger Agreement (with a summary of the exhibits thereto). The Company may also mail supplemental information relating to this Plan of Reorganization and the Merger Agreement to Voting Policyholders either before or after the date of the Policyholders' Meeting.

Section 5.03. *Certification.* If this Plan of Reorganization and Merger Agreement are approved at the Policyholders' Meeting, the Board shall provide the Superintendent with written notice of such approval within 10 days after the date of the Policyholders' Meeting.

Section 5.04. *Determination of Policyholders.* Unless otherwise stated herein, the determination of Policyholders as of any date shall be determined on the basis of the Company's records as of such date in accordance with the following provisions:

(a) Except as otherwise set forth in this Plan of Reorganization, the Merger Agreement or the amended articles of incorporation or amended code of regulations of the Company, the identity of the Policyholder of any policy shall be determined without giving effect to any interest of any other Person in the policy held by such Policyholder.

(b) In any situation not expressly covered by the provisions of this Plan of Reorganization, the Merger Agreement or the amended articles of incorporation or amended code of regulations of the Company, the Policyholder, as reflected on the records of, and as determined in good faith by, the Company, shall be presumed to be a Policyholder for purposes of this Plan of Reorganization and the Merger Agreement. The Company may, in its discretion, examine or consider facts or circumstances not reflected in its records in order to determine the existence or identity of a Policyholder for purposes of this Plan of Reorganization and the Merger Agreement.

(c) The mailing address of a Policyholder as of any date for purposes of this Plan of Reorganization and the Merger Agreement shall be the Policyholder's address of record according to the records of the Company as of such date, subject to Section 9.6.

(d) Any dispute as to the identity of a Policyholder, the right to vote or the right to become a member of Union Central MHC or Surviving MHC shall be resolved in accordance with the foregoing and such other procedures as may be acceptable to the Superintendent.

ARTICLE VI.
APPROVAL BY THE SUPERINTENDENT

Section 6.01. *Superintendent's Approval.* This Plan of Reorganization is subject to the review by, and approval of, the Superintendent.

Section 6.02. *Public Hearings.* (a) The Superintendent has the right to hold one or more public hearings as part of her review of this Plan of Reorganization (the "Hearing"). Upon receiving notice that the Superintendent intends to hold a Hearing, the Company shall provide notice to its Voting Policyholders of the time and place of the Hearing by (i) mailing to each Voting Policyholder, at such Voting Policyholder's post office address as it appears on the books and records of the Company, such notice at least 30 days prior to the Hearing, subject to Section 9.6, and (ii) causing such information to be published once each week for two consecutive weeks in a newspaper published and of the largest circulation in the counties of Cuyahoga, Franklin, Hamilton and Lucas in the State of Ohio, and in the newspaper of the largest circulation in the State capital of each State in which the Company maintains an office or agency for the solicitation of insurance.

(b) Such notice of Hearing shall be accompanied or preceded by information relevant to the Hearing, including a summary of this Plan of Reorganization, the Merger Agreement and such other explanatory information as shall be required by the Superintendent, all of which shall be in a form satisfactory to the Superintendent.

(c) The Company; its directors, officers and policyholders; and persons claiming to be adversely affected by or wishing to comment on this Plan shall have the right to appear and be heard at the Hearing in accordance with Section 3913.27(F) of the Ohio Revised Code.

Section 6.03. *Filing of Minutes of Policyholders' Meeting.* Within 30 days after receiving notice from the Superintendent of the Superintendent's approval of this Plan of Reorganization, the Company shall file with the Superintendent (a) the minutes

of the Policyholders' Meeting and (b) the articles of incorporation and codes of regulations/by-laws of the Company, Union Central MHC, Surviving MHC and Intermediate Holding Company in accordance with Section 3913.28(F) of the Ohio Revised Code.

Section 6.04. *Filing of Amended Articles.* The Company shall file with the Attorney General for the Attorney General's examination and approval the articles of incorporation and codes of regulations/by-laws of the Company and Union Central MHC as approved by the Voting Policyholders at the Policyholders' Meeting in accordance with Section 3913.28(G)(1) of the Ohio Revised Code.

ARTICLE VII.
THE REORGANIZATION

Section 7.01. *Filing of Plan.* In accordance with Section 3913.28(G)(2) of the Ohio Revised Code, upon obtaining the approval of the Superintendent of this Plan of Reorganization and the approval of the Attorney General of the articles of incorporation and code of regulations/by-laws of the Company and Union Central MHC, the Board shall file with the Secretary of State (a) certificates of reorganization and merger, signed by the Chairman of the Board, the President or any Vice-President, and the Secretary or an Assistant Secretary of the Company (together, the "Certificate of Reorganization"); (b) the articles of incorporation and codes of regulations/by-laws of the Company and Union Central MHC, as approved by the Voting Policyholders at the Policyholders' Meeting; (c) a statement, signed by the Chairman of the Board, the President or any Vice-President, and the Secretary or an Assistant Secretary of the Company, of the manner of the approval of the articles of incorporation and codes of regulations/by-laws of the Company and Union Central MHC; and (d) copies of the approval obtained from the Superintendent of this Plan of Reorganization and the approval obtained from the Attorney General of the articles of incorporation and codes of regulations/by-laws of the Company and Union Central MHC.

Section 7.02. *Effectiveness of Plan.* (a) The Conversion and the Merger shall not occur, unless, on or prior to the Effective Time, the Company shall have received (i) an opinion of Daniel J. McCarthy, M.A.A.A and Steven I. Schreiber, M.A.A.A of Milliman, Inc. or another actuary from any other nationally recognized independent actuarial firm, addressed to the Board, that the funding of the Closed Block has been completed in accordance with this Plan of Reorganization in order to meet the purpose of the Closed Block, and (ii) the opinion of Morgan Stanley, addressed to the Board, that, on the date of the mailing or publication of the policyholder information statement, and based upon the assumptions made in the opinion, the Conversion and Merger are fair from a financial point of view to the Policyholders as a group.

(b) The effective time of this Plan of Reorganization (the "Effective Time") shall be the time upon which the Conversion and Merger are consummated (following the date of filing of the documents and statements required by Section 7.1).

(c) At the Effective Time:

(i) the Company shall immediately become a stock corporation and the membership interests of Policyholders of the Company shall become membership interests in Union Central MHC, and concurrently the Policyholders' membership interests in the Company shall be extinguished;

(ii) the Company's articles of incorporation and code of regulations without further action or deed shall be amended and restated to read as set forth in Exhibit E and Exhibit F, respectively;

(iii) the Company shall have established the Closed Block pursuant to Section 8.1;

(iv) the Company shall issue all of its Voting Stock to Union Central MHC;

(v) Union Central MHC shall merge with and into Ameritas Acacia MHC and the membership interests of members in Union Central MHC shall become membership interests in Surviving MHC, and concurrently all membership interests of Union Central MHC shall be extinguished;

(vi) Surviving MHC shall contribute all of the Voting Stock of the Company to Intermediate Holding Company;

(vii) Surviving MHC's articles of incorporation and by-laws without further action or deed shall be amended and restated as set forth in Exhibit I and Exhibit J, respectively; and

(viii) Intermediate Holding Company's articles of incorporation and by-laws without further action or deed shall be amended and restated as set forth in Exhibit K and Exhibit L, respectively.

(d) The Company shall not change any contractual term of a policy or annuity solely as a result of the Reorganization other than those relating to the conversion of Membership Interests in the Company into Membership Interests of Union Central MHC or the conversion of Membership Interests in Union Central MHC into Membership Interests of Surviving MHC in accordance with this Plan of Reorganization and the Merger Agreement.

Section 7.03. *Tax Considerations.* The effectiveness of this Plan of Reorganization is subject to the Company's having received on or prior to the Effective Time one or more IRS Private Letter Rulings or opinions of its independent tax adviser, substantially to the effect that:

(a) life insurance and annuity policies issued by the Company prior to the Effective Time will not be deemed newly issued, issued in exchange for existing policies or newly purchased for any material federal income tax purpose as a result of the reorganization of the Company pursuant to this Plan of Reorganization;

(b) with respect to any life insurance or annuity policy issued by the Company prior to the Effective Time that is part of a tax-qualified retirement funding arrangement described in Sections 401(a), 403(a), 403(b) or 408 of the Code, the consummation of this Plan of Reorganization will not result in any transaction that (i) constitutes a distribution to the employee or beneficiary of the arrangement under Section 72 or 403(b)(11) of the Code, or a designated distribution under Section 3405(e)(1)(A) of the Code that is subject to withholding under Section 3405(b) or (c) of the Code; (ii) disqualifies an individual retirement annuity policy under Section 408(e) of the Code; or (iii) requires the imposition of a penalty for a premature distribution under Section 72(t) of the Code or a penalty for excess contributions to certain qualified retirement plans under Section 4973 or 4979 of the Code; and

(c) the summary of federal income tax consequences to Policyholders of the consummation of this Plan of Reorganization set forth in the materials provided to Policyholders pursuant to Section 5.2 hereof was correct and complete in all material respects as of the date thereof and, except for any changes in law, regulations or official interpretations thereof the effect of which the Board, in its discretion, has determined (taking into account any remedial action the Board may authorize or direct) to be not adverse to the interests of the Policyholders in any material respect, remains correct and complete as of the Effective Time.

Section 7.04. *Securities Law Considerations.* The effectiveness of this Plan of Reorganization is also subject to the Company having received on or prior to the Effective Time an opinion of independent legal counsel with respect to federal securities law matters.

ARTICLE VIII.
CLOSED BLOCK

Section 8.01. *Establishment of the Closed Block.* (a) The Company shall establish, conditioned upon this Plan of Reorganization becoming effective pursuant to Section 7.2, an accounting mechanism and procedure with respect to a closed block of policies (the "Closed Block") as described in the Closed Block Memorandum attached as Exhibit M (the "Closed Block Memorandum") for the purpose of giving reasonable assurance to holders of the policies included therein (collectively, the "Closed Block Business"), of the sufficiency of the assets therein to provide for the continuation of the 2005 Dividend Scale in aggregate if experience underlying such scale continues. The classes of policies that constitute the Closed Block Business are set forth in Schedule I of the Closed Block Memorandum. The establishment and operation of the Closed Block shall not modify or amend the terms or provisions of the policies included therein. As set forth in the Closed Block Memorandum, assets of the Company will be allocated to the Closed Block in an amount that produces cash flows which, together with anticipated revenue from the Closed Block Business, are expected to be sufficient to support the Closed Block Business including, but not limited to, provisions for payment of claims and certain expenses and taxes, and to provide for continuation of the 2005 Dividend Scale in aggregate, if the experience underlying such scale (including the portfolio interest rate) continues, and for appropriate adjustments in such scale if the experience changes. The Closed Block Memorandum also sets forth the alternative protections that will be afforded to certain traditional deferred annuities and certain supplementary contracts of the Company, which will not be in the Closed Block.

(b) The Closed Block Memorandum sets forth how assets (collectively, the "Closed Block Assets") will be allocated to the Closed Block as of July 1, 2005 (the "Closed Block Funding Date"). Policy loans and due and deferred premiums associated with the Closed Block Business will be allocated to the Closed Block as of the Closed Block Funding Date as described in the Closed Block Memorandum, together with invested assets, including accrued interest thereon, and cash as described therein. The amount of assets allocated to the Closed Block as of the Closed Block Funding Date will be determined as set forth in the Closed Block Memorandum.

Section 8.02. *Operation of the Closed Block.* (a) After the Closed Block Funding Date, insurance and investment cash flows from operations of the Closed Block Business, the Closed Block Assets, the cash allocated to the Closed Block and, as described in the Closed Block Memorandum, all other assets acquired by or allocated to the Closed Block shall be received by or withdrawn from the Closed Block in accordance with the principles set forth in this Section 8.2(a).

(i) With respect to insurance cash flows:

a. Cash premiums, amounts paid for the reinstatement of Closed Block policies into the Closed Block, cash repayments of policy loans and policy loan interest paid in cash on Closed Block Business shall be received by the Closed Block. Death, surrender, withdrawal and maturity benefits (including any interest allowed for delayed payment of benefits) paid in cash, policy loans taken in cash and dividends paid in cash on Closed Block Business shall be withdrawn from the Closed Block. Amounts payable in cash (on death, surrender, withdrawal or maturity) but applied to supplementary contracts outside the Closed Block shall be withdrawn from the Closed Block. Cash payments with respect to reinsurance on Closed Block Business shall be withdrawn from, or received by, the Closed Block as provided in the Closed Block Memorandum.

b. No cash shall be withdrawn from the Closed Block with respect to damages or legal costs arising from any lawsuit. However, the Closed Block will be charged for death claims or other claims for benefits actually or allegedly incurred after the Closed Block Funding Date on Closed Block Business even though arising from lawsuits. If the Company is obligated to pay a premium or credit an enhancement on a Closed Block policy after the Closed Block Funding Date in respect of any lawsuit, other than legal actions arising in connection with death claims or other claims for benefits actually or allegedly incurred after the Closed Block Funding Date and related to Closed Block Business, then the Company will credit cash to the Closed Block to pay such premiums or to cover the cost of such enhancement.

c. Cash shall be withdrawn from the Closed Block in the amount of charges for expenses and commissions in accordance with the procedures and formulas described in the Closed Block Memorandum.

d. Cash shall be withdrawn from the Closed Block in the amount of State and local taxes paid, in accordance with the tax allocation procedures described in the Closed Block Memorandum.

e. Cash shall be received by or withdrawn from the Closed Block for federal income taxes in accordance with the tax charging procedure described in Section IV of the Closed Block Memorandum.

f. With respect to Closed Block Business issued after the Closed Block Funding Date and before the Effective Time, cash shall be withdrawn from the Closed Block for charges arising out of adjustments to the funding level to take into account such Closed Block Business in accordance with the formulas described in Section III of the Closed Block Memorandum.

(ii) With respect to investment cash flows:

a. Investment cash flows from operations of the Closed Block Business shall be received by or withdrawn from the Closed Block.

b. Cash received on dispositions of investments shall be net of all reasonable and customary brokerage and other transaction expenses that are incurred and deducted in reporting gross proceeds of such sales in the Company's annual statement to the Superintendent. With respect to any Closed Block assets that are investments in equity real estate, cash payments for reasonable and customary operating expenses and real estate taxes (as reported in such annual statement) shall be withdrawn from the Closed Block.

c. Cash paid for expenses in acquiring an investment shall be withdrawn from the Closed Block to the extent incurred and included in the cost of such investment in the Company's annual statement to the Superintendent.

(b) New investments acquired after the Closed Block Funding Date with Closed Block cash flows shall be allocated to the Closed Block upon acquisition and shall consist only of investments permitted by the investment policy of the Closed Block as from time to time in effect.

(c) No amounts shall be withdrawn from or received by the Closed Block for any taxes, including federal, State, local or foreign taxes, nor for any guarantee fund assessments, resulting from the operations of the Company or any of its subsidiaries prior to the Closed Block Funding Date. No asset valuation reserve, interest maintenance reserve or any similar reserve, or any increases or decreases therein shall be charged or credited to the Closed Block, because such reserves are noncash items. The Company may, however, consider potential investment defaults in apportioning dividends on Closed Block Business.

(d)(i) Dividends on Closed Block Business shall be apportioned by the Board in accordance with applicable law and with the objective of minimizing tontine effects and exhausting assets allocated to the Closed Block with the final payment under the last policy contained in the Closed Block.

(ii) Subject to the provisions of clause (i) of this subsection (d), dividends on Closed Block Business shall be apportioned, and shall be allocated among policies in the Closed Block, so as to reflect the underlying experience of the Closed Block, and the degree to which the various classes of policies constituting the Closed Block Business have contributed to such experience.

(e)(i) The Company shall prepare, on an annual basis, an income statement and balance sheet for the Closed Block (the "Closed Block Financial Statements"). The Closed Block Financial Statements shall be prepared in a manner consistent with the preparation of the financial statements of the Company submitted annually to the Superintendent.

(ii) The Closed Block Financial Statements shall be reported annually to the Board, together with a recommendation of the management of the Company as to dividends on Closed Block Business. The Closed Block Financial Statements and the Board's dividend resolution regarding the Closed Block Business shall be reported annually to the Superintendent.

(iii) The Company shall furnish the Superintendent with such further financial statements and reports with respect to the Closed Block reflecting such further matters and additional tests as the Superintendent may from time to time request.

(iv) The Closed Block shall be subject to the internal and external audit processes established by the Company for its operations generally.

(v) As of December 31, 2008, and as of the December 31 of each fifth year thereafter, or at such other times as the Superintendent shall reasonably require, the Company shall 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.

(f) The Company may, with the prior approval of the Superintendent, cease to maintain the Closed Block, upon such terms and conditions as the Superintendent may approve, but the Policies then constituting the Closed Block Business shall remain obligations of the Company and dividends on such Policies shall be apportioned by the Board in accordance with applicable law.

(g) Except as provided in subsection (f) of this Section 8.2, none of the assets, including the revenue therefrom, allocated to the Closed Block or acquired by the Closed Block shall revert to the benefit of the shareholders of the Company.

Section 8.03. *Guaranteed Benefits.* The Company shall pay all guaranteed benefits for Closed Block Business in accordance with the terms of the Policies contained in the Closed Block. The assets allocated to the Closed Block are the Company's assets and are subject to the same liabilities (in the same priority) as all assets in the Company's general account.

ARTICLE IX.
ADDITIONAL PROVISIONS

Section 9.01. *Continuation of Corporate Existence.* Upon the Conversion and the Merger under the terms of this Plan of Reorganization and the Merger Agreement, the Company's corporate existence as a stock life insurance company shall be a continuation of its corporate existence as a mutual life insurance company.

Section 9.02. *No Special Compensation of Officers, Directors and Employees.* No director, officer, agent or employee of the Company shall receive any fee, commission or other valuable consideration, other than his or her usual regular salary or other compensation, including incentive compensation in the ordinary course of business, for in any manner aiding, promoting or assisting in connection with the transactions contemplated by this Plan of Reorganization, except as provided for herein or as disclosed to the Superintendent.

Section 9.03. *Officers and Boards of Directors.* (a) The directors and officers of the Company shall serve as directors and officers of Union Central MHC and the Company at the Effective Time and prior to the consummation of the Merger.

(b) Upon consummation of the Merger:

(i) the directors and officers of Surviving MHC and Intermediate Holding Company shall be the persons named in the Merger Agreement; and

(ii) the directors and officers of the Company shall serve as directors and officers of the Company until new directors and officers have been duly elected and qualified pursuant to the Merger Agreement and the Company's articles of incorporation and code of regulations.

Section 9.04. *No Preemptive Rights.* No Policyholder of the Company or other Person shall have any preemptive right to acquire shares of common stock of the Company in connection with this Plan of Reorganization.

Section 9.05. *Provisions Relating to Certain IPO's.* (a) Although there is no present intention to do so, following the Effective Time, the Intermediate Holding Company may conduct an initial public offering ("IPO"), representing not more than 49% of its voting stock at the time outstanding on a fully diluted basis. For purposes of this Section, the company conducting such IPO will be referred to as the IPO Company.

(b) In the event of an IPO described in Subparagraph (a) above, Union Central's Policyholders that are members of the Surviving MHC on the date of the IPO (the "Union Central Members") shall be offered the non-transferable opportunity to purchase shares of common stock of the IPO Company. The Board of Directors of the IPO Company shall authorize participation in the IPO to be afforded to the Union Central Members in one of the following ways: (i) providing priority subscription rights to purchase shares of common stock of the IPO Company; (ii) reserving or setting aside for the Union Central Members a specified number of shares of common stock being offered in the IPO ("Reserved Shares"); (iii) concurrently making an offering of a specified number of shares of common stock to the Union Central Members with the opportunity to request a copy of the prospectus and purchase shares in the IPO, subject to the availability of shares of other conditions appropriate for an IPO; (iv) providing the Union Central Members with written notice of the proposed IPO with the opportunity to request a copy of the prospectus and purchase shares in the IPO; and (v) providing other rights to participate in the IPO as are consistent with this Plan of Reorganization and applicable law and are approved by the Superintendent. In each of (i) through (iv) above, the common stock being offered in the IPO to the Union Central Members shall be offered at the price and on other terms no less favorable to Union Central Members than those offered to the public in the IPO. The IPO Company shall give prior notice of a proposed IPO, and a description of the material terms and provisions thereof, when required by the Ohio Revised Code and/or the undertakings entered into by the Company with the Superintendent in connection with this Plan of Reorganization (the "Undertakings"). If the Superintendent does not object to the proposed terms and provisions of the IPO within the time period required by the Undertakings, then the IPO Company may proceed with the IPO in a manner consistent with the proposed terms and conditions as described to the Superintendent. It is not intended that participation rights ("IPO Participation Rights") shall be afforded in any initial public offering of preferred stock which is not convertible or exchangeable into common stock and which has no ordinary voting rights for the election of directors. The Board of the company that conducts the IPO is authorized to impose conditions, limitations or exceptions with respect to such IPO Participation Rights as the IHC Board deems appropriate and desirable in order to effectuate or facilitate the IPO, including, the specification, without limitation, of the following: a subscription or participation period, the expiration date, minimum or maximum number of shares which may be purchased by Union Central Members, the purchase price, and other terms of the participation; provided however, that all such conditions, limitations or exceptions shall be approved by the Superintendent as provided above.

Section 9.06. *Notices.* If the Company complies substantially and in good faith with the requirements of Sections 3913.25 to 3913.38 of the Ohio Revised Code and the terms of this Plan of Reorganization with respect to the giving of any required notice to policyholders, its failure in any case to give such notice to any person or persons entitled thereto shall not impair the validity of the actions and proceedings taken under such Sections or this Plan of Reorganization.

Section 9.07. *Withdrawal of Plan Amendment or Corrections.* (a) At any time prior to the Merger becoming effective, the Company may, by the affirmative vote of not less than two-thirds of the Board, withdraw this Plan of Reorganization.

(b) At any time prior to the mailing to Voting Policyholders of the notice pursuant to Section 5.2, the Company may, by the affirmative vote of not less than two-thirds of the Board, amend this Plan of Reorganization (including the Exhibits and Schedules). The Board, by the affirmative vote of not less than two-thirds of its members, is hereby authorized to amend this Plan of Reorganization (including the Exhibits and Schedules) at any time after approval of the Plan by Voting Policyholders, but only if the amendment is required by the Superintendent in order for the Superintendent to approve this Plan of Reorganization as being fair and equitable to Policyholders or in order to conform this Plan of Reorganization to the requirements of applicable law, provided that no such amendment may be made which could adversely affect the interests of Policyholders in any material respect. The Company, after approval of the Plan by Voting Policyholders and with the prior approval of the Superintendent, may make such minor modifications as are appropriate to correct errors, clarify existing items or make additions to correct manifest omissions in this Plan of Reorganization.

(c) The amended and restated articles of incorporation of the Company, Union Central MHC, Intermediate Holding Company and Surviving MHC adopted pursuant to this Plan of Reorganization may be further amended after the Effective Time pursuant to applicable law.

(d) After the Effective Time, this Plan of Reorganization may be amended or modified in any respect; provided that no such amendment or modification shall become effective unless and until it is (i) authorized by the affirmative vote of not less than two-thirds of the Board and 80% of the Board of Directors of the Surviving Mutual Holding Company; (ii) approved by the affirmative vote of at least a majority of the members of the Surviving Mutual Holding Company voting in person or by proxy at a duly noticed and convened special or annual meeting of the members of the Surviving Mutual Holding Company; and (iii) approved by the Superintendent and, if required by Nebraska law, the Nebraska Director of Insurance (the "Director"). In addition to the foregoing, if the Superintendent or Director shall require a public hearing relating to any proposed amendment to or modification of the Plan, such amendment or modification shall not be effective until such hearing has been held and any order resulting therefrom issued.

Section 9.08. *Costs and Expenses.* All reasonable costs, including the costs of the Ohio Department of Insurance and those costs attributable to the use of outside advisors and consultants of the Ohio Department of Insurance, related to this Plan of Reorganization shall be borne by the Company.

Section 9.09. *Governing Law.* The terms of this Plan of Reorganization shall be governed by and construed in accordance with the laws of the State of Ohio, without regard to such State's principles of conflicts of laws; provided, however, that the terms of the Merger Agreement shall be governed by and construed in accordance with the laws of the State of Nebraska, except with regard to its conflict of laws rules and except to the extent that the Ohio Law shall be held to govern the terms of the Merger as it applies to the Company and the Reorganization.

IN WITNESS WHEREOF, The Union Central Life Insurance Company, by authority of its Board of Directors, has caused this Plan of Reorganization to be duly executed this 20th day of July 2005.

THE UNION CENTRAL LIFE INSURANCE COMPANY

By: /s/ John H. Jacobs
John H. Jacobs
President and Chief Executive Officer

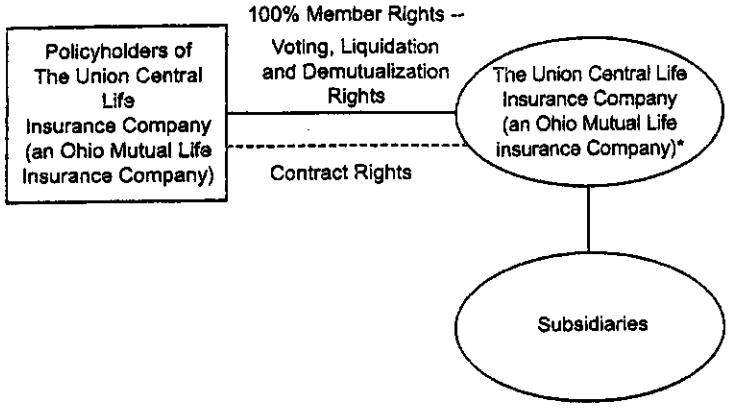
Attest: /s/ David F. Westerbeck
David F. Westerbeck
Executive Vice President, General Counsel and Secretary

EXHIBIT A

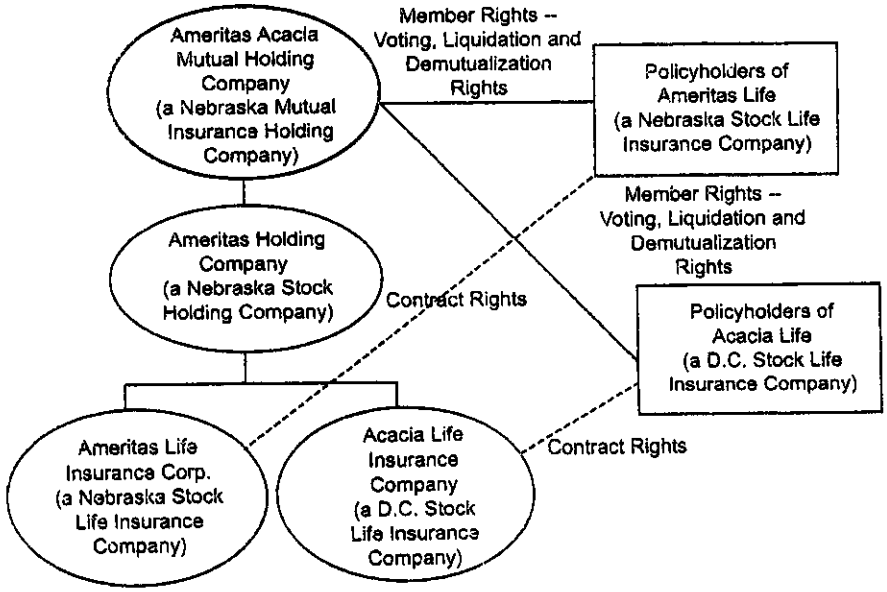
Corporate Structures of the Company and Ameritas Acacia MHC before the Reorganization, the Company after the Conversion, and the Surviving MHC after the Reorganization

BEFORE REORGANIZATION

Union Central

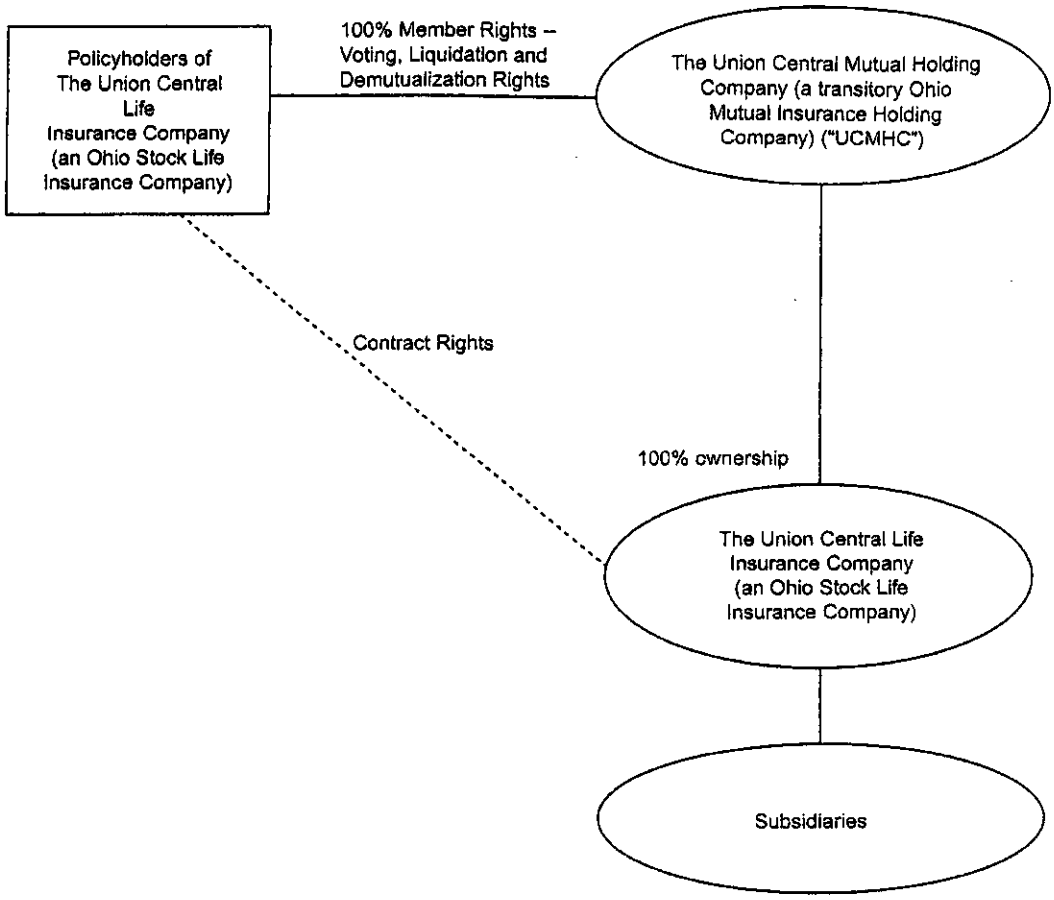


Ameritas Acacia



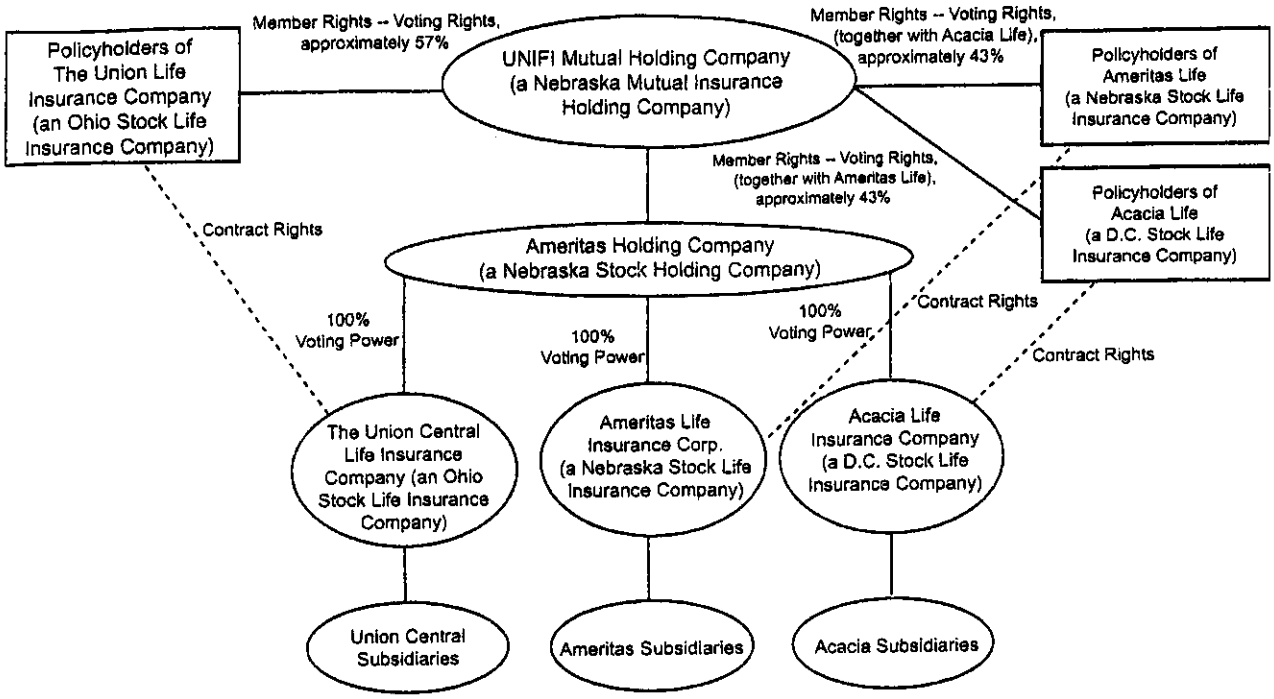
AS RESULT OF CONVERSION*

Union Central



* The above corporate structure of Union Central will exist only for a brief period immediately prior to the Merger. The Conversion of Union Central will not affect Ameritas Acacia's corporate structure.

AFTER REORGANIZATION*



* Subsequent to the Merger, Ameritas Acacia Mutual Holding Company, to be renamed as and referred to in the chart as UNIFI Mutual Holding Company, will transfer all of the issued and outstanding capital stock in Union Central to Ameritas Holding Company.

EXHIBIT B
Merger Agreement

A summary of the Merger Agreement can be found in The Union Central Life Insurance Company's Policyholder Information Booklet, at page 48.

EXHIBIT C
Existing Amended Articles of Incorporation of the Company

AMENDED

ARTICLES OF INCORPORATION

OF

THE UNION CENTRAL LIFE INSURANCE COMPANY
CINCINNATI

FIRST: The name of this Corporation shall be The Union Central Life Insurance Company.

SECOND: The principal office and place of business of this Corporation shall be located in the County of Hamilton and State of Ohio, but it may establish other offices or places of business in the State of Ohio or elsewhere.

THIRD: The business to be undertaken by and the objects and purposes of this Corporation shall be to insure the lives of persons in and out of the State of Ohio, to insure against accident to persons or sickness, temporary or permanent physical disability, to take all risks in connection with or pertaining to such insurances, to grant, purchase and dispose of annuities providing for fixed or variable benefits, or both, to set up and operate separate accounts, to carry on all of said business under either the participating or non-participating plan, or both, and do any and all other acts either permitted or not prohibited under the laws of the State of Ohio for a mutual life insurance corporation.

FOURTH: Each policyholder of the corporation shall be a member of the corporation. The term "policyholder" as used herein shall be deemed to mean the person insured under an individual policy of life insurance, the person to whom any annuity or pure endowment is presently or prospectively payable by the terms of an individual annuity or pure endowment contract, except where the policy or contract declare some other person to be the owner or holder thereof, in which case such owner or policyholder shall be deemed the policyholder, and except in cases of assignment as hereinafter provided. In the case of any individual policy or contract insuring two or more persons jointly, the persons insured, or in case the policy or contract declares two or more persons to be the owner, the persons so declared to be the owner shall be deemed one policyholder for the purposes hereof. In case any such policy or contract shall have been assigned by an assignment on its face to an assignee other than the corporation, and such assignment shall be filed at the principal office of the corporation, then such assignee shall be deemed a policyholder within the meaning hereof, but for the purpose of determining voting rights such assignment shall not be effective until thirty days after it shall have been filed with the corporation. Except as provided herein an assignee of a policy or contract shall not he deemed to be a policyholder within the meaning hereof. Each policyholder insured in at least $1,000 or holder of an annuity which at normal date of maturity requires the payment of $100 or more annually and whose insurance or contract of annuity shall then be in force and which has been in force for at least one year prior to a policyholders' meeting, shall be entitled to one vote only irrespective of the number of policies or contracts held by him or the amount thereof, but said voting qualifications shall be subject to any change or amendment as may he prescribed by the laws of the State of Ohio. The employer shall be the qualified voter in the case of each group insurance master policy and holders of certificates issued under group insurance master policies shall not be qualified to vote. The same rule shall apply to group annuities and the holders of certificates issued thereunder.

FIFTH: The corporate powers of the Corporation shall be exercised by and its business and affairs shall be under the control of a Board of eighteen (18) Directors unless this number is changed by: (1) the policyholders by the affirmative vote of a majority of the policyholders present or represented at a meeting of policyholders called for the purpose of electing Directors or (2) the vote of at least two-thirds (2/3) of the Directors in office. The Directors may increase the number to not more than twenty-one (21) persons and may decrease the number to not less than fifteen (15) persons. Any Director's Office created by the Directors by reason of an increase in their number may be filled by action of a majority of the Directors in office. No reduction in the number of Directors shall of itself have the effect of shortening the term of any incumbent Director. Not more than five (5) Directors may be officers of the Corporation. The Directors shall be elected by ballot by the policyholders entitled to vote under the provisions of Article IV at an annual meeting to be held at the principal office of the Corporation on the third Friday in May at such hour as the Board of Directors may fix. Such Board shall be divided into three classes, as nearly equal in number as the total number of Directors constituting the whole Board permits, with the term of office of one class

expiring each year. At each annual policyholders' meeting the successors to the class of Directors whose term shall then expire shall be elected to hold office for three years and until their successors are elected and qualified. Directors with unexpired terms of office at the time of the adoption of this Amended Article Fifth shall hold office until the expiration of their respective terms of office and until their successors are elected and qualified. In the event of any increase or decrease in the number of Directors, all classes of Directors shall be increased or decreased in such manner that all classes are as nearly equal in number as possible. The Board shall have the authority to fill any vacancy in the Board for the unexpired term.

SIXTH: The officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary and a Treasurer. The Board may elect or appoint other officers with appropriate titles. Officers shall be elected by the Board at its first meeting held in each calendar year and shall hold their respective offices for one year or until their successors are elected and qualified. Any officer may be removed or suspended at any time without cause and without notice by an affirmative vote of the majority of the whole Board. Any two offices except the offices of President and Vice President may be filled by the same person. Vacancies shall be filled by the Board. The Board may elect a Chairman of the Board if it so desires, otherwise the President shall serve as Chairman of the Board.

SEVENTH: The Corporation shall have no capital stock, but shall conduct its business as a mutual life insurance corporation.

EIGHTH: The power to alter, amend or repeal the Code of Regulations of this corporation shall be vested in the Board of Directors.

EXHIBIT D
Existing Code of Regulations of The Company

CODE OF REGULATIONS

OF

THE UNION CENTRAL LIFE INSURANCE COMPANY

ARTICLE I

POLICYHOLDERS' MEETINGS

1. The annual meeting of policyholders shall be held at the time and place fixed in the Corporation's Articles of Incorporation. Special meetings of the policyholders may be held upon call by the affirmative vote of a majority of the Board of Directors.

2. Each policyholder of the Corporation shall be a member of the Corporation. The term "policyholder" as used herein shall be deemed to mean the person insured under an individual policy of life insurance, or the person to whom any annuity or pure endowment is presently or prospectively payable by the terms of an individual annuity or pure endowment contract, except where the policy or contract declares some other person to be the owner or holder thereof, in which case such owner or policyholder shall be deemed the policyholder, and except in cases of assignment as hereinafter provided. In the case of any individual policy or contract insuring two or more persons jointly, the persons insured, or in case the policy or contract declares two or more persons to be the owner, the person so declared to be the owner shall be deemed one policyholder for the purposes hereof. In case any such policy or contract shall have been assigned by an assignment absolute on its face to an assignee other than the Corporation, and such assignment shall be filed at the principal office of the Corporation, then such assignee shall be deemed a policyholder within the meaning hereof, but for the purpose of determining voting rights such assignment shall not be effective until thirty days after it shall have been filed with the Corporation. Except as provided herein, an assignee of a policy or contract shall not be deemed to be a policyholder within the meaning hereof Each policyholder who is insured in at least the sum of $1,000, or holder of an annuity which at normal date of maturity requires the payment of $100 or more annually, and whose insurance or contract of annuity shall then be in force and which has been in force for at least one year prior to a policyholders' meeting, shall be entitled to one vote only irrespective of the number of policies or contracts held by him or the amount thereof, but said voting qualifications shall be subject to any change or amendment as may be prescribed by the laws of the State of Ohio.

   The employer shall be the qualified voter in the case of each group insurance master policy and holders of certificates issued under group master policies shall not be qualified to vote. The same rule shall apply to group annuities and the holders of certificates issued thereunder.

3. Policyholders may vote in person or by proxy. A Proxy Committee composed of three Directors shall be appointed annually by the Board of Directors. The Proxy Committee may solicit, receive and vote proxies on behalf of policyholders.

   Any or all attorneys and proxies named in any proxy instruments solicited and received after the effective date hereof, and their substitutes and successors, may be removed by the affirmative vote of a majority of the whole Board of Directors and all vacancies occurring among such named attorneys and proxies, or their successors, may be filled by the Board of Directors if so authorized by the terms of such proxy instruments.

4. Notice of policyholders' meetings shall be given to each policyholder by personal delivery to him or depositing it in the mail addressed to him as his address appears on the books of the Corporation not less than thirty days prior to the date of the meeting. Publication of notice of the annual meeting of policyholders in the Annual Report of the Corporation shall constitute proper notice.

5. The policyholders present in person or by proxy at any policyholders meeting duly convened shall constitute a quorum and the votes of a majority thereof shall be sufficient to take any action that might properly be taken at a meeting of policyholders.

6. At its meeting in February of each year, the Board of Directors shall nominate policyholders of the Corporation for election as Directors to fill vacancies created by the expiration of terms of office, of those Directors whose terms expire at the annual meeting of policyholders to be held that year. Any vacancy in such list of nominees that is caused by death, resignation or removal may be filled by the Board of Directors at any time prior to such meeting of policyholders. No person shall be nominated as a Director or designated to fill a vacancy in such list of nominees who shall attain his 70th birthday before the date of his election by the policyholders.

   In filling vacancies in the Board of Directors, as authorized by the Corporation's Articles of Incorporation, the Board shall not elect any person who has attained his 70th birthday before the date of such election.

   The notice of the annual meeting of policyholders shall contain a list of such nominees, together with the address and business or professional affiliation of each.

7. The qualifications of any nominee for election as a Director and any proposed new business at a meeting of the policyholders shall be submitted to the Executive Committee at least sixty (60) days in advance of the policyholders' meeting.

ARTICLE II

BOARD OF DIRECTORS

1. The Board of Directors shall hold four (4) regular meetings per calendar year on the third Friday of each February, May, August and November, or at such other date as it may fix. The Chief Executive Officer may convene special meetings of the Board at any time and shall be required so to do at the request of the Executive Committee or of any five members of the Board.

2. Notice of any meeting of the Board of Directors shall be given to each Director by personal delivery to him or by depositing it in the mail addressed to him as his address appears on the books of the Corporation not less than four days prior to the date of the meeting, but such notice may be waived by any Director in writing.

3. The Board of Directors shall adopt such plans of insurance, rates of premiums and regulations on the subject of insurance as it may deem proper.

4. The Board of Directors shall provide from the funds of the Corporation:

   FIRST

   To pay the necessary expenses of conducting the business of the Corporation, and all approved policy claims. The compensation of each officer and employee whose name and compensation are required to be reported in any schedule to the Corporation's Annual Statement shall be recommended to the Board by the Chief Executive Officer or by a salary committee selected by the Board and shall be fixed by the Board. The compensation of all other officers and employees shall be fixed by the Chief Executive Officer.

   SECOND

   To establish and perpetuate the Reserve Funds required by law.

   THIRD

   To establish and perpetuate Surplus Funds in such amounts as may, in the judgment of the Board, be necessary for the security of the Corporation.

   FOURTH

   From the profits arising from the business of the Corporation, after the provisions have been made as provided by, this Article, the Board shall declare annually a dividend to the participating policyholders, according to the kind and class of each policy, that shall be applied according to the terms and conditions of the policy.

ARTICLE III

EXECUTIVE COMMITTEE

A majority of the whole Board, of Directors may adopt a resolution designating an Executive Committee of not less than five nor more than eight Directors who shall hold their offices at the pleasure of the Board, which Executive Committee shall have and exercise during the interim between the meetings of the Board all of the authority of the Board in the management of the Corporation. The Board, or the Executive Committee during the interim between the meetings of the Board, may appoint such other committees as the business of the Corporation may require. The Board shall designate the Chairman and may designate a Vice Chairman of the Executive Committee. The Secretary of the Corporation shall be the Secretary of the Executive Committee.

The Executive Committee shall meet regularly upon such days as it may select, but the Chairman of the Executive Committee, if deemed desirable, may cancel any such regular meeting. The Committee shall also meet at any other time at the call of the Chief Executive Officer. A majority of the Executive Committee shall constitute a quorum. Any Director may be designated by the Chief Executive Officer or by the members of the Executive Committee present at any meeting to serve on the, Executive Committee at that meeting. The Executive Committee shall keep a record of its transactions and report them at the regular meetings of the Board of Directors.

ARTICLE IV

DUTIES OF THE OFFICERS

1. CHIEF EXECUTIVE OFFICER: The Board shall elect a President and may elect a Chairman.

It shall assign the duties to be performed by each and shall designate one of them to be Chief Executive Officer. The Chief Executive Officer shall have general supervision and control of the business of the Corporation and shall assign the duties of all other officers and all employees, each of whom shall act under his direction.

2. Whether or not the Board elects a Chairman, it may elect a Chairman of the Board. The Chairman of the Board shall preside at meetings of the Board, act as a consultant to the Chief Executive Officer and perform such other duties as may be assigned to him by the Board.

3. VICE PRESIDENTS: The Vice Presidents, under the direction of the Chief Executive Officer, shall assist in the management of the Corporation and perform such duties as may be assigned to them.

The President and Chairman shall act for each other in the absence of one of them, and in the event both are absent at the same time, the Chief Executive Officer shall designate a Vice President to act for him; otherwise, the Vice Presidents in the order in which they are listed for election at the most recent election of officers of the Corporation, and in their absence the Secretary, shall act in his place and perform the duties of his office.

4. SECRETARY: The Secretary shall keep the minutes of meetings of policyholders and of the Board of Directors and of Committees and record them in books kept for that purpose; shall keep all corporate records and archives and shall perform such other duties as may be assigned to him.

ARTICLE V

EXECUTION OF INSTRUMENTS

The President, the Chairman, any Vice President, any Second Vice President, the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer, shall have authority to execute in the name of and on behalf of the Corporation all deeds, mortgages, powers of attorney, waivers of service, leases, contracts, bonds, full or partial assignments and releases of mortgages, deeds of trust, vendors' liens, judgments tax certificates, certificates of purchase or other securities, and any and all other instruments that are necessary or proper to be executed in the transaction of the Corporation's business, and to affix the Corporation's seal thereto when necessary. The Board may authorize other officers and non-officer employees to execute instruments and to affix the Corporation's seal thereto.

ARTICLE VI

NON-ASSESSABLITY OF MEMBERS

The Corporation shall issue no policies of life or health insurance or annuity contracts which provide for the payment of any assessments by any policyholder or member in addition to the regular premium charged for such insurance or annuity.

ARTICLE VII

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Corporation shall, to the full extent permitted by the General Corporation Law of Ohio, indemnify any person who is or was a director or officer of the Corporation and whom it may indemnify pursuant thereto. The Corporation may, within the sole discretion of the Board of Directors, indemnify in whole or in part any other person whom it may indemnify pursuant thereto.

EXHIBIT E

Form of Amended and Restated Articles of Incorporation of the Company

AMENDED AND RESTATED ARTICLES OF INCORPORATION

OF

THE UNION CENTRAL LIFE INSURANCE COMPANY

FIRST. The name of the Corporation shall be The Union Central Life Insurance Company.

SECOND. These Amended and Restated Articles of Incorporation amend the existing Amended Articles of Incorporation and restate them in their entirety pursuant to a Plan of Reorganization adopted by the Corporation under Sections 3913.25 to 3913.38 of the Ohio Revised Code whereby the Corporation, incorporated under the laws of the State of Ohio on _____, will hereafter continue its corporate existence as a stock life insurance company within a mutual insurance holding company structure.

THIRD. The principal office and place of business of this Corporation shall be located in the County of Hamilton and State of Ohio, but it may establish other offices or places of business in the State of Ohio or elsewhere.

FOURTH. The business to be undertaken by and the objects and purposes of this Corporation shall be to insure the lives of persons in and out of the State of Ohio, to insure against accident to persons or sickness, temporary or permanent physical disability, to take all risks in connection with or pertaining to such insurances, to grant, purchase and dispose of annuities providing for fixed or variable benefits, or both, to set up and operate separate accounts, to carry on all of said business under either the participating or non-participating plan, or both, and do any and all other acts either permitted or not prohibited under the laws of the State of Ohio for a stock life insurance corporation.

FIFTH. The number of shares which the Corporation is authorized to have outstanding is 1,000 shares and all of which shares shall be common shares with a par value of $0.01 each. At all times, a majority of the voting stock of the Corporation shall be owned by a mutual insurance holding company or all of the voting stock of the Corporation shall be owned by an intermediate holding company in compliance with the laws of the State of Ohio relating to mutual insurance holding companies. If a majority of the Corporation's voting stock is owned directly by a mutual insurance holding company, the Corporation shall not issue shares of stock, in addition to the shares issued pursuant to the reorganization plan under which the Corporation was reorganized, without the prior approval of the mutual insurance holding company as its majority shareholder. The prior approval of the mutual insurance holding company must be evidenced by a resolution of its Board of Directors of the Corporation (the "Board") prior to the issuance of the additional shares.

SIXTH. The Corporation, pursuant to authorization of the Board and without action by shareholders of the Corporation, may acquire, hold, sell and dispose of shares of any class of stock, bonds, debentures, notes, script, warrants, obligations, evidences of indebtedness or other securities of the Corporation (or any other corporation) in such manner, upon such terms and in such amounts as the Board may determine. In addition to the foregoing powers, the Board shall have the authority to adopt amendments to the articles determining, in whole in part, the express terms, within the limits set forth in chapter 1701 of the Ohio Revised Code, of any class of shares before the issuance of any shares of that class, or of one or more series within a class before the issuance of any shares of that series. The shareholders of the Corporation shall have no preemptive rights and specifically shall not have the right to purchase shares which are offered or sold for cash of the same class to purchase such shares in proportion to the respective shares of such class.

SEVENTH. The corporate powers of the Corporation shall be exercised by and its business and affairs shall be under the control of a Board of eleven (11) directors unless this number is changed by the vote of at least two-thirds (2/3) of the directors in office. The directors may increase the number to not more than fifteen (15) persons and may decrease the number to not less than nine (9) persons. Any Director's Office created by the directors by reason of an increase in their number may be filled by action of a majority of the directors in office. No reduction in the number of directors shall of itself have the effect of shortening the term of any incumbent director. Not more than five (5) directors may be officers of the Corporation. The directors shall be elected at the annual meeting of the shareholders by the shareholders of the Corporation entitled to vote thereon and shall serve until their successors are elected and qualified. The Board shall have the authority to fill any vacancy in the Board for the unexpired term.

EIGHTH. The officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary and a Treasurer. The Board may elect or appoint other officers with appropriate titles. Officers shall be elected by the Board at its first meeting held in each calendar year and shall hold their respective offices for one year or until their successors are elected and qualified. Any officer may be removed or suspended at any time without cause and without notice by an affirmative vote of the majority of the whole Board. Any two offices except the offices of President and Vice President may be filled by the same person. Vacancies shall be filled by the Board. The Board may elect a Chairman of the Board if it so desires, otherwise the President shall serve as Chairman of the Board.

NINTH. The Corporation shall, to the fullest extent permitted by the provisions of the Ohio Revised Code, as the same may be amended and supplemented, indemnify and hold harmless any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, officer, employee, member, manager, or agent of another corporation, domestic or foreign, nonprofit or for profit, a limited liability company, or a partnership, joint venture, trust, or other enterprise, against expenses, including attorney's fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding. The indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified hereunder may be entitled and this indemnification shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

TENTH. The power to alter, amend or repeal the Code of Regulations of this Corporation shall be vested in the Board.

Pursuant to the Resolution of the Board authorizing the filing of these proposed Amended and Restated Articles of Incorporation of the Corporation and pursuant to Section 3913.26(G)(4) of the Ohio Revised Code, the undersigned Chairman of the Board, President and Chief Executive Officer and the undersigned Secretary of the Corporation have signed their names to these proposed Amended and Restated Articles of Incorporation on this _____ day of _____, 2005.

_____

John Jacobs
Chairman of the Board, President and
Chief Executive Officer

_____

David F. Westerbeck
Secretary

EXHIBIT F
Form of Amended and Restated Code of Regulations of the Company

AMENDED AND RESTATED
CODE OF REGULATIONS

OF

THE UNION CENTRAL LIFE INSURANCE COMPANY

ARTICLE I.

SHAREHOLDERS' MEETINGS

Section 1.01. Annual Meeting. The annual meeting of shareholders shall be held at the time and place fixed in the Corporation's Articles of Incorporation. Special meetings of the shareholders may be held upon call by the affirmative vote of a majority of the Board of Directors of the Corporation (the "Board").

Section 1.02. Proxies. Shareholders may vote in person or by proxy.

Section 1.03. Notice. Notice of shareholders' meetings shall be given to each shareholder by personal delivery to such shareholder or depositing it in the mail addressed to such shareholder as its address appears on the books of the Corporation not less than thirty days and no more than 60 days prior to the date of the meeting.

Section 1.04. Quorum. The shareholders of record owning a majority of the outstanding shares of common stock of the Corporation, present in person or by proxy at any shareholders meeting duly convened, shall constitute a quorum and the votes of a majority thereof (assuming a quorum is present) shall be sufficient to take any action that might properly be taken at a meeting of shareholders.

Section 1.05. Nominations. At its meeting in February of each year, the Board shall nominate qualified persons for election as directors to fill vacancies created by the expiration of terms of office, of those directors whose terms expire at the annual meeting of shareholders to be held that year. Any vacancy in such list of nominees that is caused by death, resignation or removal may be filled by the Board at any time prior to such meeting of shareholders. In filling vacancies in the Board, as authorized by the Corporation's Articles of Incorporation, the Board shall not elect any person who has attained his 72nd birthday before the date of such election.

ARTICLE II.

BOARD OF DIRECTORS

Section 2.01. Meetings. The Board shall hold four (4) regular meetings per calendar year on the third Friday of each February, May, August and November, or at such other date or dates as it may fix. The Chief Executive Officer may convene a special meeting of the Board at any time and shall be required so to do at the request of the Executive Committee or of any five members of the Board. A majority of the directors then in office shall constitute a quorum of the Board for the transaction of business. The act of a majority of directors present at a meeting at which a quorum is present is an act of the Board.

Section 2.02. Notices. Notice of any meeting of the Board shall be given to each director by personal delivery to him or by depositing it in the mail addressed to him as his address appears on the books of the Corporation not less than four days prior to the date of the meeting, but such notice may be waived by any director in writing.

Section 2.03. Insurance Operations. The Board shall adopt such plans of insurance, rates of premiums and regulations on the subject of insurance as it may deem proper.

The Board shall provide from the funds of the Corporation:

FIRST

To pay the necessary expenses of conducting the business of the Corporation, and all approved policy claims. The compensation of each officer and employee whose name and compensation are required to be reported in any schedule to the Corporation's Annual Statement shall be recommended to the Board by the Chief Executive Officer or by a salary committee selected by the Board and shall be fixed by the Board. The compensation of all other officers and employees shall be fixed by the Chief Executive Officer.

SECOND

To establish and perpetuate the Reserve Funds required by law.

THIRD

To establish and perpetuate Surplus Funds in such amounts as may, in the judgment of the Board, be necessary for the security of the Corporation.

FOURTH

From the profits arising from the business of the Corporation, after the provisions have been made as provided by, this Article, the Board shall declare annually a dividend to the participating policyholders, according to the kind and class of each policy, which shall be applied according to the terms and conditions of the policy.

ARTICLE III.

EXECUTIVE COMMITTEE

Section 3.01. Executive Committee. A majority of the whole Board may adopt a resolution designating an Executive Committee of not less than five nor more than eight directors who shall hold their offices at the pleasure of the Board, which Executive Committee shall have and exercise during the interim between the meetings of the Board all of the authority of the Board in the management of the Corporation. The Board, or the Executive Committee during the interim between the meetings of the Board, may appoint such other committees as the business of the Corporation may require. The Board shall designate the Chairman and may designate a Vice Chairman of the Executive Committee. The Secretary of the Corporation shall be the Secretary of the Executive Committee.

Section 3.02. Meetings. The Executive Committee shall meet regularly upon such days as it may select, but the Chairman of the Executive Committee, if deemed desirable, may cancel any such regular meeting. The Committee shall also meet at any other time at the call of the Chief Executive Officer. A majority of the Executive Committee shall constitute a quorum. Any director may be designated by the Chief Executive Officer or by the members of the Executive Committee present at any meeting to serve on the Executive Committee at that meeting. The Executive Committee shall keep a record of its transactions and report them at the regular meetings of the Board.

ARTICLE IV.

DUTIES OF THE OFFICERS

Section 4.01. Chief Executive Officer. The Board shall elect a President and may elect a Chairman of the Board. It shall assign the duties to be performed by each and shall designate one of them to be Chief Executive Officer (who may also be President and/or Chairman of the Board). The Chief Executive Officer shall have general supervision and control of the business of the Corporation and shall assign the duties of all other officers and all employees, each of whom shall act under his direction.

Section 4.02. Chairman. If the Board elects a Chairman of the Board, the Chairman of the Board shall preside at meetings of the Board, act as a consultant to the Chief Executive Officer and perform such other duties as may be assigned to him by the Board.

Section 4.03. Vice Presidents. The Vice Presidents, under the direction of the Chief Executive Officer, shall assist in the management of the Corporation and perform such duties as may be assigned to them.

The President and Chairman shall act for each other in the absence of one of them, and in the event both are absent at the same time, the Chief Executive Officer shall designate a Vice President to act for him; otherwise, the Vice Presidents in the order in which they are listed for election at the most recent election of officers of the Corporation, and in their absence the Secretary, shall act in his place and perform the duties of his office.

Section 4.04. Secretary. The Secretary shall keep the minutes of meetings of shareholders and of the Board and of Committees and record them in books kept for that purpose; shall keep all corporate records and archives and shall perform such other duties as may be assigned to him.

Section 4.05. Treasurer. The Treasurer shall perform the usual duties of such office and such other duties as may be assigned to him or her.

ARTICLE V.

EXECUTION OF INSTRUMENTS

Section 5.01. Instruments. The President, the Chairman, any Vice President, any Second Vice President, the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer, shall have authority to execute in the name of and on behalf of the Corporation all deeds, mortgages, powers of attorney, waivers of service, leases, contracts, bonds, full or partial assignments and releases of mortgages, deeds of trust, vendors' liens, judgments tax certificates, certificates of purchase or other securities, and any and all other instruments that are necessary or proper to be executed in the transaction of the Corporation's business, and to affix the Corporation's seal thereto when necessary. The Board may authorize other officers and non-officer employees to execute instruments and to affix the Corporation's seal thereto.

ARTICLE VI.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 6.01. Indemnification. The Corporation shall, to the fullest extent permitted by the provisions of the Ohio Revised Code, as the same may be amended and supplemented, indemnify and hold harmless any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, officer, employee, member, manager, or agent of another corporation, domestic or foreign, nonprofit or for profit, a limited liability company, or a partnership, joint venture, trust, or other enterprise, against expenses, including attorney's fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding. The indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified hereunder may be entitled and this indemnification shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE VII.

CAPITAL STOCK

Section 7.01. Certificates of Stock, Uncertificated Shares. The shares of the Corporation shall be represented by certificates, provided that the Board may provide by resolution or resolutions that some or all of any or all classes or series of the stock of the Corporation shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until each certificate is surrendered to the Corporation. Notwithstanding the adoption of such a resolution by the Board, every holder of stock in the Corporation represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the Corporation, by the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, representing the number of shares registered in certificate form. Such certificate shall be in such form as the Board may determine, to the extent consistent with applicable law, the Articles of Incorporation and this Code of Regulations.

Section 7.02. Signatures; Facsimile. All signatures on the certificate referred to in Section 7.01 of these By-Laws may be in facsimile, engraved, or printed in form, to the extent permitted by law. In case any officer, transfer agent or registrar who has signed, or whose facsimile, engraved or printed signature has been placed upon a certificate shall have ceased to be

such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

Section 7.03. Lost, Stolen or Destroyed Certificates. The Board may direct that a new certificate be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon delivery to the Board of an affidavit of the owner or owners of such certificate, setting forth such allegation. The Board may require the owner of such lost, stolen or destroyed certificate, or his or her legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of any such new certificate.

Section 7.04. Transfer of Stock. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares, duly endorsed or accompanied by appropriate evidence of succession, assignment or authority to transfer, the Corporation shall issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon the books. Within a reasonable time after the transfer of uncertificated stock, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to division (A) of section 1701.25 of the Ohio Revised Code. Subject to the provisions of the Articles of Incorporation and this Code of Regulations, the Board may prescribe such additional rules and regulations as it may deem appropriate relating to the issue, transfer and registration of shares of the Corporation.

Section 7.05. Registered Shareholders. Prior to due surrender of a certificate for registration of transfer, the Corporation may treat the registered owner as the person exclusively entitled to receive dividends and other distributions, to vote, to receive notice and otherwise to exercise all the rights and powers of the owner of the shares represented by such certificate, and the Corporation shall not be bound to recognize any equitable or legal claim to or interest in such shares on the part of any other person, whether or not the Corporation shall have notice of such claim or interests. Whenever any transfer of shares shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer if, when the certificates are presented to the Corporation for transfer or uncertificated shares are requested to be transferred, both the transferor and transferee request the Corporation to do so.

ARTICLE VIII.

AMENDMENT

Section 8.01. Amendment. These Code of Regulations may be amended at any regular or special meeting of the Board by a majority of all the directors or in a writing signed by all the directors, provided, however, that the Board may not amend or alter Article VI or this Section 8.01 of these Code of Regulations, and such Article and Section may be amended or altered only by the affirmative vote of two-thirds of the Corporation's shareholders present and voting at any annual or special meeting of shareholders.

Pursuant to the Resolution of the Board authorizing the filing of these proposed Amended and Restated Code of Regulations of the Corporation and pursuant to Section 3913.26(G)(4) of the Ohio Revised Code, the undersigned Chairman of the Board, President and Chief Executive Officer and the undersigned Secretary of the Corporation have signed their names to these proposed Amended and Restated Code of Regulations on this _____ day of _____, 2005.

_____

John Jacobs
Chairman of the Board, President and
Chief Executive Officer

_____

David F. Westerbeck
Secretary

EXHIBIT G
Form of Articles of Incorporation of Union Central MHC

ARTICLES OF INCORPORATION

OF

UNION CENTRAL MUTUAL HOLDING COMPANY

FIRST. The name of the Corporation shall be Union Central Mutual Holding Company.

SECOND. The principal office and place of business of the Corporation shall be located in the County of Hamilton and State of Ohio, but the Corporation may establish other offices or places of business in the State of Ohio or elsewhere.

THIRD. The Corporation is formed for the purpose of owning a majority of the voting power of The Union Central Life Insurance Company ("Union Central Life"), which has converted from an Ohio mutual life insurance company to an Ohio stock insurance company pursuant to a Plan of Reorganization, dated as of July 20, 2005 (the "Plan"), either directly or through one or more intermediate holding companies as permitted by the laws of the State of Ohio, and doing any and all other acts either permitted or not prohibited under the laws of the State of Ohio for a mutual insurance holding company.

FOURTH. The Corporation shall have no capital stock but shall conduct its business as a mutual insurance holding company. In keeping with and to the extent provided by the applicable provisions of Sections 3913.25 to 3913.38 of the Ohio Revised Code as in effect or as may be amended from time to time, or in accordance with any successor provisions thereto: (1) the Corporation shall be deemed to be an insurer subject to the provisions of the Ohio Revised Code relating to the examination, supervision, rehabilitation or liquidation of insurers; (2) the assets of the Corporation shall be deemed to be assets of Union Central Life for purposes of satisfying the claims of policyholders of Union Central Life in any proceedings by the Superintendent of Insurance of the State of Ohio involving the supervision, liquidation or rehabilitation of Union Central Life; (3) the Corporation may not be dissolved or liquidated without complying with the provisions of Ohio law relating to the dissolution or liquidation of insurers, and the Corporation shall be deemed to be an Ohio domestic insurer for such purposes; and (4) the Corporation shall be subject to the jurisdiction of the Superintendent of Insurance of the State of Ohio in order to insure that the interests of policyholders of Union Central Life are protected.

FIFTH. Section 1. Each policyholder of Union Central Life shall be a member of the Corporation (each, a "Member"). The term "policyholder" as used herein shall be deemed to mean the person insured under an individual policy of life insurance, the person to whom any annuity or pure endowment is presently or prospectively payable by the terms of an individual annuity or pure endowment contract, except where the policy or contract declare some other person to be the owner or holder thereof, in which case such owner or policyholder shall be deemed the policyholder, and except in cases of assignment as hereinafter provided. In the case of any individual policy or contract insuring two or more persons jointly, the persons insured, or in case the policy or contract declares two or more persons to be the owner, the persons so declared to be the owner shall be deemed one policyholder for the purposes hereof. In case any such policy or contract shall have been assigned by an assignment on its face to an assignee other than Union Central Life, and such assignment shall be filed at the principal office of Union Central Life, then such assignee shall be deemed a policyholder within the meaning hereof, but for the purpose of determining voting rights such assignment shall not be effective until thirty days after it shall have been filed with Union Central Life. Except as provided herein an assignee of a policy or contract shall not he deemed to be a policyholder within the meaning hereof.

Section 2. Each policyholder insured in at least $1,000 or holder of an annuity which at normal date of maturity requires the payment of $100 or more annually and whose insurance or contract of annuity shall then be in force and which has been in force for at least one year prior to a policyholders' meeting, shall be entitled to one vote only irrespective of the number of policies or contracts held by him or the amount thereof, but said voting qualifications shall be subject to any change or amendment as may he prescribed by the laws of the State of Ohio. The employer shall be the qualified voter in the case of each group insurance master policy and holders of certificates issued under group insurance master policies shall not be qualified to vote. The same rule shall apply to group annuities and the holders of certificates issued thereunder.

Section 3. Membership shall automatically follow, and shall not be severable from, the policy or contract issued by Union Central Life pursuant to which Membership is conferred (the "Related Policy"). Membership shall automatically terminate when a Member no longer owns a Related Policy, whether by reason of the absolute assignment or transfer of ownership of the Related Policy, termination of the Related Policy or otherwise. Membership, or any rights appertaining thereto or derived therefrom, shall not be transferable in any manner whatsoever, including transfer by operation of law, except as the ownership of the Related Policy is recorded as transferred on the books and records of Union Central Life. Membership, or any rights appertaining thereto or derived therefrom, shall not be separate from the Related Policy, nor subject to attachment, execution or levy, nor subject to a lien, mortgage, security interest nor in any manner used as collateral or otherwise hypothecated. The Corporation may not assess Members for any of the costs, expenses or liabilities of the Corporation whenever and however incurred or for any other reason whatsoever.

SIXTH. Section 1. The Corporation shall not pay dividends or make other distributions or payments of income or profits to Members, except as provided herein, permitted under Section 1701.33 of the Revised Code and approved by the Superintendent of Insurance of the State of Ohio. Nothing herein shall be deemed to limit the payment of policyholder dividends by Union Central Life pursuant to any insurance policy issued by Union Central Life.

Section 2. Subject to Article Fourth hereof, in the event of the dissolution or liquidation of the Corporation, the surplus of cash or property of the Corporation remaining after payment of all liabilities of the Corporation shall be distributed to the Members at the time of such dissolution or liquidation in the same manner and in the same proportions as would be determined and made under the provisions of Ohio law applicable to distributions to policyholders upon the dissolution or liquidation of a domestic mutual life insurance company.

SEVENTH. Section 1. The corporate powers of the Corporation shall be exercised by, and the business and affairs of the Corporation shall be under the control of, a Board of Directors ("Board") comprised of 3 (three) natural persons.

Section 2. The directors shall be Members of the Corporation and at least eighteen years of age. At least three of the directors shall be persons who do not simultaneously serve as directors of, and who are not officers or employees of, any other corporation (an "Affiliated Corporation") which is a member of the insurance holding company system of which the Corporation is a member as defined in Section 3901.32 of the Ohio Revised Code. A majority of the directors shall be persons who are not officers or employees of the Corporation or of any Affiliated Corporation. Vacancies shall be filled by the Board. Other qualifications, if any, of the directors shall be as prescribed by the laws of Ohio.

Section 3. The directors (other than those named below in Section 5) shall be elected by the Members entitled to vote, either in person or by proxy, at an annual meeting to be held at the principal office of the Corporation on the [day] in [month] of each year at [time] prevailing local time or at such other time and place within or without the State of Ohio as may be set forth in an advance written notice to Members conforming with the requirements of Ohio law. All special meetings of Members shall be held at such time and place within or without the State of Ohio as may be set forth in an advance written notice to Members conforming to the requirements of Ohio law. Each director shall be elected for a term expiring at the next ensuing annual meeting of Members.

Section 4. No director may be removed from office other than for incapacity or for cause, except upon the vote of at least two-thirds of the Members present in person or by proxy at the annual meeting of Members or at a special meeting of Members called for the purpose of electing or removing directors.

Section 5. The initial directors of the Corporation shall be those persons specified below:

John H. Jacobs
Lawrence R. Pike
Dudley S. Taft

EIGHTH. The Corporation shall, to the fullest extent permitted by the provisions of the Ohio Revised Code, as the same may be amended and supplemented, indemnify and hold harmless any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, officer, employee, member, manager, or agent of another corporation, domestic or foreign, nonprofit or for profit, a limited liability company, or a partnership, joint venture, trust, or other enterprise, against expenses, including attorney's fees, judgments, fines, and amounts paid in settlement actually and

reasonably incurred by him in connection with such action, suit, or proceeding. The indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified hereunder may be entitled and this indemnification shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

NINTH. These Articles of Incorporation may be amended from time to time in any manner which may now or hereafter be permitted by the Ohio Revised Code at any annual or special meeting of the Members by the affirmative vote of two-thirds of the Members present and voting at the meeting.

Pursuant to the Resolution of the Board of Directors of The Union Central Life Insurance Company authorizing the filing of these proposed Articles of Incorporation for Union Central Mutual Holding Company (the proposed mutual insurance holding company), and pursuant to Section 3913.26(G)(4) of the Ohio Revised Code, the undersigned Chairman of the Board, President and Chief Executive Officer and the undersigned Secretary of The Union Central Life Insurance Company have signed their names to these proposed Articles of Incorporation on this _____ day of _____, 2005.

_____

John Jacobs
Chairman of the Board, President and
Chief Executive Officer

_____

David F. Westerbeck
Secretary

EXHIBIT H
Form of Code of Regulations of Union Central MHC

CODE OF REGULATIONS

OF

UNION CENTRAL MUTUAL HOLDING COMPANY

ARTICLE I

MEMBERS

Section 1.1 Annual and Special Meetings. The annual meeting of Members shall be held at the principal office of the Corporation in the City of Cincinnati, Ohio on the date fixed in the Corporation's Articles of Incorporation, or at such other time and place within or without the state of Ohio as may be set forth in advance written notice to Members meeting the requirements of Ohio law. Special meetings of Members may be held upon call by the Chairman of the Board or by a majority of the directors. The Chairman of the Board shall preside as Chairman at the meetings of Members.

Section 1.2 Members. Members are entitled to vote are as provide in the Corporation's Articles of Incorporation.

Section 1.3 Proxy. Members may vote in person or by proxy.

Section 1.4 Notice of Annual and Special Meetings. (a) Notice of the annual meetings shall be given to all Members entitled to vote by printing the notice thereof on each policy issued by The Union Central Life Insurance Company ("Union Central Life"). References in such policies to meetings of Members of Union Central Life, from and after the conversion of Union Central Life to a stock life insurance company owned by the Corporation as a mutual insurance holding company, shall be deemed to refer to meetings of Members of the Corporation. No other notice shall be required to be given to any Member. Any notice prescribed above may also be given to a Member by printing the same on any premium notice or premium receipt issued to such Member. Such annual meeting may be adjourned to another time or place, and no notice as to such adjourned meeting need be given if the time and the place to which it is adjourned are fixed and announced at such meeting.

(b) Notice of a special meeting shall be given by publication at least once a week for four consecutive weeks in a newspaper published and of largest circulation in the Ohio counties of Cuyahoga, Franklin, Hamilton, and Lucas, in the county in the State of Ohio in which Union Central Life has its principal office, and in the state capital of each state of the United States in which the Corporation maintains an office or agency for the solicitation of insurance, with the first of such four consecutive notices to be published not less than thirty nor more than ninety days prior to the date of the meeting. In addition, the Corporation may, but shall not be required to, give further notice of a special meeting to some, but not all, of the Members by personal delivery or by mail not less than thirty nor more than ninety days before the date of the meeting to any Member entitled to notice of the meeting by or at the direction of the Board of Directors. If the notice is mailed to any Member, such notice shall be addressed to the Member at his address as it appears on the records of the Corporation or Union Central Life. The notice of a special meeting, whether given by publication, personal delivery, or mail, shall state the time, place (within or without the State of Ohio), and purpose or purposes of the meeting. No business shall be transacted at any such special meeting except that stated in the notice thereof. Special meetings shall be held at the home office of the Corporation, unless otherwise provided by action of the Board of Directors. Such special meetings may be adjourned to another time and place, and no notice as to such adjourned meeting need be given if the time and place to which it is adjourned are fixed and announced at such meeting.

Section 1.5 Quorum. Those Members entitled to vote who are present in person or by proxy at a meeting of Members shall constitute a quorum for the transaction of business.

Section 1.6 Nominations to Board. The Board shall nominate persons who are or will become Members for election as directors to serve for terms commencing at the following annual meeting of the Members. Nominations shall be made at least sixty days before the date of the annual meeting of the Members at which the persons nominated are to be voted upon, except that a vacancy in the list of nominees caused by the death, resignation or removal of a nominee may be filled at any time prior to such annual meeting of the Members.

Section 1.7 Other Nominations. Other nominations for election to the Board for terms commencing at an annual meeting of Members may be made by petition containing the signatures of not less than five thousand Members entitled to vote at such election. Each such nominee shall be or become a Member of the Corporation. Such petition shall be filed with the Secretary of the Corporation at its principal office not later than one hundred twenty days before the date of the annual meeting of Members at which the persons therein nominated are to be voted upon. Each petition shall be accompanied by a statement giving the name, residence and business address, and the qualifications, including business and professional affiliations, of each nominee, and a written acceptance of the nomination filed for each nominee. In order that the Members may be informed adequately about the persons so nominated, the Corporation shall send by first-class United States mail to each Member entitled to vote at the next annual meeting of Members the information furnished by the candidates as required by the preceding sentence. Such notice shall be mailed not less than sixty days before the date of the annual meeting at which the election is to be held. All costs incidental to preparing and mailing said notice and information shall be borne by the candidate. The Board shall at the same time furnish to Members similar information about the persons nominated by the Board.

Section 1.8 Inspectors of Election. At all meetings for the election of directors the Chairman shall appoint two inspectors of election who shall have the powers and perform the duties provided by the Ohio Revised Code for inspectors of elections, provided that no person who is a candidate for the office of director shall be appointed as an inspector.

ARTICLE II

DIRECTORS

Section 2.1 Vacancies. Vacancies in the Board shall be filled by a majority vote of the remaining directors. In the event of the expiration of the term of any director concurrent with the director's resignation or termination as an officer of the Corporation, a vacancy shall be deemed to exist in the class of which the director was a member.

Section 2.2 Notice and Call of Meetings. The Board shall hold regular meetings not less frequently than quarterly on dates and at times fixed by the Board. The Chief Executive Officer, the Executive Committee or a majority of the members of the Board may convene special meetings of the Board at any time. Notice of any meeting of the Board shall be given to each director not less than five days prior to the date of the meeting by delivery to the director or by depositing it in the mail addressed to the director at the director's address appearing on the books of the Corporation, but such notice may be waived by any director in writing. Attendance of a director at any meeting shall constitute a waiver of notice of such meeting except where a director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting. Notice of adjournment of a meeting need not be given if the time and place to which it is adjourned are fixed and announced at such meeting. Meetings of the directors or of committees of the directors may be held through the use of any form of communications equipment if all persons participating can hear each other person participating. Participation in such a meeting shall constitute presence at the meeting.

Section 2.3 Quorum. A majority of the directors then in office shall constitute a quorum for a meeting of the directors. The act of a majority of the directors present at a meeting at which a quorum is present is the act of the Board.

Section 2.4 Compensation. The compensation of the Chairman of the Board, the Chief Executive Officer and the President shall be fixed by the Board. All other salaries may either be fixed by the Board of Directors or the Executive Committee or be fixed in accordance with such regulations or orders as the Board of Directors or the Executive Committee shall prescribe.

ARTICLE III

COMMITTEES

Section 3.1 Committees. The Board may establish any other committees as the Board may deem advisable, subject to the provisions of the Ohio Revised Code.

ARTICLE IV

OFFICERS

Section 4.1 Designation. The officers of the Corporation shall consist of a Chairman of the Board, a Chief Executive Officer, a President, who shall be a member of the Board, one or more Vice Presidents, a Secretary, a Treasurer, a Comptroller, an Auditor and such other officers as the Board of Directors from time to time may determine.

Section 4.2 Term. Officers shall hold office for such period of time as the Board of Directors may designate.

Section 4.3 Removal and Vacancies. The Board may remove or suspend any officer without cause and without notice. Vacancies may be filled by the Board at any time.

Section 8.02. Multiple Offices. Any two offices may be held simultaneously by the same person, except that the Chairman, Chief Executive Officer or President may not simultaneously serve as a Vice President.

ARTICLE V

DUTIES OF OFFICERS

Section 5.1 Chairman of the Board. The Chairman of the Board of Directors shall preside at all meetings of the Board and perform such other duties as may be delegated to him from time to time by the Board.

Section 5.2 Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer of the Corporation. He shall have general supervision and control of the business of the Corporation. All other officers shall act under his direction and he may assign or distribute duties or authority among officers and employees. The Chief Executive Officer may designate the officer who shall act in his place in his absence.

Section 5.3 President. The President shall be the chief operating officer of the Corporation. He shall have general and active management of the business of the Corporation as determined by the Chief Executive Officer.

Section 5.4 Vice Presidents. The Vice Presidents, under the direction of the Chief Executive Officer, shall assist in the management of the Corporation and shall perform such duties as may be assigned to them.

Section 5.5 Secretary. The Secretary shall keep the minutes of the meetings of the Board and of Members. He shall perform such other duties as may be assigned to him.

Section 5.6 Treasurer. The Treasurer shall perform the usual duties of such office and such other duties as may be assigned to him.

Section 5.7 Comptroller. The Comptroller shall perform the usual duties of such office and such other duties as may be assigned to him.

Section 5.8 Auditor. The Auditor shall perform the usual duties of such office and such other duties as may be assigned to him.

ARTICLE VI

MERGER AND CONSOLIDATION

Section 6.1 Merger and Consolidation. The Corporation shall merge with and into Ameritas Acacia Holding Company pursuant to the Plan of Reorganization of Union Central Life Insurance Company, dated as of _____, 2005, assuming that the conditions precedent to such merger set forth in such plan are satisfied or waived.

ARTICLE VII

AMENDMENT

Section 7.1 Amendment. These Regulations may be amended at any regular or special meeting of the Board of Directors by a majority of all the directors or in a writing signed by all the directors, provided, however, that the Board of Directors may not amend or alter Article VIII or this Section 7.1 of these Regulations, and such Article may be amended or altered only by the affirmative vote of two-thirds of the Members present and voting at any annual or special meeting of Members.

EXHIBIT I
Form of Articles of Incorporation of Surviving MHC

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
UNIFI MUTUAL HOLDING COMPANY

Ameritas Life Insurance Corp. ("ALIC"), Lincoln, Nebraska, a Nebraska mutual life insurance company, organized under the laws of the State of Nebraska, acting as incorporator, does hereby form a Mutual Insurance Company under Sections 44-6122 et seq. Neb. Rev. Stat., and does hereby adopt the following Articles of Incorporation.

ARTICLE I.

Section 1.01. **Name; Principal Place of Business.** The name of the Corporation is UNIFI Mutual Holding Company (the "Corporation"). The principal place of business of the Corporation shall be at 5900 "O" Street, Lincoln, Lancaster County, Nebraska.

Section 1.02. **Resident Agent.** The resident agent of the Corporation shall be UNIFI Mutual Holding Company whose address is the Corporation's office located at 5900 "O" Street, Lincoln, Nebraska.

ARTICLE II.

Section 2.01. **Commencement of Existence.** The Corporation shall commence and be in existence on January 1, 1998 at 12:01 a.m.

Section 2.02. **Duration.** The Corporation shall have perpetual duration.

ARTICLE III.

Section 3.01. **Corporate Nature and Capital.** The Corporation is a mutual insurance holding company resulting from the reorganization of Ameritas Life Insurance Corp. pursuant to Sections 44-6122 to 44-6142 Neb. Rev. Stat. enacted by the 95th Legislature, First Session, Legislature of Nebraska. The Corporation shall not issue stock.

Section 3.02. **Rights and Powers.** The Corporation shall have and exercise all powers and rights conferred upon corporations by the Nebraska Mutual Insurance Holding Company Act and the Nebraska Business Corporation Act, except as otherwise limited by the Nebraska Mutual Insurance Holding Company Act, and any enlargements of such powers conferred by subsequent legislative acts; and in addition thereto, the Corporation shall have and exercise all powers and rights not otherwise denied corporations by the laws of the State of Nebraska applicable to corporations organized pursuant to the Nebraska Mutual Insurance Holding Company Act and the Nebraska Business Corporation Act as necessary, suitable, proper, convenient or expedient for the attainment of the purposes set forth in this Section 3.02.

ARTICLE IV.

Section 4.01. **Members of the Corporation.**

a. Each person who, and each corporation, firm or association which, is the owner of a policy of Life Insurance, Variable Life Insurance, Variable Annuity, or Sickness and Accident Insurance as those terms are defined by Neb. Rev. Stat. 44-201 issued by Ameritas Life Insurance Corp. which is in force at the time of the commencement of the existence of this Corporation shall be a member of the Corporation so long as the Policy of Life Insurance, Variable Life Insurance, Variable Annuity, or Sickness and Accident Insurance as those terms are defined by Neb. Rev. Stat. 44-201 remains in force.

b. Each person who, and each corporation, firm or association which, is the owner of a policy of Life Insurance, Variable Life Insurance, Variable Annuity, or Sickness and Accident Insurance as those terms are defined by Neb. Rev. Stat. 44-201 issued or acquired pursuant to an Assumption Reinsurance Agreement by, (i) an insurance company which reorganizes

from a domestic or foreign mutual insurance company by merging its policyholders' membership interests into this Corporation and continues its corporate existence as a stock insurance company subsidiary of this Corporation, (ii) a mutual insurance company which has reorganized and as a result is the direct or indirect subsidiary of a previously created mutual insurance holding company which insurance company is acquired directly or indirectly by this Corporation, or (iii) a stock insurance company which is part of a mutual insurance holding company structure if the stock insurance company is acquired directly or indirectly by this Corporation (in all cases, an "Additional Insurance Company Subsidiary"), which policy of Life Insurance, Variable Life Insurance, Variable Annuity, or Sickness and Accident Insurance as those terms are defined by Neb. Rev. Stat. 44-201 is in force on the effective date of such reorganization or acquisition, shall be a member of this Corporation so long as the policy or contract of insurance or annuity remains in force.

c. Each person who, and each corporation, firm or association which, becomes the owner of a policy of Life Insurance, Variable Life Insurance, Variable Annuity, or Sickness and Accident Insurance as those terms are defined by Neb. Rev. Stat. 44-201 issued or acquired pursuant to an Assumption Reinsurance Agreement by Ameritas Life Insurance Corp. or an Additional Insurance Company Subsidiary after the date of the existence of this Corporation, shall become a member of the Corporation and shall remain a member for so long as such policy of Life Insurance, Variable Life Insurance, Variable Annuity, or Sickness and Accident Insurance as those terms are defined by Neb. Rev. Stat. 44-201 remains in force. Each such member of the Corporation referenced in subsections (a) through (c) of this Section 4.01 shall be hereinafter referred to as a Member.

Section 4.02. **Termination of Members' Interest.** A membership interest in this Corporation shall automatically follow and shall not be severable from the policy or contract of insurance or annuity by virtue of which the membership in the Corporation is derived. Upon lapse or termination of the policy or contract of insurance or annuity by virtue of which the membership in the Corporation is derived, the membership in the Corporation shall automatically terminate and cease and the Member shall not be entitled to receive any distribution or compensation from the Corporation for the membership in the Corporation.

Section 4.03. **Non-Transferability of Members' Interest.** A policyholder's membership in the Corporation or any rights appertaining thereto or derived therefrom shall not be conveyable; transferable; assignable; saleable, including judicial sale; devisable; inheritable or be alienable in any manner whatsoever, including transfer by operation of law except as the ownership of the policy or contract of insurance or annuity by virtue of which the policyholder's membership in the Corporation is derived is conveyed, transferred, assigned, sold, devised, or distributed pursuant to a duly probated will or under the statutes of intestate succession.

Section 4.04. **No Liens upon Members' Interest.** A policyholder's membership in the Corporation or any rights appertaining thereto or derived therefrom shall not, separate from the policy or contract of life or health or accident insurance or annuity by virtue of which the policyholder's membership in the Corporation is derived, be subject to attachment, execution or levy or be subject to a lien, mortgage, or security interest or in any manner be used as collateral or otherwise be hypothecated.

ARTICLE V.

Section 5.01. **Control of Ameritas Life Insurance Corp.** Pursuant to the reorganization of Ameritas Life Insurance Corp., this Corporation will receive all of the initial shares of the capital stock of Ameritas Life Insurance Corp. Unless otherwise permitted by applicable Nebraska Law, the Corporation shall, at all times, retain direct or indirect ownership and control of not less than a majority of the outstanding voting shares of Ameritas Life Insurance Corp. or any Additional Insurance Company Subsidiary.

Section 5.02. **Distribution upon Dissolution.** In the event of the voluntary dissolution or liquidation of the Corporation, any surplus of the Corporation remaining after payment of all liabilities of the Corporation shall be distributed to the Members at the time of such dissolution or liquidation as determined by the Board of Directors and approved by the Director of Insurance for the State of Nebraska.

Section 5.03. **Dividends.** The Corporation shall not pay dividends or make other distributions or payments of income or profits except as provided in Section 5.02 of this Article or as otherwise directed or approved by the Director of Insurance of the State of Nebraska.

ARTICLE VI.

Section 6.01. **Board of Directors.**

a. The business and affairs of the Corporation shall be conducted by a Board of Directors. Subject to reduction as provided in the By-laws of the Company, the number of persons constituting the entire Board of Directors (each, a "Director") of the Corporation shall consist of twenty-five (25) persons divided into three (3) staggered classes. Class I shall consist of nine (9) Directors; Class II shall consist of eight (8) Directors; Class III shall consist of eight (8) Directors, unless and until the number of Directors in any class is reduced as set forth in the By-laws of the Company. The initial term of the Class I Directors shall expire at the annual meeting of Members in 2008. The initial term of Class II Directors shall expire at the annual meeting of Members in 2007 and the initial term of the Class III Directors shall expire at the annual meeting of Members in 2006. After the expiration of their initial term, the term of the Directors of each class shall be three (3) years.

b. The Board of Directors shall exercise all of the corporate powers of the Corporation, except as otherwise provided by law, and shall manage all the property, business, and affairs of the Corporation. A majority of the Board of Directors shall constitute a quorum. The Board of Directors may provide for the appointment of an Executive Committee and may, to the extent allowed by law and the Corporation's By-laws, delegate to such Committee any or all of its powers and authority not reserved or restricted by these Articles, the By-laws, or applicable law.

c. The Board of Directors shall have the full power from time-to-time to make, alter, amend or rescind by-laws, rules, and regulations for the conduct of the business and affairs of the Corporation in conformity with the provisions of these Articles and the By-laws and to employ or provide for the employment of such officers and agents and appoint such committees as it may, in its discretion, find appropriate for the conduct of such business and affairs.

d. At each annual meeting of the members, there shall be elected for a term of three (3) years, a class of directors to replace those whose terms shall be then expiring. The persons constituting the initial Board of Directors and their respective terms shall be:

Class I:

Name:	Initial Term Expires:
James M. Anderson	2008
Lawrence J. Arth	2008
Bert A. Getz	2008
John H. Jacobs	2008
Floretta D. McKenzie	2008
Larry R. Pike	2008
Dudley S. Taft	2008
Winston J. Wade	2008
Robert M. Willis	2008

Class II:

Name:	Initial Term Expires:
James P. Abel	2007
Haluk Ariturk	2007
Michael S. Cambron	2007
Richard H. Finan	2007
Michael A. Fisher	2007
Francis v. Mastrianna, Ph.D.	2007
Tonn M. Ostergard	2007
D. Wayne Silby	2007

Class III:

Name:	Initial Term Expires:
William W. Cook Jr.	2006
James R. Knapp	2006
Patricia A. McGuire	2006
Thomas E. Petry	2006
Myrtis H. Powell, Ph.D.	2006
Edward J. Quinn Jr.	2006
Paul C. Schorr III	2006
John M. Tew, Jr., M.D.	2006

Section 6.02. **Election of Directors.**

a. **Term.** At each annual meeting of the Members beginning in 2006, there shall be elected for a term of three (3) years, a class of directors to replace those whose terms shall be then expiring.

b. **Management Nominees.** At least seven (7) months before the date fixed for election of directors of any class, the Board of Directors shall nominate a candidate for each office of director to be filled at such next ensuing election in accordance with the by-laws of the Corporation ("By-laws"). The directors shall file with the Director of Insurance of the State of Nebraska a certificate of such nominations, giving the name, occupation, and address of each nominee. Any vacancy occurring among such nominees shall be promptly filled in accordance with the By-laws and a similar certificate filed.

c. **Member Nominees.** Nominations for candidates to fill vacancies on the Board of Directors may also be made by qualified voting Members by petition filed with the Secretary of the Corporation at least five (5) months prior to the meeting at which the election is to be held. Each such petition shall carry, in addition to the name, address, date of signing, and policy number of each signer, the name, address, occupation, and state of qualifications of each nominee. The minimum number of valid signatures required for nomination shall be three percent (3%) of the total number of qualified voters. Upon written request by a qualified voting Member delivered to the Secretary of the Corporation not sooner than eight (8) months before the meeting at which an election of Directors is to be held, the Secretary of the Corporation shall provide by first class mail to the address of the requesting Member, an estimate of the number of qualified voting Members as of the date that such written request is received by his office. The number of Members so specified by the Secretary as of such date shall be deemed controlling for purposes of determining the above 3% requirement. No signatures affixed to the petition more than sixty (60) days before the filing shall be counted. Upon receipt of proper nomination by petition, the Secretary shall forward to the Director of Insurance of the State of Nebraska, notice of such nomination and shall include the names of such nominees on the ballot with nominees of the Board of Directors with appropriate designations.

d. **Votes.** Each Member of the Corporation shall be entitled to cast one (1) vote in person or by proxy regardless of the number of policies owned. No appointment of a proxy shall be valid unless in writing, dated and signed by a qualified voter and filed with the Secretary of the Corporation not less than five (5) days before the election. Each proxy shall expire six (6) months after the date of its execution by the Member, unless otherwise provided in the policy application.

ARTICLE VII.

Section 7.01. **Meetings of the Members of the Corporation.** The annual meetings of the Members shall be held at the home office of the Corporation on such day and at such time of day as may be determined by the Board of Directors, but in any event no later than June 30th of each year. Special meetings of Members may be called at any time by the Chief Executive Officer and shall be called by the Chief Executive Officer upon a request from the majority of the Board of Directors. Notice of every special meeting of Members shall be delivered to each of the Members entitled to vote thereon at his or her last known address not less than ten (10) nor more than fifty (50) days prior to the date set for the meeting. Such notice shall state the date and place of the special meeting as well as the purpose for which it is called.

Section 7.02. **Quorum.** A quorum at any annual or special meeting of the Members of the Corporation shall consist of at least twenty-five (25) qualified voters.

ARTICLE VIII.

Section 8.01. **Indemnification.** Pursuant to the provisions of Neb. Rev. Stat. Section 21-20,110, the Corporation obligates itself in advance to provide indemnification in accordance with the provisions of Neb. Rev. Stat. Section 21-20,105 and shall be obligated to provide indemnification to the fullest extent permitted by law, including the provision of Neb. Rev. Stat. Sections 21-20,102 to 21-20,111 as provided in the By-laws of the Corporation.

ARTICLE IX.

Section 9.01. **Amendment.** Except as otherwise provided by law, these Articles may be amended at any annual meeting of the Members by a vote of two-thirds of the qualified voters present and voting in person or by proxy or at a special meeting of the Members by a like vote, but no amendment shall be acted upon at a special meeting unless the notice of such meeting includes a copy of the proposed amendment.

ARTICLE X.

Section 10.01. **Incorporator.** The name and address of the incorporator is: Ameritas Life Insurance Corp., P.O. Box 81889, Lincoln, Nebraska 68501-1889.

Ameritas Life Insurance Corp.

By: _____
Donald R. Stading
General Counsel

EXHIBIT J
Form of By-laws of Surviving MHC

AMENDED AND RESTATED

UNIFI MUTUAL HOLDING COMPANY BY-LAWS

ARTICLE I.

Board of Directors

Section 1.01. **Number, Term, Classes.**

a. Subject to subsection (d) of this Section 1.01, the number of persons constituting the entire Board of Directors (each, a "Director") of UNIFI (the "Company") shall consist of twenty-five (25) persons divided into three (3) staggered classes. Class I shall consist of nine (9) Directors; Class II shall consist of eight (8) Directors; Class III shall consist of eight (8) Directors, unless and until the number of Directors in any class is reduced as set forth in subsection (d) below. The initial term of the Class I Directors shall expire at the annual meeting of Members in 2008. The initial term of Class II Directors shall expire at the annual meeting of Members in 2007 and the initial term of the Class III Directors shall expire at the annual meeting of Members in 2006. After the expiration of their initial term, the term of the Directors of each class shall be three (3) years.

b. From and after the date of adoption of these Amended and Restated By-Laws and continuing for six (6) years (the "Mandatory Period"), the persons to be nominated by the Company to serve as Directors shall consist of fourteen (14) persons to be designated by the Ameritas Acacia Designation Committee (the "Ameritas Acacia Designees") and eleven (11) persons to be designated by the Union Central Designation Committee (the "Union Central Designees"), or if the total number of Directors shall have been reduced, by the persons then serving as Ameritas Acacia Designees or Union Central Designees, as the case may be. The number of Ameritas Acacia Designees serving in any class shall not exceed the number of Union Central Designees serving in such class by more than one (1) person for more than a reasonable period of time as determined in good faith by the Board of Directors. No more than two (2) of the Ameritas Acacia Designees may be Inside Directors and no more than two (2) of the Union Central Designees may be Inside Directors; provided, however, that from and after the date that Mr. Larry R. Pike retires from the Board of Directors, only one (1) Union Central Designee maybe an Inside Director. Except for the Inside Directors, all other Directors shall be Independent Directors. Commencing with the annual meeting of Members in 2006, the members of the Board of Directors of the Company shall be elected from time to time by the members of the Company (the "Members"). During the Mandatory Period, the Company shall solicit proxies from the Members to be voted for the election of the Ameritas Acacia Designees and the Union Central Designees at the annual meeting of Members. For purposes of these By-laws, a Director shall be deemed to be an "Inside Director" if he is not "Independent." For purposes of these By-laws, a Director shall be deemed to be "Independent" if he or she (x) is not a full time employee of the Company or any of its affiliates and has not been such at any time during the last five (5) years and (y) is not being paid any remuneration by any of such entities, other than customary Director's fees and expenses.

c. No person shall be nominated to serve as a Director after he has attained the age of 72 and a Director who attains the age of 72 shall resign or be removed not later than the next annual meeting of Members occurring after his 72nd birthday. No Inside Director shall serve as a Director after such Inside Director is no longer a full-time employee of the Company or any of its affiliates, except that Mr. Larry R. Pike may continue as an Inside Director until his retirement from the Board pursuant to the first sentence of this subsection (c).

d. The Board of Directors shall have the authority by resolution to decrease the total number of persons that constitute the entire Board of Directors to a number less than twenty-five (25) but not less than five (5), so long as, (x) during the Mandatory Period, the ratio of twelve (12) Independent Ameritas Acacia Designees to nine (9) Independent Union Central Designees serving on the Board of Directors is maintained, continued and perpetuated as precisely as is practical, and provided further, that (y) the number of Ameritas Acacia Designees serving on the Board of Directors shall perpetually exceed the number of Union Central Designees by at least one (1) but by not more than three (3) director(s).

Section 1.02. **Vacancies of the Board of Directors.**

a. If, during the Mandatory Period, any of the Ameritas Acacia Designees or Union Central Designees shall resign or be unable, for any reason, to continue to serve as Director of the Company for the remainder of his scheduled term (such Director, a "Vacating Director"), and the Board of Directors determines to fill such vacancy rather than reduce the size of the Board of Directors, then the Ameritas Acacia Designation Committee (if the Vacating Director was an Ameritas Acacia Designee) or the Union Central Designation Committee (if the Vacating Director was a Union Central Designee) shall designate another person to serve in such person's stead for the remainder of the term of such Vacating Director, which designation shall be subject to approval of the Board of Directors.

b. If a Vacating Director was an Independent Director, then his replacement selected pursuant to (a) above shall also be an Independent Director. If a Vacating Director is not an Independent Director, then his successor need not be an Independent Director, provided, however, that if Mr. Larry R. Pike is the Vacating Director, then his replacement shall be an Independent Director.

Section 1.03. **Quorum.** A majority of the entire Board of Directors shall constitute a quorum for the transaction of business.

Section 1.04. **Supermajority Vote Requirement**. A vote of eighty percent (80%) of the entire Board of Directors shall constitute a Supermajority Vote. A Supermajority Vote shall be required to authorize any of the following actions: amendment to or waiver of any provisions of these By-laws; the redomestication or change of domicile of the Company from the State of Nebraska; relocation of the domicile of any of the Company's subsidiaries from their current domicile; the change of any subsidiary's name; a material change to the Company's capital structure; the sale of any subsidiary; sale or disposition of substantially all or all of the assets of the Company or any of its subsidiaries; a corporate reorganization of the Company; raising of debt or equity capital by the Company; the merger or consolidation, demutualization, liquidation, dissolution of the Company; and any modification, amendment or waiver of any provision of Sections 1.3 and 1.5 to 1.11 of the Agreement and Plan of Merger between Ameritas Acacia Mutual Holding Company and the Union Central Life Insurance Company dated January 28, 2005 (the "Merger Agreement"). The requirements of this Section 1.04 shall remain in effect for the Mandatory Period and, thereafter, shall automatically become null and void. Unless a Supermajority Vote is required, the action of the majority of the Directors present at a meeting at which a quorum is present shall be sufficient to authorize corporate action on behalf of the Company, unless a greater vote is required by law.

Section 1.05. **Meetings.**

a. The Board of Directors shall meet as determined by the Board of Directors, but in any event no less than four (4) times in each calendar year. The annual meeting of the Board of Directors shall be held in the home office of the Company located in Lincoln, Nebraska, following the annual meeting of the Members.

b. At least one (1) meeting of the Board of Directors shall be held annually in the Washington D.C. metropolitan area at least one (1) meeting of the Board of Directors shall be held in the Cincinnati, Ohio metropolitan area. The remaining meetings of the Board of Directors shall be at such place and time as the Board of Directors shall determine from time to time in advance of said meetings. Other meetings of the Board of Directors shall be held at such time and place as shall be fixed at any time prior to such meeting and in the case of called meetings, as stated in the notice of call of the meetings.

Section 1.06. **Notices of Meetings.**

a. Meetings of the Board of Directors, other than the annual meeting of Directors, may be held upon the call of the Chairman of the Board, or in the case of his or her absence or incapacity, by the Vice Chairman of the Board, or promptly upon the written request by a majority of the members of the Board of Directors. The time and place of each such meeting shall be stated in the written notice of call and shall be transmitted by the Secretary to each Director at his or her address on record with the Secretary in reasonably sufficient time to permit convenient travel by usual means to the place of the meeting. Call and notice of call, or both, may be waived by any Director either before or after the meeting. Attendance without protest at any meeting by any Director shall constitute a waiver by him or her of call and notice of call.

b. Members of the Board of Directors or any committee appointed by the Board of Directors may participate in any meeting, other than the annual meeting of Directors, by means of telephone conference or similar communications equipment, so long as all members participating in the meeting can hear each other. Participation in such meeting in such manner shall constitute presence in person at such meeting.

Section 1.07. **Compensation.**

a. Each Director shall be paid $100.00 for attendance at the annual board meeting.

b. In addition to the compensation set forth in paragraph (a) above, each Independent Director shall be paid an annual compensation payable monthly or quarterly, as shall be determined by the Board of Directors from time-to-time and agreed upon with such directors, additional compensation for attending meetings of the Board of Directors or meetings of committees, and be reimbursed for reasonable expenses incurred in attending such meetings.

Section 1.08. **Directors of Intermediate Holding Company.** During the Mandatory Period, the Company shall cause all of the issued and outstanding common stock of Ameritas Holding Company ("AHC") owned by the Company to be voted by the Company for the election of the nominees for the AHC Board of Directors that have been selected for nomination pursuant to the Amended and Restated By-laws of AHC.

ARTICLE II.

Officers

Section 2.01. **Executive Officers.**

a. The Company shall have the following Executive Officers and Officers:

   1. A Chairman of the Board, who may also be designated as Chief Executive Officer;

   2. A Vice Chairman of the Board, who may also be designated as President and Chief Operating Officer;

   3. A President, if the Vice Chairman of the Board has not been designated as the President;

   4. Such number of Chief Operating Officers, Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, Second Vice Presidents, and Assistant Vice Presidents as the Board of Directors shall from time-to-time determine;

   5. A Secretary and one or more Assistant Secretaries; and

   6. A Treasurer.

b. One person may hold more than one office at the same time, except that the Chairman of the Board or the Vice Chairman of the Board cannot also hold the office of Secretary, Treasurer or Vice President.

Section 2.02. **Chairman of the Board.** The Chairman of the Board shall preside at all meetings of the Members, the Board of Directors and the Executive Committee. He or she shall, unless a different officer is so designated by the Board of Directors, be the Chief Executive Officer of the Company, and as such, shall have the general direction and supervision of the business affairs of the Company subject to the direction of the Board of Directors. He or she may delegate such duties and responsibilities and authority to other officers as he or she may deem proper.

Section 2.03. **Vice Chairman of the Board.** The Vice Chairman of the Board, in the absence or incapacity of the Chairman of the Board, shall preside at all meetings of the Members, the Board of Directors, and the Executive Committee.

Section 2.04. **President.** The President, in the absence or incapacity of the Chairman of the Board, shall be the Chief Executive Officer of the Company. He or she shall, unless a different officer is so designated by the Board of Directors, shall have general control and management of the business affairs of the Company subject to the direction of the Chairman of the Board, the Vice Chairman of the Board and the Board of Directors. He or she may delegate such duties and responsibilities and authority to other officers as he or she may deem proper.

Section 2.05. **Secretary.** The Secretary shall give due notice of special meetings of the Members and shall keep accurate minutes and records of all meetings of the Members. He or she shall be Secretary to the Board of Directors and the Executive Committee and as such, shall give due notice of meetings of each and shall keep accurate minutes and records of the proceedings at all meetings of both. He or she shall have general supervision over all corporate records of the Company and shall perform such other duties as the Board of Directors or the Executive Committee shall from time-to-time direct.

Section 2.06. **Treasurer.** The Treasurer shall see that just and true cash, check, bank, and other proper financial records are kept, especially including records of all monies received, deposited, drawn and dispersed. He or she shall be generally in

charge of the safekeeping of the assets of the Company and shall perform such other duties as the Boards of Directors or the Executive Committee shall direct.

Section 2.07. **Other Executive Officers.** The powers, authority, duties, and responsibilities for other executive officers shall be delegated and defined by the Board of Directors or if no such delegation and definition by them, then by the Chairman of the Board or the Vice Chairman of the Board.

Section 2.08. **Succession of the Chairman of the Board and the Chief Executive Officer.** The Company shall take action (i) to cause Lawrence J. Arth to serve as Chairman of the Board of Directors and Chief Executive Officer beginning on the effective date of these By-laws and continuing until the earlier to occur of his no longer serving as Chief Executive Officer or July 31, 2008, and (ii) to cause John H. Jacobs to serve as Vice Chairman of the Board of Directors, President and Chief Operating Officer of the Company beginning on the effective date of these By-laws and continuing until the appointment described in the next sentence hereof. The Company shall take all necessary action to cause John H. Jacobs to be elected and appointed as Chairman of the Board of Directors and Chief Executive Officer of the Company to immediately succeed Mr. Arth no later than July 31, 2008.

Section 2.09. **Election and Appointment of Officers.** At each annual meeting of the Board of Directors, the Board of Directors shall elect persons to serve as the officers named above and may elect or appoint any other officers which it shall deem appropriate, assign the official titles to each, fix and authorize payment of the compensation of each such officer and provide for the duties of such office.

Section 2.10. **Term of Office; Vacancies.** The Officers elected by the Board of Directors shall hold their respective positions from time of election or appointment until the next annual meeting of the Board of Directors and until their successors are elected. Vacancies occurring among the Executive Officers may be filled by action of the Board of Directors in a manner consistent with the Merger Agreement.

Section 2.11. **Removal.** Any Officer elected by the Board of Directors may be removed by and at any time and his or her title, duties and compensation adjusted upon affirmative vote of the majority of the Board of Directors; provided however, that during the Mandatory Period, the Chief Executive Officer and the Chief Operating Officer may not be removed without a Supermajority Vote. A finding by the Board of Directors that any Officer is permanently disabled shall create a vacancy in the office held by such Officer.

Section 2.12. **Administrative Officers.** The Executive Committee may, at its discretion, designate such administrative officers as it may deem proper and delegate such duties, responsibilities and authority to them as it may determine.

ARTICLE III.

Committees

Section 3.01. **Executive Committee.** At each of its annual meetings, the Board of Directors shall elect not less than three (3) Directors to serve, together with the Chairman of the Board and the Vice Chairman of the Board, as the Executive Committee for the ensuing year and until their successors are elected and qualified. Any vacancy in the Executive Committee occurring during the year may be filled for the unexpired term by the Board of Directors. Notice of call of meeting may be written or by telephone and shall be given to each member in sufficient time to permit convenient travel by usual means to the meeting. Call and notice of call of meetings may be waived before or after the meeting. Attendance without protest at any meeting shall constitute a waiver of call and notice of call thereof by the attending member. A majority of members of the Executive Committee shall constitute a quorum for the transaction of business.

Section 3.02. **Duties of Executive Committee.** Except as limited by the laws of the State of Nebraska or by the provisions of the Articles of Incorporation, the Executive Committee shall possess and exercise all the powers of the Board of Directors in the interim between meetings of the Board of Directors. The Executive Committee shall carry into practical effect all orders and directions of the Board of Directors and shall in such interim decide all questions of current business policy. The Secretary shall promptly forward a copy of the minutes of each meeting of the Executive Committee to each director. It may elect, appoint, employ, remove or authorize the appointment, employment or removal of such supervisory and administrative officers and employees as it shall deem necessary for the conduct of the company's business, including one or more assistant secretaries and one or more assistant treasurers, with full authority to perform the duties of Secretary and Treasurer,

respectfully, and fix and authorize payment of the compensation of such officers and employees. It may, at its discretion, adjust the compensation of such officers and employees so elected, appointed or employed.

Section 3.03. **Nominating and Corporate Governance Committee.**

a. The Board of Directors shall establish and maintain a Nominating and Corporate Governance Committee comprised of eight (8) Independent Directors who shall serve until their successors are elected and qualified. During the Mandatory Period, the Nominating and Corporate Governance Committee shall be composed of an equal number of Ameritas Acacia Directors and Union Central Directors, all of whom shall be Independent and, subject to the powers of the Ameritas Acacia Designation Committee and the Union Central Designation Committee set forth in Sections 3.07 and 3.08 hereof, shall be responsible for the nomination of persons to stand for election as Directors. Subject to the powers of the Ameritas Acacia Designation Committee and the Union Central Designation Committee set forth in Sections 3.07 and 3.08 hereof, the Nominating and Corporate Governance Committee shall evaluate prospective director nominees against such evaluation criteria as experience, expertise, education, professionalism, diversity, geographic location, reputation, and other relevant considerations. The Nominating and Corporate Governance Committee shall submit to the Board of Directors a complete list of all persons who have been nominated to stand for election as Director (which, during the Mandatory Period, shall consist of the Ameritas Acacia Designees and the Union Central Designees) and any Director nominees proposed by Members in accordance with the Articles of Incorporation. The Board of Directors shall thereupon declare as nominees the persons who have been so nominated in accordance with the above provisions and the nominations shall be closed. The Nominating and Corporate Governance Committee shall make periodic recommendations to the Board of Directors as to which Directors should serve as members of the various committees of the Board of Directors and as the chairpersons thereof.

b. If, during the Mandatory Period, any of the Ameritas Acacia Designees or Union Central Designees shall resign or be unable to serve as a member of the Nominating and Corporate Governance Committee for any reason, the Ameritas Acacia Designation Committee (if such person was an Ameritas Acacia Designee) or Union Central Designation Committee (if such person was a Union Central Designee) shall designate another Director to serve in such person's stead, which designation shall be subject to the approval of the Board.

Section 3.04. **Intercompany Transactions Committee.** The Board of Directors shall establish and maintain an Intercompany Transactions Committee comprised of six (6) Independent Directors who shall serve until their successors are elected and qualified. During the Effective Period, four (4) of the members of the Intercompany Transactions Committee shall be Ameritas Acacia Designees (two of which Ameritas Acacia Designees shall be persons then serving as directors of Ameritas Life and two (2) of which shall be persons then serving as directors of Acacia Life) and two (2) of whom shall be Union Central Designees (which Union Central Designees shall be persons then serving as directors of Union Central). The Intercompany Transactions Committee shall review intercompany transactions involving potential conflicts of interest among the Company and its subsidiaries, or any one of them, involving transactions between or among (a) Ameritas Life or subsidiaries, (b) Acacia Life or any Acacia Life subsidiaries, and/or (c) Union Central or any Union Central subsidiaries, against standards as may be imposed by the Nebraska Insurance Holding Company Systems Act, Sections 44-2120-44-2154, Sections 23A, 23B, 22(g) and 22(h) of the Federal Reserve Act (FRA) through Section 10 of the Home Owners' Loan Act (HOLA) 12 USC 1468 or which in such Committee's opinion might be applicable to a potential conflict of interest. In the event the Intermediate Holding Company or any of its subsidiaries shall determine to raise debt or equity capital in the future, prior to initiating any such transaction, the Intercompany Transactions Committee will review such transaction or transactions between the outside investor or investors and the Surviving Mutual Holding Company or its subsidiaries for the purpose of ensuring that the interests of Members are protected.

Section 3.05. **Audit Committee.** The Board of Directors shall establish and maintain an Audit Committee comprised of Independent Directors who shall serve until their successors are elected and qualified. The Audit Committee shall assist the Board of Directors in its oversight of the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements and the performance of the Company's internal audit functions. The Audit Committee will also interact directly with and evaluate the performance of independent auditors, including determining whether to engage or dismiss such independent auditors and to monitor their qualifications and independence.

Section 3.06. **Ameritas Acacia Designation Committee.** For the Mandatory Period, there shall be an Ameritas Acacia Designation Committee. The initial members of the Ameritas Acacia Designation Committee shall be the following fourteen (14) persons, each of whom shall be deemed to be an Ameritas Acacia Designee: James P. Abel, Haluk Ariturk, Lawrence J. Arth, William W. Cook, Jr., Bert A. Getz, James R. Knapp, Patricia A. McGuire, Floretta D. McKenzie, Tonn M. Ostergard, Edward J. Quinn, Jr., Paul C. Schorr, III, Wayne D. Silby, Winston J. Wade, and Robert M. Willis. Thereafter, during the Mandatory Period, the Ameritas Acacia Designation Committee shall be comprised of the Ameritas Acacia Designees then serving as Directors of the Company. The Ameritas Acacia Designation Committee shall, in connection with each annual meeting of the Members at which Directors will be elected, select and designate the persons that shall comprise the Ameritas Acacia Designees to be nominated for election at such meeting, all of whom shall be at least 21 years of age and legally qualified to act as Directors. The Ameritas Acacia Designation Committee shall provide a list of the Ameritas Acacia Designees to be so nominated to the Nominating and Corporate Governance Committee at least sixty (60) days prior to the next annual meeting of Members. If a person so designated declines to stand for election before the ensuing annual meeting of the Members, the Ameritas Acacia Designation Committee shall designate another nominee. The Ameritas Acacia Designation Committee shall have the power, by majority vote, to enforce the provisions of the Merger Agreement set forth in Sections 1.3 and 1.5 through 1.11 thereof and to enforce the provisions of these By-laws that apply during the Mandatory Period.

Section 3.07. **Union Central Designation Committee.** For the Mandatory Period, there shall be a Union Central Designation Committee. The initial members of the Union Central Designation Committee shall be the following eleven (11) persons, each of whom shall be deemed to be a Union Central Designee: James M. Anderson, Michael S. Cambron, Richard H. Finan, Michael A. Fisher, John H. Jacobs, Francis V. Mastrianna, Thomas E. Petry, Larry R. Pike, Myrtis H. Powell, Dudley S. Taft, and John M. Tew, Jr. Thereafter, during the Mandatory Period, the Union Central Designation Committee shall be comprised of the Union Central Designees then serving as Directors of the Company. The Union Central Designation Committee shall, in connection with each annual meeting of Members at which Directors will be elected, select and designate the persons that shall comprise the Union Central Designees to be nominated for election at such meeting, all of whom shall be at least 21 years of age and legally qualified to act as Directors. The Union Central Designation Committee shall provide a list of the Union Central Designees to be so nominated to the Nominating and Corporate Governance Committee at least sixty (60) days prior to the next annual meeting of Members. If a person so designated declines to stand for election before the ensuing Annual Meeting of Members, the Union Central Designation Committee shall designate another nominee. The Union Central Designation Committee shall have the power, by majority vote, to enforce the provisions of the Merger Agreement set forth in Sections 1.3 and 1.5 through 1.11 thereof and to enforce the provisions of these By-laws that apply during the Mandatory Period.

Section 3.08. **Compensation Committee.** The Board of Directors shall establish and maintain a Compensation Committee comprised of Independent Directors who shall serve until their successors are elected and qualified. The Compensation Committee will evaluate and make recommendations with respect to (and report such evaluations and recommendations to the Board of Directors) the compensation of the officers of the Company, and their performance relative to their compensation, to assure that they are compensated effectively in a manner consistent with the overall objectives of the Company. During the course of such evaluations, the Compensation Committee shall take into account historical compensation levels, internal equity considerations, competitive practice, the state of the current market, and any limitations of applicable regulatory bodies. The Board of Directors shall make all final determinations relating to the compensation of executive officers of the Company. In addition, the Compensation Committee shall evaluate and make recommendations to the Board regarding the compensation of the members of the Board of Directors, including their compensation for services on committees of the Board of Directors.

Section 3.09. **Standing Committees.** The Board of Directors may establish and discontinue standing committees, as it may from time-to-time consider necessary and proper, and delegate to each of them such responsibilities and authority as it may deem appropriate, provided however, that during the Mandatory Period, the Board of Directors shall not abolish the following committees without a Supermajority Vote: Executive Committee, Nominating and Corporate Governance Committee, Audit Committee, Ameritas Acacia Designation Committee and the Union Central Designation Committee. The Chairman and Vice Chairman of the Board shall be ex-officio members of each standing committee with full voting rights, except that neither the Chairman of the Board nor the Vice Chairman of the Board shall be a voting member of the Audit Committee, the Nominating and Corporate Governance Committee or the Compensation Committee.

Section 3.10. **Committee Secretary.** The chairman of each committee other than the Executive Committee shall appoint a committee secretary, who shall keep minutes of the official votes and acts of the committee and such other records of the committee's deliberations and activities as the chairman shall direct. The committee secretary shall keep one copy of such minutes and shall file a copy with the Secretary of the company and send a copy to each member of the Executive Committee.

Section 3.11. **Vacancies in Committee.** Vacancies in any committee (other than the Ameritas Acacia Designation Committee and the Union Central Designation Committee) may be filled by action of the Board of Directors.

Section 3.12. **Committee Chairman.** Each committee of the Board shall elect a Chairman to preside at the meetings of such committee. During the Mandatory Period, at least one (1) of the following committees of the Board of Directors shall be chaired by a Union Central Designee then serving as Director: Nominating and Corporate Governance Committee; Audit Committee or Compensation Committee.

Section 3.13. **Quorum.** A majority of the members of any committee shall constitute a quorum for the transaction of business.

Section 3.14. **Selection of Initial Committee Members.** The initial members of the committees required to be established and maintained under these By-laws shall be comprised of the Directors designated to serve on such committees pursuant to Section 1.6 of the Merger Agreement.

ARTICLE IV.

Indemnification and Exculpation

Section 4.01. **Indemnification.** The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that such person is or was a director, officer or employee of the company or is or was serving at the request of the company as a director, officer or employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including attorney's fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding to the full extent authorized by the laws of the State of Nebraska.

Section 4.02. **Personal Liability.** No person employed by the Company as a director, officer, employee, or agent or serving at the request of the Company as a director, officer, employee, or agent of one of the Company's subsidiaries or affiliates shall be personally liable to the Company or any member thereof for monetary damages of any type which arise as a result of acts or omissions by the director, officer, employee, or agent which are related to the director's, officer's, employee's, or agent's job responsibilities with the Company, which are done in good faith and which do not involve intentional misconduct or a knowing violation of the law. No person serving at the request of the Company as a director or officer shall be personally liable to the Company or any Member thereof for monetary damages of any type which arise as a result of the directors enforcement of the provisions of Sections 1.3 and 1.5 through 1.11 of the Merger Agreement or these By-laws, to the extent permitted by applicable law.

Section 4.03. **Non-Exclusive Provision.** The foregoing right of indemnity and reimbursement shall not be deemed exclusive of any other rights to which any director, officer, employee, or agent may be entitled under any other law, by-law, agreement, vote of shareholders or otherwise.

ARTICLE V.

Miscellaneous

Section 5.01. **Amendments.** These By-laws may be amended by the Board of Directors at any regular or special meeting, but during the Mandatory Period only by affirmative vote of a Supermajority of the Board of Directors, except that the provisions of clause (y) of Section 1.01(d) may not be amended without the unanimous vote of the entire Board of Directors.

EXHIBIT K

Form of Articles of Incorporation of Intermediate Holding Company

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF AMERITAS HOLDING COMPANY

The undersigned corporate entity, acting as the incorporator of a corporation under the Nebraska Business Corporation Act, adopts the following Articles of Incorporation of such corporation:

ARTICLE I.

Section 1.01. **Name; Principal Place of Business.** The name of the Company is Ameritas Holding Company (the "Company"). The principal place of business of the Company shall be at Lincoln, Lancaster County, Nebraska.

Section 1.02. **Resident Agent.** The resident agent of the Company shall be Ameritas whose address is the Company's office located at 5900 "O" Street, Lincoln, Nebraska.

ARTICLE II.

Section 2.01. **Commencement of Existence.** The Company shall commence and be in existence on January 1, 1998 at 12:01 a.m.

Section 2.02. **Duration.** The Company shall have perpetual duration.

ARTICLE III.

Section 3.01. **Purpose.** The purpose of the Company is to transact and engage in any and all lawful business for which corporations may be organized under the Nebraska Business Corporation Act or the Nebraska Mutual Insurance Holding Company Act, and any and all lawful business which, directly or indirectly, arises therefrom, is incidental thereto, is associated therewith, is in furtherance thereof, or which facilitates the foregoing.

Section 3.02. **Rights and Powers.** The Company shall have and exercise all powers and rights conferred upon corporations by the Nebraska Mutual Insurance Holding Company Act and the Nebraska Business Corporation Act, except as otherwise limited by the Nebraska Mutual Insurance Holding Company Act, and any enlargements of such powers conferred by subsequent legislative acts; and in addition thereto, the Company shall have and exercise all powers and rights not otherwise denied corporations by the laws of the State of Nebraska applicable to corporations organized pursuant to the Nebraska Mutual Insurance Holding Company Act and the Nebraska Business Corporation Act as necessary, suitable, proper, convenient or expedient for the attainment of the purposes set forth in Article III.

Section 3.03. **Corporate Nature and Capital.** The aggregate number of shares which the Company shall have authority to issue is 120 million shares of capital stock, of which 20 million shares shall be preferred stock, having a par value of $0.01 per share, issuable in one or more series, and 100 million shares shall be common stock, having a par value of $0.01 per share. Except as may be provided by written agreement with the mutual insurance holding company that is the beneficial majority owner of the corporation, no preemptive right to newly issued shares shall be granted to any person.

Section 3.04. **Limitations on Shares.** The Board of Directors may determine, in whole or in part, the preferences, limitations, and relative rights within the limits set forth in Neb. Rev. Stat. Section 21-2035, of (a) any class of shares before the issuance of any shares of that class or (b) one or more series within a class before the issuance of any shares of that Series.

Section 3.05. **Limited Liability.** The private property of the shareholders, officers and directors of the Company shall in no case be liable for corporate debts but shall be exempt therefrom.

ARTICLE IV.

Section 4.01. **Board of Directors.**

a. The business and affairs of the Company shall be conducted by a Board of Directors. Subject to reduction as provided in the By-laws of the Company, the number of persons constituting the entire Board of Directors (each, a "Director") of the Company shall consist of twenty-five (25) persons divided into three (3) staggered classes. Class I shall consist of nine (9) Directors; Class II shall consist of eight (8) Directors; Class III shall consist of eight (8) Directors, unless and until the number of Directors in any class is reduced as set forth in the By-laws of the Company. The initial term of the Class I Directors shall expire at the annual meeting of the shareholders in 2008. The initial term of Class II Directors shall expire at the annual meeting of shareholders in 2007 and the initial term of the Class III Directors shall expire at the annual meeting of shareholders in 2006. After the expiration of their initial term, the term of the Directors of each class shall be three (3) years.

b. The Board of Directors shall exercise all of the corporate powers of the Company, except as otherwise provided by law, and shall manage all the property, business, and affairs of the Company. A majority of the Board of Directors shall constitute a quorum. The Board of Directors may provide for the appointment of an Executive Committee and may, to the extent allowed by law and the Company's By-laws, delegate to such Committee any or all of its powers and authority not reserved or restricted by these Articles, the By-laws, or applicable law.

c. The Board of Directors shall have the full power from time-to-time to make, alter, amend or rescind by-laws, rules, and regulations for the conduct of the business and affairs of the Company in conformity with the provisions of these Articles and the By-laws and to employ or provide for the employment of such officers and agents and appoint such committees as it may, in its discretion, find appropriate for the conduct of such business and affairs.

d. At each annual meeting of the shareholders, there shall be elected for a term of three (3) years, a class of directors to replace those whose terms shall be then expiring.

e. At each annual meeting of the shareholders, there shall be elected for a term of three (3) years, a class of directors to replace those whose terms shall be then expiring. The persons constituting the initial Board of Directors and their respective terms shall be:

Class I:

Name:	Initial Term Expires:
James M. Anderson	2008
Lawrence J. Arth	2008
Bert A. Getz	2008
John H. Jacobs	2008
Floretta D. McKenzie	2008
Larry R. Pike	2008
Dudley S. Taft	2008
Winston J. Wade	2008
Robert M. Willis	2008

Class II:

Name:	Initial Term Expires:
James P. Abel	2007
Haluk Ariturk	2007
Michael S. Cambron	2007
Richard H. Finan	2007
Michael A. Fisher	2007
Francis v. Mastrianna, Ph.D.	2007
Tonn M. Ostergard	2007
D. Wayne Silby	2007

Class III:

Name:	Initial Term Expires:
William W. Cook Jr.	2006
James R. Knapp	2006
Patricia A. McGuire	2006
Thomas E. Petry	2006
Myrtis H. Powell, Ph.D.	2006
Edward J. Quinn Jr.	2006
Paul C. Schorr III	2006
John M. Tew, Jr., M.D.	2006

ARTICLE V.

Section 5.01. **Annual Meeting of Shareholders.** The annual meeting of the shareholders shall be held at the home office of the Company on such day and at such time of day as may be determined by the Board of Directors no later than June 30th of each year. Special meetings of shareholders may be called at any time by the Chief Executive Officer and shall be called by the Chief Executive Officer upon a request from the majority of the Board of Directors. Notice of every special meeting of shareholders shall be delivered to each of the shareholders entitled to vote thereon at his or her last known address not less than ten (10) nor more than fifty (50) days prior to the date set for the meeting. Such notice shall state the date and place of the special meeting as well as the purpose for which it is called.

Section 5.02. **Action Without Meetings.** Actions required or permitted to be taken at a shareholders' meeting may be taken without a meeting if the action is taken by all of the shareholders entitled to vote on the action. Such action shall be evidenced by one or more written consents describing the action taken, signed by all the shareholders entitled to vote on the action, and delivered to the Company for inclusion in the minutes or filing with the corporate records.

Section 5.03. **Amendment.** Except as otherwise provided by law, these Articles may be amended at any annual meeting of the shareholders by a vote of two-thirds of the qualified voters present and voting in person or by proxy or at a special meeting of the shareholders by a like vote, but no amendment shall be acted upon at a special meeting unless the notice of such meeting includes a copy of the proposed amendment.

ARTICLE VI.

Section 6.01. **Indemnification.** Pursuant to the provisions of Neb. Rev. Stat. Section 21-20,110, the Company obligates itself in advance to provide indemnification in accordance with the provisions of Neb. Rev. Stat. Section 21-20,105 and shall be obligated to provide indemnification to the fullest extent permitted by law, including the provision of Neb. Rev. Stat. Sections 21-20,102 to 21-20,111 as provided in the By-laws of the Company.

ARTICLE VII.

Section 7.01. **Incorporator.** The name and address of the incorporator is: Ameritas Life Insurance Corp., P.O. Box 81889, Lincoln, Nebraska 68501-1889.

Ameritas Life Insurance Corp.

By: _____

Donald R. Stading
General Counsel

EXHIBIT L
Form of By-laws of Intermediate Holding Company

AMENDED AND RESTATED

AMERITAS HOLDING COMPANY BY-LAWS

ARTICLE I.

Offices

Section 1.01. **Principal Office.** The principal office of the Ameritas Holding Company (the "Company") in the State of Nebraska shall be located in the City of Lincoln, County of Lancaster. The Company may have such other offices, either within or without the State of Nebraska, as the Board of Directors may designate or as the business of the Company may require from time to time.

Section 1.02. **Registered Office.** The registered office of the Company may be, but need not be, identical with the principal office in the State of Nebraska, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II.

Shareholders

Section 2.01. **Annual Meeting.** The annual meeting of the shareholders of the Company (the "Shareholders") shall be held on such day at such time of day as may be determined by the Board of Directors but in no event later than June 30 of each year. If the day fixed for the annual meeting shall be on a legal holiday in the State of Nebraska, such meeting shall be held on the next succeeding business day.

Section 2.02. **Special Meetings.** Special meetings of the Shareholders, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Chairman of the Board or the President or by the Board of Directors, and shall be called by the Chairman of the Board, the President or the Secretary at the request of the holders of not less than one-tenth of all the outstanding shares of the Company entitled to vote at the meeting.

Section 2.03. **Place of Meetings.** Written or printed notice stating the place (either within or without the State of Nebraska), the day and the hour of the meeting and, in case of a special meeting; the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the Chairman or the Secretary, or the officer or persons calling the meeting, to each Shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Shareholder at its address as it appears on the stock transfer books of the Company, with postage thereon prepaid.

Section 2.04. **Quorum.** A majority of the outstanding shares of the Company entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of Shareholders. If less than a majority of the outstanding shares are represented at a meeting, those present may adjourn the meeting from time to time with notice to Shareholders. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed.

Section 2.05. **Proxies.** At all meetings of Shareholders, a Shareholder may vote by proxy executed in writing by the Shareholder or by its duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the Company before or at the time of the meeting.

Section 2.06. **Voting of Shares.** Each outstanding share entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of Shareholders.

Section 2.07. **Voting of Shares by Certain Holders.** Shares standing in the name of another corporation may be voted by such officer, agent or proxy as the Board of Directors of such corporation may prescribe.

Section 2.08. **Informal Action by Shareholders.** Any action required to be taken at a meeting of the Shareholders, or any other action which may be taken at a meeting of the Shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Shareholders entitled to vote with respect to the subject matter thereof.

ARTICLE III.

Board of Directors

Section 3.01. **General Powers.** The business and affairs of the Company shall be managed by its Board of Directors.

Section 3.02. **Number, Term.**

a. Subject to subsection (d) of this Section 3.02, the number of persons constituting the entire Board of Directors (each, a "Director") of the Company shall consist of twenty-five (25) persons divided into three (3) staggered classes. Class I shall consist of nine (9) Directors; Class II shall consist of eight (8) Directors; Class III shall consist of eight (8) Directors, unless and until the number of Directors in any class is reduced as set forth in subsection (d) below. The initial term of the Class I Directors shall expire at the annual meeting of Shareholders in 2008. The initial term of Class II Directors shall expire at the annual meeting of Shareholders in 2007 and the initial term of the Class III Directors shall expire at the annual meeting of Shareholders in 2006. After the expiration of their initial term, the term of the Directors of each class shall be three (3) years.

b. From and after the date of adoption of these Amended and Restated By-Laws and continuing for six (6) years (the "Mandatory Period"), the persons to be nominated by the Company to serve as Directors shall consist of fourteen (14) persons to be designated by the Ameritas Acacia Designation Committee (the "Ameritas Acacia Designees") and eleven (11) persons to be designated by the Union Central Designation Committee (the "Union Central Designees"), or if the total number of Directors shall have been reduced, by the persons then serving as Ameritas Acacia Designees or Union Central Designees, as the case may be. The number of Ameritas Acacia Designees serving in any class shall not exceed the number of Union Central Designees serving in such class by more than one (1) person for more than a reasonable period of time as determined in good faith by the Board of Directors. No more than two (2) of the Ameritas Acacia Designees may be Inside Directors and no more than two (2) of the Union Central Designees may be Inside Directors; provided, however, that from and after the date that Mr. Larry R. Pike retires from the Board of Directors, only one (1) Union Central Designee maybe an Inside Director. Except for the Inside Directors, all other Directors shall be Independent Directors. Commencing with the annual meeting of Shareholders in 2006, the members of the Board of Directors of the Company shall be elected from time to time by the Shareholders of the Company. During the Mandatory Period, the Company shall solicit proxies from the Shareholders (unless the Company is a wholly owned subsidiary) to be voted for the election of the Ameritas Acacia Designees and the Union Central Designees at the annual meeting of Shareholders. For purposes of these By-laws, a Director shall be deemed to be an "Inside Director" if he is not "Independent." For purposes of these By-laws, a Director shall be deemed to be "Independent" if he or she (x) is not a full time employee of the Company or any of its affiliates and has not been such at any time during the last five (5) years and (y) is not being paid any remuneration by any of such entities, other than customary Director's fees and expenses.

c. No person shall be nominated to serve as a Director after he has attained the age of 72 and a Director who attains the age of 72 shall resign or be removed not later than the next annual meeting of Shareholders occurring after his 72nd birthday. No Inside Director shall serve as a Director after such Inside Director is no longer a full-time employee of the Company or any of its affiliates, except that Mr. Larry R. Pike may continue as an Inside Director until his retirement from the Board pursuant to the first sentence of this subsection (c).

d. The Board of Directors shall have the authority by resolution to decrease the total number of persons that constitute the entire Board of Directors to a number less than twenty-five (25) but not less than five (5), so long as, (x) during the Mandatory Period, the ratio of twelve (12) Independent Ameritas Acacia Designees to nine (9) Independent Union Central Designees serving on the Board of Directors is maintained, continued and perpetuated as precisely as is practical, and provided further, that (y) the number of Ameritas Acacia Designees serving on the Board of Directors shall perpetually exceed the number of Union Central Designees by at least one (1) but by not more than three (3) director(s).

Section 3.03. **Vacancies in the Board of Directors.**

a. If, during the Mandatory Period, any of the Ameritas Acacia Designees or Union Central Designees shall resign or be unable, for any reason, to continue to serve as Director of the Company for the remainder of his scheduled term

(such Director, a "Vacating Director"), and the Board of Directors determines to fill such vacancy rather than reduce the size of the Board of Directors, then the Ameritas Acacia Designation Committee (if the Vacating Director was an Ameritas Acacia Designee) or the Union Central Designation Committee (if the Vacating Director was a Union Central Designee) shall designate another person to serve in such person's stead for the remainder of the term of such Vacating Director, which designation shall be subject to approval of the Board.

b. If a Vacating Director was an Independent Director, then his replacement selected pursuant to (a) above shall also be an Independent Director. If a Vacating Director is not an Independent Director, then his successor need not be an Independent Director, provided, however, that if Mr. Larry R. Pike is the Vacating Director, then his replacement shall be an Independent Director.

Section 3.04. **Quorum.** A majority of the entire Board of Directors shall constitute a quorum for the transaction of business.

Section 3.05. **Supermajority Vote Requirement.** A vote of eighty percent (80%) of the entire Board of Directors shall constitute a Supermajority Vote. A Supermajority Vote shall be required to authorize any of the following actions: amendment to or waiver of any provisions of these By-laws; the redomestication or change of domicile of the Company from the State of Nebraska; relocation of the domicile of any of the Company's subsidiaries from their current domicile; the change of any subsidiary's name; a material change to the Company's capital structure; the sale of any subsidiary; sale or disposition of substantially all or all of the assets of the Company or any of its subsidiaries; a corporate reorganization of the Company; raising of debt or equity capital by the Company; the merger or consolidation, demutualization, liquidation, dissolution of the Company; and any modification, amendment or waiver of any provision of Sections 1.3 and 1.5 to 1.11 of the Agreement and Plan of Merger between Ameritas Acacia Mutual Holding Company and the Union Central Life Insurance Company dated January 28, 2005 (the "Merger Agreement"). The requirements of this Section 3.05 shall remain in effect during the "Mandatory Period and, thereafter, shall automatically become null and void. Unless a Supermajority Vote is required, the action of the majority of the Directors present at a meeting at which a quorum is present shall be sufficient to authorize corporate action on behalf of the Company, unless a greater vote is required by law.

Section 3.06. **Meetings.**

a. The Board of Directors shall meet as determined by the Board of Directors, but in any event no less than four (4) times in each calendar year. The annual meeting of the Board of Directors shall be held in the home office of the Company located in Lincoln, Nebraska, following the annual meeting of the Shareholders.

b. At least one (1) meeting of the Board of Directors shall be held annually in the Washington D.C. metropolitan area at least one (1) meeting of the Board of Directors shall be held in the Cincinnati, Ohio metropolitan area. The remaining meetings of the Board of Directors shall be at such place and time as the Board of Directors shall determine from time to time in advance of said meetings. Other meetings of the Board of Directors shall be held at such time and place as shall be fixed at any time prior to such meeting and in the case of called meetings, as stated in the notice of call of the meetings.

Section 3.07. **Notices of Meetings.**

a. Meetings of the Board of Directors, other than the annual meeting of Directors, may be held upon the call of the Chairman of the Board, or in the case of his or her absence or incapacity, by the Vice Chairman of the Board, or promptly upon the written request by a majority of the members of the Board of Directors. The time and place of each such meeting shall be stated in the written notice of call and shall be transmitted by the Secretary to each Director at his or her address on record with the Secretary in reasonably sufficient time to permit convenient travel by usual means to the place of the meeting. Call and notice of call, or both, may be waived by any Director either before or after the meeting. Attendance without protest at any meeting by any Director shall constitute a waiver by him or her of call and notice of call.

b. Members of the Board of Directors or any committee appointed by the Board of Directors may participate in any meeting, other than the annual meeting of Directors, by means of telephone conference or similar communications equipment, so long as all members participating in the meeting can hear each other. Participation in such meeting in such manner shall constitute presence in person at such meeting.

Section 3.08. **Manner of Acting.** Members of the Board of Directors or of any committee appointed by the Board may participate in a meeting by means of conference telephone or similar communications equipment whereby all members participating in the meeting are able to hear each other, and participation in such meeting in such manner shall constitute presence in person at such meeting. Any two members of the Board of Directors may, upon written request directed to the

Chairman or the Secretary of the Corporation, (i) place any matter on the agenda for any meeting of the Board of Directors and/or (ii) call for a vote on any agenda item during any meeting of the Board of Directors. Any action required or permitted to be taken at a meeting of the Board of Directors, or of any committee appointed by the Board, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Directors or all of the members of such committee, as the case may be.

Section 3.09. **Compensation.**

a. Each Director shall be paid $100.00 for attendance at the annual board meeting.

b. In addition to the compensation set forth in paragraph (a) above, each Independent Director shall be paid an annual compensation payable monthly or quarterly, as shall be determined by the Board of Directors from time-to-time and agreed upon with such directors, additional compensation for attending meetings of the Board of Directors or meetings of committees, and be reimbursed for reasonable expenses incurred in attending such meetings.

ARTICLE IV.

Officers

Section 4.01. **Executive Officers.**

a. The Company shall have the following Executive Officers and Officers:

1. A Chairman of the Board, who may also be designated as Chief Executive Officer;
2. A Vice Chairman of the Board, who may also be designated as President and Chief Operating Officer;
3. A President, if the Vice Chairman of the Board has not been designated as the President;
4. Such number of Chief Operating Officers, Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, Second Vice Presidents, and Assistant Vice Presidents as the Board of Directors shall from time-to-time determine;
5. A Secretary and one or more Assistant Secretaries; and
6. A Treasurer.

b. One person may hold more than one office at the same time, except that the Chairman of the Board or the Vice Chairman of the Board cannot also hold the office of Secretary, Treasurer or Vice President.

Section 4.02. **Chairman of the Board.** The Chairman of the Board shall preside at all meetings of the Shareholders, the Board of Directors and the Executive Committee. He or she shall, unless a different officer is so designated by the Board of Directors, be the Chief Executive Officer of the Company, and as such, shall have the general direction and supervision of the business affairs of the Company subject to the direction of the Board of Directors. He or she may delegate such duties and responsibilities and authority to other officers as he or she may deem proper.

Section 4.03. **Vice Chairman of the Board.** The Vice Chairman of the Board, in the absence or incapacity of the Chairman of the Board, shall preside at all meetings of the Shareholders, the Board of Directors, and the Executive Committee.

Section 4.04. **President.** The President, in the absence or incapacity of the Chairman of the Board, shall be the Chief Executive Officer of the Company. He or she shall, unless a different officer is so designated by the Board of Directors, shall have general control and management of the business affairs of the Company subject to the direction of the Chairman of the Board, the Vice Chairman of the Board and the Board of Directors. He or she may delegate such duties and responsibilities and authority to other officers as he or she may deem proper.

Section 4.05. **Secretary.** The Secretary shall give due notice of special meetings of the Shareholders and shall keep accurate minutes and records of all meetings of the Shareholders. He or she shall be Secretary to the Board of Directors and the Executive Committee and as such, shall give due notice of meetings of each and shall keep accurate minutes and records of the proceedings at all meetings of both. He or she shall have general supervision over all corporate records of the Company and shall perform such other duties as the Board of Directors or the Executive Committee shall from time-to-time direct.

Section 4.06. **Treasurer.** The Treasurer shall see that just and true cash, check, bank, and other proper financial records are kept, especially including records of all monies received, deposited, drawn and dispersed. He or she shall be generally in

charge of the safekeeping of the assets of the Company and shall perform such other duties as the Boards of Directors or the Executive Committee shall direct.

Section 4.07. **Other Executive Officers.** The powers, authority, duties, and responsibilities for other executive officers shall be delegated and defined by the Board of Directors or if no such delegation and definition by them, then by the Chairman of the Board or the Vice Chairman of the Board.

Section 4.08. **Succession of the Chairman of the Board and the Chief Executive Officer.** The Company shall take action (i) to cause Lawrence J. Arth to serve as Chairman of the Board of Directors and Chief Executive Officer beginning on the effective date of these By-laws and continuing until the earlier to occur of his no longer serving as Chief Executive Officer or July 31, 2008, and (ii) to cause John H. Jacobs to serve as Vice Chairman of the Board of Directors, President and Chief Operating Officer of the Company beginning on the effective date of these By-laws and continuing until the appointment described in the next sentence hereof. The Company shall take all necessary action to cause John H. Jacobs to be elected and appointed as Chairman of the Board of Directors and Chief Executive Officer of the Company to immediately succeed Mr. Arth no later than July 31, 2008.

Section 4.09. **Election and Appointment of Officers.** At each annual meeting of the Board of Directors, the Board of Directors shall elect persons to serve as the officers named above and may elect or appoint any other officers which it shall deem appropriate, assign the official titles to each, fix and authorize payment of the compensation of each such officer and provide for the duties of such office.

Section 4.10. **Term of Office; Vacancies.** The officers elected by the Board of Directors shall hold their respective positions from time of election or appointment until the next annual meeting of the Board of Directors and until their successors are elected. Vacancies occurring among the Executive Officers may be filled by action of the Board of Directors in a manner consistent with the Merger Agreement.

Section 4.11. **Removal.** Any officer elected by the Board of Directors may be removed by and at any time and his or her title, duties and compensation adjusted upon affirmative vote of the majority of the Board of Directors; provided however, that during the Mandatory Period, the Chief Executive Officer and the Chief Operating Officer may not be removed without a Supermajority Vote. A finding by the Board of Directors that any officer is permanently disabled shall create a vacancy in the office held by such officer.

Section 4.12. **Administrative Officers.** The Executive Committee may, at its discretion, designate such administrative officers as it may deem proper and delegate such duties, responsibilities and authority to them as it may determine.

Section 4.13. **Salaries.** The salaries of the officers, if any, shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a Director of the Company.

Section 4.14. **Delegation of Duties.** The Board of Directors may at its discretion designate such administrative officers as it may deem proper and delegate such duties, responsibilities and authority to them as it may determine.

ARTICLE V.

Committees

Section 5.01. **Executive Committee.** At each of its annual meetings, the Board of Directors shall elect not less than three (3) Directors to serve, together with the Chairman of the Board and the Vice Chairman of the Board, as the Executive Committee for the ensuing year and until their successors are elected and qualified. Any vacancy in the Executive Committee occurring during the year may be filled for the unexpired term by the Board of Directors. Notice of call of meeting may be written or by telephone and shall be given to each member in sufficient time to permit convenient travel by usual means to the meeting. Call and notice of call of meetings may be waived before or after the meeting. Attendance without protest at any meeting shall constitute a waiver of call and notice of call thereof by the attending member. A majority of members of the Executive Committee shall constitute a quorum for the transaction of business.

Section 5.02. **Duties of Executive Committee.** Except as limited by the laws of the State of Nebraska or by the provisions of the Articles of Incorporation, the Executive Committee shall possess and exercise all the powers of the Board of Directors in the interim between meetings of the Board of Directors. The Executive Committee shall carry into practical effect all orders and directions of the Board of Directors and shall in such interim decide all questions of current business policy. The Secretary shall promptly forward a copy of the minutes of each meeting of the Executive Committee to each director. It may

elect, appoint, employ, remove or authorize the appointment, employment or removal of such supervisory and administrative officers and employees as it shall deem necessary for the conduct of the company's business, including one or more assistant secretaries and one or more assistant treasurers, with full authority to perform the duties of Secretary and Treasurer, respectfully, and fix and authorize payment of the compensation of such officers and employees. It may, at its discretion, adjust the compensation of such officers and employees so elected, appointed or employed.

Section 5.03. **Nominating and Corporate Governance Committee.**

a. The Board of Directors shall establish and maintain a Nominating and Corporate Governance Committee comprised of eight (8) Independent Directors who shall serve until their successors are elected and qualified. During the Mandatory Period, the Nominating and Corporate Governance Committee shall be composed of an equal number of Ameritas Acacia Directors and Union Central Directors, all of whom shall be Independent and, subject to the powers of the Ameritas Acacia Designation Committee and the Union Central Designation Committee set forth in Sections 5.05 and 5.06 hereof, shall be responsible for the nomination of persons to stand for election as Directors. Subject to the powers of the Ameritas Acacia Designation Committee and the Union Central Designation Committee set forth in Sections 5.05 and 5.06 hereof, the Nominating and Corporate Governance Committee shall evaluate prospective director nominees against such evaluation criteria as experience, expertise, education, professionalism, diversity, geographic location, reputation, and other relevant considerations. The Nominating and Corporate Governance Committee shall submit to the Board of Directors a complete list of all persons who have been nominated to stand for election as Director (which, during the Mandatory Period, shall consist of the Ameritas Acacia Designees and the Union Central Designees) and any Director nominees proposed by Shareholders in accordance with the Articles of Incorporation. The Board of Directors shall thereupon declare as nominees the persons who have been so nominated in accordance with the above provisions and the nominations shall be closed. The Nominating and Corporate Governance Committee shall make periodic recommendations to the Board of Directors as to which Directors should serve as members of the various committees of the Board of Directors and as the chairpersons thereof.

b. If, during the Mandatory Period, any of the Ameritas Acacia Designees or Union Central Designees shall resign or be unable to serve as a member of the Nominating and Corporate Governance Committee for any reason, the Ameritas Acacia Designation Committee (if such person was an Ameritas Acacia Designee) or Union Central Designation Committee (if such person was a Union Central Designee) shall designate another Director to serve in such person's stead, which designation shall be subject to the approval of the Board.

Section 5.04. **Audit Committee.** The Board of Directors shall establish and maintain an Audit Committee comprised of Independent Directors who shall serve until their successors are elected and qualified. The Audit Committee shall assist the Board of Directors in its oversight of the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements and the performance of the Company's internal audit functions. The Audit Committee will also interact directly with and evaluate the performance of independent auditors, including determining whether to engage or dismiss such independent auditors and to monitor their qualifications and independence.

Section 5.05. **Investment Committee.** The Board of Directors shall establish and maintain an Investment Committee comprised of Independent Directors who shall serve until their successors are elected and qualified. The Investment Committee shall have control and management of the assets of the Company and of all business pertaining thereto, be responsible for decisions with respect to investment risk management of the Company (unless otherwise required by law), and be responsible for recommending to the Board of Directors investment policies and practices and decisions respecting the investment and sale of assets.

Section 5.06. **Ameritas Acacia Designation Committee.** For the Mandatory Period, there shall be an Ameritas Acacia Designation Committee. The initial members of the Ameritas Acacia Designation Committee shall be the following fourteen (14) persons, each of whom shall be deemed to be an Ameritas Acacia Designee: James P. Abel, Haluk Ariturk, Lawrence J. Arth, William W. Cook, Jr., Bert A. Getz, James R. Knapp, Patricia A. McGuire, Floretta D. McKenzie, Tonn M. Ostergard, Edward J. Quinn, Jr., Paul C. Schorr, III, Wayne D. Silby, Winston J. Wade, and Robert M. Willis. Thereafter, during the Mandatory Period, the Ameritas Acacia Designation Committee shall be comprised of the Ameritas Acacia Designees then serving as Directors of the Company. The Ameritas Acacia Designation Committee shall, in connection with each annual meeting of the Shareholders at which Directors will be elected, select and designate the persons that shall comprise the Ameritas Acacia Designees to be nominated for election at such meeting, all of whom shall be at least 21 years of age and legally qualified to act as Directors. The Ameritas Acacia Designation Committee shall provide a list of the Ameritas Acacia Designees to be so nominated to the Nominating and Corporate Governance Committee at least sixty (60) days prior to the

next annual meeting of Shareholders. If a person so designated declines to stand for election before the ensuing annual meeting of the Shareholders, the Ameritas Acacia Designation Committee shall designate another nominee. The Ameritas Acacia Designation Committee shall have the power, by majority vote, to enforce the provisions of the Merger Agreement set forth in Sections 1.3 and 1.5 through 1.11 thereof and to enforce the provisions of these By-laws that apply during the Mandatory Period.

Section 5.07. **Union Central Designation Committee.** For the Mandatory Period, there shall be a Union Central Designation Committee. The initial members of the Union Central Designation Committee shall be the following eleven (11) persons, each of whom shall be deemed to be a Union Central Designee: James M. Anderson, Michael S. Cambron, Richard H. Finan, Michael A. Fisher, John H. Jacobs, Francis V. Mastrianna, Thomas E. Petry, Larry R. Pike, Myrtis H. Powell, Dudley S. Taft, and John M. Tew, Jr. Thereafter, during the Mandatory Period, the Union Central Designation Committee shall be comprised of the Union Central Designees then serving as Directors of the Company. The Union Central Designation Committee shall, in connection with each annual meeting of Shareholders at which Directors will be elected, select and designate the persons that shall comprise the Union Central Designees to be nominated for election at such meeting, all of whom shall be at least 21 years of age and legally qualified to act as Directors. The Union Central Designation Committee shall provide a list of the Union Central Designees to be so nominated to the Nominating and Corporate Governance Committee at least sixty (60) days prior to the next annual meeting of Shareholders. If a person so designated declines to stand for election before the ensuing Annual Meeting of Shareholders, the Union Central Designation Committee shall designate another nominee. The Union Central Designation Committee shall have the power, by majority vote, to enforce the provisions of the Merger Agreement set forth in Sections 1.3 and 1.5 through 1.11 thereof and to enforce the provisions of these By-laws that apply during the Mandatory Period.

Section 5.08. **Compensation Committee.** The Board of Directors shall establish and maintain a Compensation Committee comprised of Independent Directors who shall serve until their successors are elected and qualified. The Compensation Committee will evaluate and make recommendations with respect to (and report such evaluations and recommendations to the Board of Directors) the compensation of the officers of the Company, and their performance relative to their compensation, to assure that they are compensated effectively in a manner consistent with the overall objectives of the Company. During the course of such evaluations, the Compensation Committee shall take into account historical compensation levels, internal equity considerations, competitive practice, the state of the current market, and any limitations of applicable regulatory bodies. The Board of Directors shall make all final determinations relating to the compensation of executive officers of the Company. In addition, the Compensation Committee shall evaluate and make recommendations to the Board regarding the compensation of the members of the Board of Directors, including their compensation for services on committees of the Board of Directors.

Section 5.09. **Standing Committees.** The Board of Directors may establish and discontinue standing committees, as it may from time-to-time consider necessary and proper, and delegate to each of them such responsibilities and authority as it may deem appropriate, provided however, that during the Mandatory Period, the Board of Directors shall not abolish the following committees without a Supermajority Vote: Executive Committee, Nominating and Corporate Governance Committee, Audit Committee, Ameritas Acacia Designation Committee and the Union Central Designation Committee. The Chairman and Vice Chairman of the Board shall be ex-officio members of each standing committee with full voting rights, except that neither the Chairman of the Board nor the Vice Chairman of the Board shall be a voting member of the Audit Committee, the Nominating and Corporate Governance Committee or the Compensation Committee.

Section 5.10. **Subsidiary Board of Directors.** During the Mandatory Period, the persons comprising the respective Boards of Directors of The Union Central Life Insurance Company and its subsidiaries at any time shall be determined solely by the Union Central Designees then in office and the persons comprising the respective Boards of Directors of Ameritas Acacia Life Insurance Company and its subsidiaries shall be determined solely by the Ameritas Acacia Designees then in office.

Section 5.11. **Committee Secretary.** The chairman of each committee other than the Executive Committee shall appoint a committee secretary, who shall keep minutes of the official votes and acts of the committee and such other records of the committee's deliberations and activities as the chairman shall direct. The committee secretary shall keep one copy of such minutes and shall file a copy with the Secretary of the company and send a copy to each member of the Executive Committee.

Section 5.12. **Vacancies in Committee.** Vacancies in any committee may be filled by action of the Board of Directors.

Section 5.13. **Committee Chairman.** Each committee of the Board shall elect a Chairman to preside at the meetings of such committee. During the Mandatory Period, at least one (1) of the following committees of the Board of Directors shall be

chaired by a Union Central Designee then serving as Director: Nominating and Corporate Governance Committee; Audit Committee or Compensation Committee.

Section 5.14. **Quorum.** A majority of the members of any committee shall constitute a quorum for the transaction of business.

Section 5.15. **Selection of Initial Committee Members.** The initial members of the committees required to be established and maintained under these By-laws shall be comprised of the Directors designated to serve on such committees pursuant to Section 1.6 of the Merger Agreement.

ARTICLE VI.

Contracts, Loans, Checks and Deposits

Section 6.01. **Contract.** The Board of Directors may authorize any officer(s) or agent(s) to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Company, and such authority may be general or confined to specific instances.

Section 6.02. **Loans.** No loans shall be contracted on behalf of the Company and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 6.03. **Checks, Drafts, Etc.** All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Company shall be signed by such officer(s) or agent(s) of the Company and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 6.04. **Deposits.** All funds of the Company not otherwise employed shall be deposited from time to time to the credit of the Company in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VII.

Certificates for Shares and Their Transfer

Section 7.01. **Certificates for Shares.** Certificates representing shares of the Company shall be in such form as shall be determined by the Board of Directors. Such certificates shall be signed by the Chief Executive Officer or a Vice President and by the Secretary or an Assistant Secretary. All certificates for shares, including certificates for newly issued shares, shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue shall be entered on the stock transfer books of the Company. All certificates surrendered to the Company for transfer shall be canceled and no new certificates shall be issued in respect of such transfer until the former certificates for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed or mutilated certificate a new one may be issued therefor upon such terms and indemnity to the Company as the Board of Directors may prescribe.

Section 7.02. **Transfer of Shares.** Transfer of shares of the Company shall be made only on the stock transfer books of the Company by the holder of record thereof or by its legal representative, who shall furnish proper evidence of authority to transfer, or by its attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Company, and on surrender for cancellation of the certificate for such shares. The person in whose name shares stand on the books of the Company shall be deemed by the Company to be the owner thereof for all purposes.

ARTICLE VIII.

Fiscal Year

Section 8.01. The fiscal year of the Company shall be January 1 to December 31.

ARTICLE IX.

Dividends

Section 9.01. The Board of Directors may from time to time declare, and the Company may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law.

ARTICLE X.

Seal

Section 10.01. The Board of Directors shall provide a corporate seal and shall have inscribed thereon the name of the Company and the words "Corporate Seal."

ARTICLE XI.

Waiver Of Notice

Section 11.01. Whenever any notice is required to be given to any Shareholder or Director of the Company under the provisions of these By-laws or under the provisions of the Articles of Incorporation or under the provisions of the Nebraska Business Corporation Act, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII.

Indemnification and Non-Liability

Section 12.01. **Indemnification.** The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that such person is or was a director, officer or employee of the company or is or was serving at the request of the company as a director, officer or employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including attorney's fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding to the full extent authorized by the laws of the State of Nebraska.

Section 12.02. **Personal Liability.** No person employed by the Company as a director, officer, employee, or agent or serving at the request of the Company as a director, officer, employee, or agent of one of the Company's subsidiaries or affiliates shall be personally liable to the Company or any Shareholder thereof for monetary damages of any type which arise as a result of acts or omissions by the director, officer, employee, or agent which are related to the director's, officer's, employee's, or agent's job responsibilities with the Company, which are done in good faith and which do not involve intentional misconduct or a knowing violation of the law. No person serving at the request of the Company as a director or officer shall be personally liable to the Company or any Shareholder thereof for monetary damages of any type which arise as a result of the directors enforcement of the provisions of Sections 1.3 and 1.5 through 1.11 of the Merger Agreement or these By-laws, to the extent permitted by applicable law.

Section 12.03. **Non-Exclusive Provision.** The foregoing right of indemnity and reimbursement shall not be deemed exclusive of any other rights to which any director, officer, employee, or agent may be entitled under any other law, by-law, agreement, vote of Shareholders or otherwise.

ARTICLE XIII.

Amendments

Section 13.01. These By-laws may be amended by the Board of Directors at any regular or special meeting, but during the Mandatory Period only by affirmative vote of a Supermajority of the Board of Directors, except that the provisions of clause (y) of Section 3.02(d) may not be amended without the unanimous vote of the entire Board of Directors.

EXHIBIT M

Closed Block Memorandum

CLOSED BLOCK MEMORANDUM

Introduction

The objective of the Closed Block is to provide reasonable assurance to owners of policies therein that, after the Effective Time, assets will be available to provide for continuation, in aggregate, of dividends throughout the life of such policies based upon the dividend scale payable for 2005 if the experience underlying such dividend scale (including the portfolio interest rate) continues, and for appropriate adjustment in such dividend scale if the experience changes. This Closed Block Memorandum sets forth how the Union Central Life Insurance Company ("Union Central" or "the Company") seeks to meet that objective in its funding of the Closed Block and how the Closed Block will operate with respect to certain charges. In addition, the last section of this Closed Block Memorandum describes how dividends will be continued for certain dividend-paying individual annuity and supplementary contracts not in the Closed Block. Article VIII of the Plan of Reorganization (the "Plan") describes, in general, how the dividends shall be apportioned after the Effective Time. Unless otherwise specified, terms in the Plan have the same meaning herein.

INITIAL FUNDING FOR THE CLOSED BLOCK

I. Section I contains the procedure that will be followed to determine the amount of Closed Block Assets that will be used to fund the Closed Block as of July 1, 2005 (the "Closed Block Funding Date").

II. Section II contains the experience assumptions used to determine the amount described in Section I.

HOW THE CLOSED BLOCK WILL BE OPERATED

III. Section III contains the bases for making certain charges to the Closed Block, including expenses and taxes, other than Federal and foreign income taxes to the Closed Block after the Closed Block is established.

IV. Section IV contains the bases for charging Federal and foreign income taxes to the Closed Block after the Closed Block is established.

ALTERNATIVE PROTECTION FOR DIVIDEND-PAYING INDIVIDUAL CONTRACTS OUTSIDE THE CLOSED BLOCK

V. Section V contains the procedures to determine dividends (in the form of excess interest credited) on dividend-paying individual annuity and supplementary contracts, which will be excluded from the Closed Block.

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I. AMOUNT OF INITIAL CLOSED BLOCK ASSETS

A. Closed Block Funding

The amount of initial Closed Block Assets is determined in two steps whereby a provisional amount of assets is estimated as of the Closed Block Funding Date, so that accounting processes may begin promptly, and a final calculation of initial Closed Block Assets is made within 180 days after the Closed Block Funding Date.

1. Estimate of the Assets Needed at the Closed Block Funding Date

Assets needed in the Closed Block will be determined such that those assets together with anticipated revenues from Closed Block Business will provide for payment of contractual policy benefits (such as death claims and surrender benefits), specified expenses, commissions and taxes, and the continuation of dividends throughout the life of the policies included in the Closed Block based upon the dividend scale payable for 2005 if the experience underlying such dividend scale (including the portfolio interest rate) continues.

Union Central will use a model based on the business and assets present on September 30, 2004 to estimate the assets needed at the Closed Block Funding Date, in order to allow the accounting to begin formal operation immediately on the Closed Block Funding Date. This estimate will identify the approximate amount of initial assets needed to fund the Closed Block.

Using a model of the business in force on September 30, 2004, Union Central will project the needed assets as of September 30, 2004, and determine the ratio of assets needed to reserves and liabilities. Union Central will apply these ratios to the estimated reserves and liabilities as of the Closed Block Funding Date to calculate the estimated needed assets as of the Closed Block Funding Date.

Based on the model as of September 30, 2004 and the calculations described above, Union Central will establish a provisional funding of the Closed Block as of the Closed Block Funding Date. The provisional Closed Block funding consists of the policy loans and the due and deferred gross premium assets on the Closed Block policies in force, plus certain investment grade bonds and commercial mortgages chosen from the traditional life segment of the Company's general account. (While the provisional funding includes gross premium assets in the sense that the gross premium cash flows will be credited to the Closed Block as received, a statutory balance sheet presentation of assets will show net premiums. Funding is fundamentally determined by cash flows, not by statutory presentation.)

2. Final Closed Block Funding

As soon after the Closed Block Funding Date as possible, using a model based on the business and assets present on the Closed Block Funding Date, Union Central will calculate the amount of assets needed to fund the Closed Block to complete its establishment as of the Closed Block Funding Date. The *actual* initial assets will be determined using a new model reflecting the actual insurance business in force and actual assets owned by Union Central and available to fund the Closed Block. If there is a shortfall of the *provisional* funding below the *actual* initial assets needed, additional assets will be identified and allocated from the traditional life segment of Union Central's General Account, with interest, to complete the funding. If there is an excess of the *provisional* funding over the *actual* initial assets needed, assets will be transferred from the Closed Block to the balance of Union Central's General Account, with interest, to complete the funding.

B. Closed Block Model

Union Central will calculate the actual assets needed to fund the Closed Block as of the Closed Block Funding Date, by:

(1) building a model that projects all insurance cash flows from the liabilities included in the Closed Block as of the Closed Block Funding Date (including interest on, and changes in, policy loans);

(2) selecting a test set of starting assets which consist of fixed-income assets; and

(3) projecting the cash flows on these assets together with assets purchased by reinvesting cash until the Closed Block liabilities all terminate.

Steps (2) and (3) are repeated iteratively using different test amounts of starting assets until the assets remaining after the last policy has expired, terminated, or otherwise matured are approximately zero. The calculation of the amount of Closed Block Assets takes into account the requirement that the assets allocated to the Closed Block be in an amount which, together with anticipated revenues from the Closed Block Business, is expected to be sufficient to support such business, including, but not limited to, provisions for payment of contractual policy benefits (such as death claims and surrender

benefits), specified expenses, specified commissions, and taxes, and to provide for the continuation of dividends, in aggregate, with respect to such policies for the life thereof, based upon the dividend scale payable in 2005, if the experience underlying such scale (including the portfolio interest rate) continues. While it does not affect the funding, a related concept for the Closed Block is that if the experience underlying the dividend scale payable in 2005 does not continue, but rather changes, then the dividend scale will be changed appropriately to reflect such changes in the underlying experience.

The following describes the three steps of the calculations listed above.

1. Insurance Cash Flows

A complete description of policies included in and excluded from the Closed Block is contained in Schedule I of this Closed Block Memorandum. The Closed Block includes Union Central's traditional individual dividend paying ordinary life policies, including whole life plans, limited pay plans, endowments, and some term policies, as well as policies which are eligible to be reinstated to dividend paying policies. Riders and dividend options on policies in the Closed Block are included in the Closed Block. Eligible contracts will continue to be added to the Closed Block until the Effective Time.

The life insurance model of Union Central's Closed Block Business will be developed from Union Central's records. The model will consist of approximately 5,000 model cells. Model cells are defined by plan, rate book, valuation basis, policy loan interest rate, sex, underwriting basis, issue age, and other factors. The model also provides for paid-up dividend additions and dividend accumulations.

The model will also include aggregate projections for a number of riders and other benefits, such as premium waiver and extended term insurance. Other incidental benefits on Closed Block policies that are not material will be funded at 100% of the statutory reserve for the benefit.

The model for in-force business is designed to generate pre-Federal income tax insurance cash flows, defined as follows:

(a) Cash premiums, plus policy loan interest paid in cash or added to the loan, plus dividends applied to dividend accumulations, to paid-up additions, and to reduce premiums, minus

(b) Benefits (which are assumed to be paid in cash), interest paid in cash, and all policyholder dividends, minus

(c) The charges for administrative expenses, commissions, service fees, overrides, commission-related expenses, investment expenses, and taxes, licenses and fees other than Federal and foreign income tax as set forth in Section III, minus

(d) The increase (or plus the decrease) in policy loans.

Certain aspects of these items are commented upon below:

a. Premiums are Assumed to be Received on a Modal Basis

The assumption of modal premiums means that the model assumes certain modal premiums are deferred. Any difference between the model gross deferred premium asset and the actual gross deferred premium asset at the outset, along with any related difference in costs incurred upon receipt of such premiums, will be recognized in the final validation of the model. Therefore, the Closed Block is funded in part by the amount of the gross deferred and uncollected premiums (less applicable commissions, commission related expenses, premium taxes and income taxes, if any, on the difference between the model deferred premium asset and the actual deferred premium asset) on Closed Block Business as of the Closed Block Funding Date.

b. Benefits

"Benefits" include death, surrender, withdrawal and maturity benefits (including any interest allowed for benefits paid after the date incurred) plus waived premiums (to the extent waived premiums are included in the cash premium income). Death benefits, either in the model or in a true-up adjustment, reflect anticipated claims incurred before the Closed Block Funding Date pursuant to Section III, including both claims in the course of settlement and claims incurred but not reported as of the Closed Block Funding Date. Benefits are modeled as being evenly distributed throughout the year, and to be paid or applied (in the case of, for example, dividends used to purchase additions) when incurred.

c. Expenses Charged on a Fixed Formula Basis

For administrative expenses, overrides and other commission-related expenses, and investment management expenses, the Closed Block will be charged based on a fixed formula as outlined in Section III. The model will project charges consistent with the level of these fixed charges for these items.

d. Commissions and Service Fees Charged Based on Actual Experience

For first-year and renewal commissions and service fees, the Closed Block will be charged based on the actual commissions and service fees incurred. The model will assume commissions and service fees based on contractual commission rates and service fees and recent experience concerning the vesting of service fees.

e. Taxes Charged According to Recent and Expected Future Experience

For premium taxes, franchise taxes and any similar taxes, the Closed Block will be charged based on the actual experience of Union Central according to the allocation procedures defined in Section III. For these items, the model will assume charges developed from Union Central's recent experience.

f. Policy Loan Utilization

The model reflects the actual policy loans in force on the Closed Block Funding Date. Future policy loans are projected as specified in Section II.

g. Reinsurance

Reinsurance cash flows are projected and include premiums ceded and benefits and other cash reimbursement as specified in Section III.

2. Closed Block Assets

The assets that back Union Central's traditional life insurance business, other than policy-related assets such as policy loans, are held in the traditional life segment of the general account of Union Central. These assets consist primarily of investment grade bonds and commercial mortgages. The Closed Block will be funded initially with all policy loans (including due or accrued interest) on Closed Block Business, all due and deferred gross premiums on Closed Block Business, and certain assets (including due and accrued interest) from the traditional life segment of the general account of Union Central as determined by the calculations described in this section. (In a statutory presentation, the due and deferred premiums will be net premiums, but the Closed Block will be credited the full gross premium when it arrives. Commissions are charged to the Closed Block as paid.)

3. Asset Cash Flows and Federal Income Taxes

Asset cash flows include coupons (or other forms of interest) and any repayments of principal. Investment expenses and a yearly default charge (based on estimated default costs) are assumed for the assets initially funding the Closed Block. Cash flows on initial Closed Block assets are projected assuming the Treasury Yield Curve as of the Closed Block Funding Date for projections of calls and prepayments. Investment cash flow is added to insurance cash flow, and Federal income taxes for the period (calculated as discussed below) are subtracted from the cash flow. The net cash flow is then assumed to be reinvested at the interest rate that underlies the current dividend scale. The reinvestment rate is determined after deducting a provision for investment expense and default costs. The reinvestment rate is 6.40%, based on the assumed earned rate underlying the 2005 dividend scale.

The calculation described here is performed iteratively, using various test amounts of assets until the surplus of the Closed Block is approximately zero after the last policy has expired, terminated, or otherwise matured. The Closed Block Assets at the Closed Block Funding Date will be adjusted to reflect any differences between model and actual amounts for such items as statutory reserves and claim liability, due and deferred gross premiums, tax reserves, etc.

Federal income taxes in each period are calculated as set forth in Section II.

II. DESCRIPTION OF EXPERIENCE ASSUMPTIONS USED TO DETERMINE INITIAL ASSETS NEEDED

The factors comprising the experience assumptions used in the cash flow projections are as follows:

A. Mortality

Mortality rates are based on the mortality experience underlying the development of the 2005 dividend scale. The mortality experience underlying the 2005 dividend scale varied for the pre 1980 CSO business and for various 1980 CSO plans. The rates vary by sex, issue age, and duration since issue, issue period, and premium underwriting basis (for example, smoker/nonsmoker versus aggregate).

Death benefits include face amount plus refund of unearned premiums.

The Closed Block will be funded for anticipated death claims incurred before the Closed Block Funding Date based on the liability held on the Closed Block Funding Date.

B. Lapse

Base lapse rates are based on the Company's most recent lapse assumptions that vary by product. The assumptions were developed from a combination of pricing assumptions and recent persistency studies.

Lapse rates on paid-up additions, dividend accumulations, and riders are based on recent Company experience.

Surrender benefits are calculated as interpolated cash values. The model recognizes that actual surrender benefits are increased by the portion of dividend accumulations corresponding to the surrendered policies and reduced by the portion of policy loans corresponding to the surrendered policies.

C. Commissions, Service Fees , Overrides and Other Commission-Related Expenses

The model assumes charges for commissions consistent with the actual commission applicable to the products in the Closed Block. The model assumes charges for service fees equal to 1% of premium after year ten, consistent with the service fee schedules and recent experience with respect to vesting of service fees. The combination of Quality Incentive Compensation (QIC), Overrides, and commission-related field expenses are assumed to be 255% of renewal commissions (excluding service fees), which is consistent with the recent experience with respect to QIC and is in accordance with how Overrides and commission-related field expenses will be charged to the Closed Block as described in Section III.

D. Expenses and Taxes

The model assumes charges for the following expenses and taxes, consistent with the fixed schedule of charges that will be assessed against the Closed Block as described in Section III.

1. Quarterly administrative expenses will be modeled as $10.00 per policy. Administrative expenses are calculated based on policies in force at the beginning of each quarter and assumed to be paid at the end of each quarter.
2. The model assumes charges for investment expenses consistent with the fixed schedule of charges that will be assessed against the Closed Block as described in Section III.
3. The model will assess charges for the following taxes based on the recent experience of Union Central. The assumptions for these taxes were derived in a manner consistent with the procedures for charging actual taxes to the Closed Block as described in Section III.

Premium taxes, franchise taxes and any similar taxes will be modeled as a percentage of premium, net of 16.2% of dividends.

The model assumes no state and local income taxes.

E. Policy Loan Utilization

The model reflects the distribution of policy loans by model cell allocated to the base policies and paid-up additions as of the Closed Block Funding Date.

The model assumes that loan interest is earned at the appropriate policy loan rate for each model cell. Variable policy loans on Whole Life 87 are assumed to earn 6.50%, and variable policy loans on all other policy forms with such loans are assumed to earn 6.33%, based on the average variable policy loan rates for 2004. Policy loans are projected assuming recent policy loan utilization rates continue.

F. Dividends

Dividends reflect the current dividend scale effective January 1, 2005. For certain 1980 CSO plans, there is direct recognition of policy loans in the dividend scale, which the model handles by adjusting the dividend scale for each model cell to reflect the amount of policy loan in force for the cell in a year. Union Central pays pro rata annual dividends on death but not on surrenders.

Terminal dividends are payable on deaths, maturities, surrenders and lapses on some Union Central policies in the 1958 CSO block, and on some policies in the 1980 CSO block. Terminal dividends reflect the 2005 scale. No terminal dividends are paid on Union Central's other business.

G. Dividend Options

Dividends on base policies and paid-up additions are applied to various dividend options according to recent experience.

H. Reserves

Terminal reserve and net premium factors are input for each model cell or generated within the model based on the valuation basis and method. Year-end reserves (in the model) are calculated as mean reserves.

I. Tax Reserves

Tax reserves are calculated according to the tax law applicable to each model cell. Approximate tax reserves are used for certain plans.

J. DAC Taxes

In calculating the DAC proxy taxable income, the following assumptions are made:

(1) Dividends used to purchase paid-up additions are treated as excluded premiums for DAC proxy taxable income.

(2) Dividends applied to dividend accumulations are treated as excluded premiums for DAC proxy taxable income.

(3) Dividends used to reduce premiums also reduce premiums for the DAC proxy taxable income.

The DAC proxy taxable income is based on capitalizing 7.7% of premiums net of the adjustments above. The DAC amortization period is ten years for the Closed Block.

The amortization of any DAC proxy taxable income arising from premiums paid before the Closed Block Funding Date is excluded from this calculation.

K. Federal Income Taxes

The tax basis profit or loss (for Federal income tax purposes) associated with Closed Block activities is calculated. This consists of the statutory income effect of Closed Block insurance cash flows other than policy loan interest (adjusted to a tax basis by substituting tax reserves for statutory reserves and dividend apportionment liability), investment income on policy loans, investment income on Closed Block Assets (including investment income on reinvestments in the Closed Block) and the DAC proxy taxable income as discussed above in paragraph J. Changes in dividend apportionment liability affect statutory income but not taxable income. The tax basis profit reflects the expenses, taxes and commissions deducted from the Closed Block without regard to any different "actual" expenses, taxes and commissions.

Federal income taxes are calculated assuming a tax rate of 35%. Capital gains are also taxed at 35% recognizing any differences between the tax and statutory values of assets in the Closed Block.

L. Riders and Incidental Benefits

Recent experience will be used to project future gains and losses from riders and incidental benefits.

M. Asset Default Rates for Initial Closed Block Assets

Asset default costs are projected on the initial assets in the models based on the quality rating of each asset. The default rates are based on the following table:

Annual Default Cost*

Category	Annual Default Costs
Cash and Exempt Bonds	0 bp
NAIC 1	4 bp
NAIC 2	30 bp
Commercial Mortgages	40 bp

* Annual default costs are based on industry experience, analysis of the portfolio as of September 30, 2004, and expectations of future experience.

N. Reinsurance Ceded

The model will reflect the projected cash flows on reinsurance ceded to unaffiliated reinsurers for those policies with reinsurance in force on the Closed Block Funding date, based on the terms of the reinsurance contracts.

III. THE BASIS FOR MAKING CERTAIN CHARGES TO THE CLOSED BLOCK, INCLUDING EXPENSES AND TAXES OTHER THAN FEDERAL AND FOREIGN INCOME TAXES, AFTER THE CLOSED BLOCK IS ESTABLISHED

Cash shall be withdrawn from the Closed Block for certain charges and taxes in accordance with the following formulas:

A. $10.00 per life insurance policy in force in the Closed Block at the beginning of each quarter. This charge made at the end of each quarter is in lieu of any allocation of actual administrative expenses and payroll taxes of the types currently reported in Exhibits 2 and 3 of the NAIC blank.

B. Charges for life insurance commissions (including Quality Incentive Compensation) and service fees will be charged as they are incurred, and chargebacks of first year commissions will be credited to the Closed Block as they are recovered. Overrides will be charged as 100% of all renewal commissions (which exclude service fees), and other commission-related expenses will be charged as 100% of the renewal commissions (which exclude service fees).

C. The charge for investment management expenses for each class of investments in the Closed Block will be assessed at the end of each quarter based on the Statutory Book Value of the asset excluding any accrued interest as of the beginning of the quarter. The quarterly charges are:

Asset Type	Charge
Investment Grade Bonds (including MBS, ABS, etc.) and Cash	2.75 bp
Below Investment Grade Bonds	8.50 bp
Commercial Mortgages	8.75 bp
Real Estate	50.00 bp
Policy Loans	0.00 bp

These basis point charges will be in lieu of any allocation of investment management expenses of the type currently reported in Exhibit 2 of the NAIC blank. Note that actual net asset default costs (which are not covered by these charges) will be assessed directly against the appropriate asset as such additional costs occur. For foreclosed real estate, direct expenses of maintaining the property will be assessed in addition to the investment expenses shown.

D. The premium tax, franchise tax and any similar tax charge to the Closed Block in a given year is calculated as the sum of the tax assessed according to the laws of each of the various jurisdictions (before any credit for guaranty fund assessments) multiplied by the proportion to the premium in the Closed Block from each of those jurisdictions.

The Closed Block will not be charged for guaranty fund assessments nor will it receive credits for premium tax offsets for such guaranty fund assessments. It is intended that the Closed Block will also not be charged for state and local income taxes. However, in the event of a major increase in the expenses of Union Central with respect to state and local income

taxes, the charges to the Closed Block may be re-evaluated in a manner that is consistent with the actual expenses to Union Central and that is fair to all policyholders, subject to the approval of the Ohio Superintendent of Insurance.

E. Funding Adjustment Charges for new policies issued after the Closed Block Funding Date but before the Effective Time will be deducted. Such charges shall be as adopted by the board of directors of Union Central. The charges will vary (1) by product and (2) by whether the charge is for a base policy or for a rider. The charges will be expressed as a combination of dollars per policy issued, plus dollars per unit of face amount issued, plus percentages of premium issued.

Funding Adjustment Charges represent the estimated excess of the present value of premiums over the present value of benefits (including dividends) plus those expenses and commissions to be charged to the Closed Block. These are the amounts that would not be necessary to fund for if the business were already in force on the Closed Block Funding Date.

F. The Closed Block will be charged for death claims incurred but not yet paid before the Closed Block Funding Date. The Closed Block will not be charged for damages or legal costs arising from any lawsuit. However, the closed block will be charged for death claims or other claims for benefits actually or allegedly incurred after the Closed Block Funding Date on Closed Block Business even though arising from lawsuits.

G. The Closed Block will be charged for reinsurance premiums to unaffiliated reinsurers on Closed Block Business as such charges are incurred by Union Central. The Closed Block will be reimbursed for claims paid by unaffiliated reinsurers on Closed Block Business, and for premium taxes reimbursed by the unaffiliated reinsurers on coinsurance. All other reinsurance charges or reimbursements will not affect the Closed Block.

IV. THE BASIS FOR CHARGING FEDERAL AND FOREIGN INCOME TAXES TO THE CLOSED BLOCK, AFTER THE CLOSED BLOCK IS ESTABLISHED

There is no intention that this section will have any impact on the overall tax liabilities of Union Central.

A. Computation of Federal Tax Liability of Closed Block

A Federal income tax liability will be determined for the Closed Block Business as if the Closed Block were a separate insurance company with the same character as Union Central under the Internal Revenue Code (having only those items, and amounts, of income, gain, loss and expense as are provided for in the Plan of Reorganization or in Section III above) filing separate Federal tax returns for each taxable year after the Closed Block Funding Date. Items such as any part of expenses not charged to the Closed Block are ignored for the calculation of tax to be charged to the Closed Block. Both charges for any foreign income taxes and foreign income tax credits against the Federal income tax are recognized and allocated. This hypothetical Closed Block tax calculation will be based on the following:

1. The tax rate will be the applicable maximum corporate income tax rate or rates to which Union Central is subject for the year in question on capital gains and other types of income. Assuming no change in tax law, this maximum corporate tax rate would ignore a higher marginal tax rate created by a phase-out of a small company deduction or of a small company tax rate.

2. Ordinary taxable income (loss) for the Closed Block will be calculated according to then applicable tax law. (Taxable gain currently is approximately the statutory gain from operations after policyholder dividends adjusted for tax-basis investment income but excluding any effect of IMR, less (plus) the increase (decrease) in net due and deferred premiums, plus (less) the increase (decrease) in statutory reserves, less (plus) the increase (decrease) in tax reserves, plus capitalized policy acquisition expense arising under Section 848 of the Internal Revenue Code, less amortization of such amounts, plus (less) the increase (decrease) in policyholder dividend liability. Tax reserves are net of due and deferred net premiums, as required by tax law, but an offsetting adjustment to earned premium is also required by tax law.)

3. The taxable realized capital gains (losses) will recognize the tax basis for assets, including any differences between tax and statutory asset bases.

4. Any tax benefits attributable to assets allocated to the Closed Block (e.g., the dividends received deduction) shall be allocated to the Closed Block in computing the separate return tax liability. If an asset is allocated in part to the Closed Block and in part to the remainder of Union Central, then the tax benefits attributable to that asset shall be allocated pro rata.

Any "intercompany transactions and distributions" between the Closed Block and the "open block" will be recognized in determining the Closed Block separate return tax liability, without regard to consolidated tax return principles and whether or not such transactions are deferred or actually recognized for Federal tax purposes.

Section 848 of the Internal Revenue Code (relating to the capitalization of policy acquisition expense) will be taken into account by increasing the Closed Block's taxable income by an amount equal to the "specified policy acquisition expense" under Section 848(c)(1) (determined without regard to any limitation based on the amount of the Closed Block's "general deductions") and allowing an amortization deduction in a corresponding amount ratably over a 120-month period as provided in Section 848(a). The Closed Block's hypothetical separate tax return calculation will reflect any amortization relating to only those policy acquisition expenses capitalized on or after the Closed Block Funding Date.

In the event of a major change in the Federal taxation of insurance companies or of Union Central (e.g., a change from an income tax to a premium tax or value-added tax), the tax charge to the Closed Block will be re-evaluated in a manner that is consistent with the new tax basis and fair to all the policyholders, subject to the approval of the Ohio Superintendent of Insurance.

B. Charges to the Closed Block for its Positive Separate Return Tax Liability

The Closed Block will be charged an amount equal to the Closed Block's positive separate return tax liability not later than 90 days after the filing of the Federal income tax return. If payments of estimated Federal income tax are at any time required to be made to the Internal Revenue Service, then the Closed Block will be charged the estimated amount of its share (based on the payments that would have been required of the Closed Block on a separate return basis) by the due date for such required payment. The Closed Block will be credited for any excess of prior estimated payments over the final actual payment required for a year.

C. Credit to the Closed Block for Losses and Associated Tax Benefits

The Closed Block will be credited an amount equal to the reduction in taxes, if any, arising from losses from operations, capital losses and tax credits. The credit for the Closed Block's negative separate return liability will be made whether or not such losses would actually reduce the tax liability of Union Central or of any affiliated group of which Union Central is a member. Charges and credits to the Closed Block will be made no later than 90 days after the filing of the Federal income tax return.

As stated above, the Closed Block will be credited an amount equal to the tax credits allocated to the Closed Block. Tax credits shall be allocated between the Closed Block and the remainder of the Company (or any affiliates) in accordance with the basis giving rise to such credits. If the Company is unable to determine the basis giving rise to the credit, then the credit shall be allocated in such other manner as is fair to all of the policyholders.

D. Audit Adjustments

Union Central may be audited by the Internal Revenue Service, resulting in adjustments to its tax liability that may affect the Closed Block in different ways. Union Central will allocate the tax expense arising from audits among all policyholders in a fair and reasonable manner. Any compromises involving issues that affect the Closed Block policyholders will reasonably and fairly take into account the impact on all policyholders.

1. In the event of an adjustment to the Federal income tax return for Union Central for a tax period commencing with or after the Closed Block Funding Date (e.g., arising from an audit by the Internal Revenue Service (the "Service"), an amended return or a claim for refund allowed by the Service), Union Central shall recompute the separate return tax liability for the Closed Block pursuant to the procedures set forth in Section A above.

2. If the adjustments result in an increase in the separate return tax liability for the Closed Block for the tax year in question, the Closed Block shall be charged in an amount equal to the increase in the separate tax return tax liability on the date that such additional tax liability is paid by Union Central to the Service. If the adjustments result in an increase in the separate return tax liability for the Closed Block and include statutory interest, additions to tax, or penalties that are attributable, in whole or in part, to the increase in the separate return tax liability for the Closed Block, the Closed Block shall also be charged for its allocable share of those amounts on the same date that it is charged for the increase in the Federal income tax liability. In no event, however, shall the Closed Block be charged for any amounts attributable to taxable periods prior to the Closed Block Funding Date.

3. In the event that the adjustments to the Federal income tax return result in a decrease in the separate return tax liability for the Closed Block, the Closed Block shall be credited in an amount equal to the decrease (together with the allocable portion of any interest refunded with the decrease in tax) on the date that such amount is paid by the Service. In the event that a subsequent adjustment results in a reduction in the amount credited to the Closed Block under this section, such later adjustment shall be charged to the Closed Block in accordance with the procedures set forth in the preceding paragraph. In no event shall the Closed Block be credited for any reduction in Federal income tax liability relating to taxable periods prior to the Closed Block Funding Date.

V. ALTERNATIVE PROTECTION FOR DIVIDEND-PAYING INDIVIDUAL ANNUITY AND SUPPLEMENTARY CONTRACTS OUTSIDE THE CLOSED BLOCK

Two blocks of dividend-paying individual participating business will receive alternative protection of their dividend expectations outside the Closed Block, as described in this section.

Traditional Deferred Annuities

There are less than 200 traditional dividend-paying deferred annuities in force, whose dividends are determined as excess interest dividends. The dividend interest rates depend on the loan interest rate on the contracts, and have not changed for the last 15 years, nor are they expected to change.

The Company will not change the dividend interest rates on these contracts without the prior approval of the Ohio Superintendent.

Supplementary Contracts

The Company does not anticipate starting to pay dividends on supplementary contracts unless it has previously paid dividends on those contracts. There are two situations involving supplementary contracts where the Company has paid dividends in recent years: (a) during the initial certain period on life contingent supplementary contracts that elected guaranteed benefit rates, and (b) on non-life contingent supplementary contracts.

(a) Life Contingent Supplementary Contracts Which Had Elected Guaranteed Benefits

Dividends are potentially payable during any certain period on life contingent supplementary contracts where the guaranteed rate provisions of life contracts were elected as supplementary benefits. (If current rates were elected, no dividends are paid.)

(b) Supplementary Contracts Without Life Contingencies

Dividends are potentially payable during any phase of a supplementary contract not involving life contingencies: whether left on deposit to accumulate, whether fixed interest or fixed payments are being made, or whether the funds are being paid for a fixed period.

Union Central will determine the dividend for Supplementary Contracts not involving life contingencies as the fund balance times the net dividend rate, which is the excess, if positive, of the preliminary dividend rate (which is based on the portfolio asset yield less a spread of 275 basis points, rounded to the nearest multiple of 0.25%) over the guaranteed rate on the contract. Similarly, the dividend for Supplementary Contracts involving life contingencies but with a period certain, whose annuity benefits are based on guaranteed rates and not on once current rates, will be determined as the period certain fund balance times the net dividend rate, where the period certain fund balance is the present value of the period certain benefits discounted at the guaranteed interest rate.

Specifically, the portfolio asset yield will be derived as the arithmetic average of the prior four quarters' ending asset yield as of the dividend calculation date. (For example, the ending asset yields as of June 30, 2005, March 31, 2005, December 31, 2004, and September 30, 2004 are averaged to determine the portfolio asset yield used to derive the dividend if a contract's anniversary occurs in the third quarter of 2005.)

The preliminary dividend rate will be the portfolio asset yield (averaged over four quarters as stated above) less 275 basis points, rounded to the nearest multiple of 0.25%.

The net dividend rate will not change if the newly calculated preliminary dividend rate is less than 100 basis points different from the previously calculated preliminary dividend rate applicable to that contract. For example, if the rolling average yield is 6.80%, the preliminary dividend rate will be 4.00% (4.05% rounded to the nearest multiple of 0.25%). If the preliminary dividend rate last used to set the current dividend rate being paid (either one year earlier or potentially even earlier if the current rate is simply being carried forward unchanged from a prior year) was 3.00% or less, or was 5.00% or more, then a new net dividend rate is determined for this quarter as the excess, if positive, of the preliminary dividend rate over the guarantee rate. Thus (assuming sufficient change in the preliminary dividend rate), all contracts with an anniversary occurring in the following quarter and with guaranteed rates below 4.00% will receive a dividend based on the preliminary dividend rate of 4% minus their guarantee rate.

Schedule I

Description of Policies Included in and Excluded From the Closed Block

"Closed Block Business" includes traditional dividend-paying individual ordinary insurance policies issued by Union Central before the Effective Time and in force on any date on or after the Closed Block Funding Date, or which were eligible at the Effective Time to be reinstated to a dividend-paying policy.

Closed Block Business includes all riders (whenever issued), additional benefit provisions, dividend accumulations and options related to life insurance policies in the Closed Block. Closed Block Business includes individual whole life policies, limited payment whole life insurance policies, endowment policies, certain term life insurance policies, and policies in effect under a nonforfeiture option. Closed Block Business also includes certain term policies that are not explicitly dividend-paying, including annual renewable term policies, and certain other term policies that, by their terms, will become participating at a date on or after the Effective Time.

Closed Block Business excludes any policy or contract issued at or after the Effective Time. Closed Block Business also excludes supplementary contracts, second-to-die policies, universal life policies, single premium whole life policies, Term-to-70 policies that have been deemed paid up, level term policies on policy form UC 8606 (or any state or underwriting class variations thereof), individual annuities, group annuities, group life insurance, group health insurance, group disability insurance, individual health insurance, individual disability insurance, and any other kind of policy or contract, whenever issued or whenever in force, which is not an individual life insurance policy as described above in the first paragraph.

EXHIBIT 2

THE UNION CENTRAL LIFE INSURANCE COMPANY AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED DECEMBER 31, 2004
AND 2003 WITH REPORT OF INDEPENDENT AUDITORS

CONSOLIDATED FINANCIAL STATEMENTS

THE UNION CENTRAL LIFE INSURANCE COMPANY AND SUBSIDIARIES

YEARS ENDED DECEMBER 31, 2004 AND 2003 WITH REPORT OF INDEPENDENT AUDITORS

THE UNION CENTRAL LIFE INSURANCE COMPANY AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2004 and 2003

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Report of Independent Auditors

To the Board of Directors of
The Union Central Life Insurance Company

We have audited the accompanying consolidated balance sheets of The Union Central Life Insurance Company and subsidiaries as of December 31, 2004 and 2003, and the related consolidated statements of income, changes in equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Union Central Mortgage Funding, Inc, a wholly-owned subsidiary, which statements reflect 2.3% and 9.5% of total consolidated pre-tax income for the years ended 2004 and 2003, respectively. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Union Central Mortgage Funding, Inc., is based solely on the report of other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Union Central Life Insurance Company and subsidiaries at December 31, 2004 and 2003, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

February 8, 2005

THE UNION CENTRAL LIFE INSURANCE COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands)

	December 31, 2004	December 31, 2003
ASSETS		
Investments:		
Fixed maturities available-for-sale at fair value (amortized cost: 2004 – $3,365,283 and 2003 – $3,365,149)	$3,448,772	$3,448,932
Other fixed maturities	13,236	24,260
Equity securities available-for-sale at fair value (cost: 2004 – $16,681 and 2003 – $59,810)	17,475	63,077
Other equity securities	4,135	13,803
Cash and short-term investments	15,840	5,958
Other invested assets	32,647	32,926
Mortgage loans held-for-investment	512,292	508,655
Mortgage loans held-for-sale	107,020	18,996
Amounts receivable under repurchase agreement	71,730	36,457
Real estate	10,056	11,272
Policy loans	142,611	144,037
Total investments	4,375,814	4,308,373
Accrued investment income	47,646	46,126
Deferred policy acquisition costs	370,223	358,632
Property, plant and equipment, at cost, less accumulated depreciation (2004 – $94,522 and 2003 – $86,040)	37,871	41,904
Federal income tax recoverable	4,972	—
Receivable for securities	105,709	7,904
Other assets	403,421	291,224
Separate account assets	2,095,848	1,809,545
Total assets	$7,441,504	$6,863,708
LIABILITIES AND EQUITY		
Policy liabilities:		
Future policy benefits	$4,028,737	$4,003,852
Deposit funds	114,396	119,116
Policy and contract claims	28,982	37,126
Policyholders' dividends	8,398	9,152
Total policy liabilities	4,181,013	4,169,246
Deferred revenue	50,990	60,902
Payable for securities	107,086	185
Warehouse line of credit	84,565	18,970
Other liabilities	133,241	99,768
Federal income tax payable	—	895
Deferred federal income tax liability	17,020	8,928
Surplus notes payable	49,810	49,801
Obligation under repurchase agreement	71,041	36,257
Separate account liabilities	2,095,848	1,809,545
Total liabilities	6,790,614	6,254,497
EQUITY		
Policyholders' equity	650,505	606,984
Accumulated other comprehensive income	385	2,227
Total equity	650,890	609,211
Total liabilities and equity	$7,441,504	$6,863,708

The accompanying notes are an integral part of the financial statements.

THE UNION CENTRAL LIFE INSURANCE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(in thousands)

	December 31,	
	2004	2003
REVENUE		
Insurance revenue:		
Traditional insurance premiums	$113,805	$117,285
Universal life policy charges	61,657	63,291
Annuities	32,336	31,854
Net investment income	242,634	252,776
Net realized gains on investments	7,910	29,151
Fee income	23,969	24,885
Other	8,384	9,208
Total revenue	490,695	528,450
BENEFITS AND EXPENSES		
Benefits	114,654	112,058
Increase in reserves for future policy benefits	993	4,942
Interest expense:		
Universal life	63,438	72,754
Investment products	71,603	77,885
Underwriting, acquisition and insurance expense	168,721	198,169
Policyholders' dividends	11,629	13,740
Total benefits and expenses	431,038	479,548
Income before federal income tax expense	59,657	48,902
Federal income tax expense	16,136	16,051
Net Income	$ 43,521	$ 32,851

The accompanying notes are an integral part of the financial statements.

THE UNION CENTRAL LIFE INSURANCE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands)

	Accumulated Other Comprehensive Income	Policyholders' Equity	Total
Balance at January 1, 2003	$ 8,388	$574,133	$582,521
Net income		32,851	32,851
Unrealized losses on securities, net of tax and reclassification adjustment	(3,090)		(3,090)
Minimum pension liability adjustment	(3,071)		(3,071)
Comprehensive income	2,227	606,984	609,211
Balance at December 31, 2003		43,521	43,521
Net income			
Unrealized gains on securities, net of tax and reclassification adjustment	789		789
Minimum pension liability adjustment	(2,631)		(2,631)
Comprehensive income	$ 385	$650,505	$650,890
Balance at December 31, 2004			

The accompanying notes are an integral part of the financial statements.

THE UNION CENTRAL LIFE INSURANCE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year ended December 31	
	2004	2003
OPERATING ACTIVITIES		
Net income	$ 43,521	$ 32,851
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Interest credited to universal life policies	63,438	72,754
Interest credited to investment products	71,603	77,885
Accrual of discounts on investments, net	8,685	10,441
Net realized gains on investments	(7,910)	(29,151)
Depreciation	8,482	10,580
Amortization of deferred policy acquisition costs	56,351	69,019
Amortization of deferred revenue	(15,341)	(10,558)
Policy acquisition cost deferred	(63,959)	(59,823)
Revenue deferred	5,429	2,873
Deferred federal income tax expense	9,002	5,701
Cost of mortgage loans held for sale, net	(85,442)	(18,899)
Change in operating assets and liabilities:		
Accrued investment income	(1,520)	(863)
Receivable for securities	(97,805)	(964)
Other assets	(112,197)	(83,877)
Amounts receivable under repurchase agreement	(35,273)	(36,457)
Policy liabilities	72,269	6,070
Payable for securities	106,901	(140,748)
Obligation under repurchase agreement	34,784	36,257
Other items, net	4,396	(2,006)
Cash Provided by (Used in) Operating Activities	65,414	(58,915)
INVESTING ACTIVITIES		
Costs of investments acquired	(2,457,237)	(3,534,371)
Proceeds from sale, maturity or repayment of investments	2,510,121	3,500,802
(Increase) decrease in policy loans	1,426	(11)
Purchases of property and equipment, net	(4,449)	(4,355)
Cash Provided by (Used in) Investing Activities	49,861	(37,935)
FINANCING ACTIVITIES		
Receipts from universal life and investment contracts	560,266	654,871
Withdrawals from universal life and investment contracts	(755,809)	(702,495)
Net proceeds from the issuance of line of credit debt	65,595	18,970
Reverse repurchase agreements	24,555	—
Cash Used in Financing Activities	(105,393)	(28,654)
Increase (decrease) in cash and short term investments	9,882	(125,504)
Cash and short term investments at beginning of year	5,958	131,462
Cash and short term investments at end of year	$ 15,840	$ 5,958
Supplemental disclosure of cash flow information:		
Cash paid (refunded) during the year for federal income taxes	$ 11,342	$ (6,404)
Cash paid during the year for interest on surplus notes	$ 4,100	$ 4,100
Cash paid during the year for interest on line of credit	$ 1,387	$ 1,069

The accompanying notes are an integral part of the financial statements.

NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Organization

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) and include the accounts of The Union Central Life Insurance Company (Union Central) and the following subsidiaries: Summit Investment Partners, Inc., wholly-owned, a registered investment advisor; Carillon Investments, Inc., wholly-owned, a registered broker-dealer that offers investment products and related services through its registered representatives; Payday of America, LLC, wholly-owned, a payroll company (as detailed below, Union Central sold the assets of Payday of America, LLC in 2004); PRBA, Inc., wholly-owned, the holding company of a pension administration company; Summit Investment Partners, LLC, wholly-owned, a registered investment advisor and Union Central Mortgage Funding, Inc, a mortgage banking business. Fee based revenues of the consolidated subsidiaries was included in "Fee Income" in the Consolidated Statements of Income. The Company also consolidated the following mutual funds due to its level of ownership in these funds: the Summit Apex High Yield Bond Fund; the Summit Apex TSI Fund; the Summit Pinnacle Lehman Aggregate Bond Index Portfolio and the Summit Apex EAFE International Index Fund. The consolidated company will be referred to as "the Company". The holdings of the consolidated Summit mutual funds are reported at fair value in "Other fixed maturities" and "Other equity securities" in the Balance Sheets. All significant intercompany accounts and transactions have been eliminated in the accompanying consolidated financial statements. In addition, Summit Mutual Funds, Inc., a registered investment company, is an investment affiliate of Union Central.

On January 1, 2004, the Company adopted Statement of Position 03-1 "Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts". The impact of adoption was immaterial.

The Company will adopt FASB Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN 46") on January 1, 2005. The impact of adoption is not anticipated to be material. In 1996, the Company created a collateralized bond obligation through the formation of a trust in which the Company is the primary beneficiary. The trust issued debt securities to lenders. As of December 31, 2004, $65,668,000 of debt securities were outstanding. Upon the adoption of FIN 46, the Company anticipates consolidation of the collateralized bond obligation will be required. The maximum exposure to loss to the Company as a result of the activities of the collateralized bond obligation was $13,348,000 as of December 31, 2004, which represented the Company's investment in the collateralized bond obligation.

During 2004, the Company sold Family Enterprise Institute, Inc., a wholly-owned subsidiary. A $1,600 after-tax gain was recorded as a result of the sale.

During 2004, the Company completed the sale of Payday of America, LLC's assets to Paycor, Inc., in exchange for common stock of Paycor, Inc. The net after-tax impact from recording the sale was a reduction in net income of $3,467,000. The operating activities of Payday of America, LLC had ceased as of December 31, 2004.

The Company provides a wide spectrum of financial products and related services for the benefit of individual, group and pension policyholders. Such products and services include insurance to provide for financial needs resulting from loss of life or income and management of funds accumulated for preretirement and retirement needs.

The Company is licensed to do business in all 50 states.

The preparation of financial statements requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

Investments

Fixed maturity and equity securities classified as available-for-sale are carried at fair value with net unrealized gains and losses reported as other comprehensive income or loss. Other fixed maturity and equity securities represent the underlying assets of consolidated mutual funds and are carried at fair value with changes in fair value recorded in net investment income.

Other investments are reported on the following bases:

- Mortgage loans on real estate are carried at their aggregate unpaid balance less unamortized discount or plus unamortized premium and less an allowance for possible losses. Mortgage loans held for sale are mortgages the Company intends to sell. Mortgage loans held for sale are stated at lower of aggregate cost or market. The amount, by which cost exceeds market value, if any, is accounted for as a valuation allowance. Changes in the valuation allowance are included in the determination of net income in the period of change.
- Real estate acquired through foreclosure is carried at the lower of cost or its net realizable value.
- Policy loans are reported at unpaid balances.
- Cash and short-term investments consist of cash-in-bank, cash-in-transit and commercial paper that has a maturity date of 90 days or less from the date acquired.
- Receivable for securities represents amounts due from brokers resulting from securities that were sold at the end of the year, but the proceeds have not been received at the balance sheet date.
- Payable for securities represents amounts due to brokers resulting from securities purchased at the end of the year for which payment has not been made at the balance sheet date.

The Company's carrying values of investments in limited partnerships are adjusted to reflect the GAAP earnings of the investments underlying the limited partnership portfolios.

The fair values of fixed maturity and equity securities represent quoted market values from published sources or calculated market values using the "yield method" if no quoted market values are obtainable.

Realized gains and losses on sales of investments are recognized on a specific identification basis. Realized losses due to the recognition of declines in the value of investments judged to be other-than-temporary are recognized on a specific identification basis.

Interest is not accrued on mortgage loans or bonds for which principal or interest payments are determined to be uncollectible.

The Company enters into repurchase agreements to economically hedge the interest rate risk associated with funded mortgage loans held for sale that have not yet been sold. Based on the terms of the repurchase agreements, the transactions are considered collateralized loans in accordance with Statement of Financial Accounting Standard No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities". The Company had $71,041,000 and $36,257,000 in outstanding repurchase agreements for the years ended December 31, 2004 and 2003, respectively. As the Company sold the collateral that was pledged to the Company, a liability has been recognized in "Obligation under repurchase agreement" in the Consolidated Balance Sheets to reflect the obligation to return the collateral. Also, the Company recognized a receivable representing the cash it lent under the terms of the repurchase agreement, which totaled $71,730,000 and $36,457,000 for the years ended December 31, 2004 and 2003, respectively, and was reflected in "Amounts receivable under repurchase agreement" in the Consolidated Balance Sheets.

The Company has entered into reverse repurchase agreements whereby the Company sells securities and simultaneously agrees to repurchase the same or substantially the same securities. Reverse repurchase agreements are accounted for as collateralized borrowed money with the amount received for the securities recorded in "Other liabilities" in the Consolidated Balance Sheets. At December 31, 2004, the Company had reverse repurchase agreements outstanding with a total carrying value of $24,555,000. There were no repurchase agreements outstanding as of December 31, 2003.

The Company purchases and sells call options to hedge insurance contracts whose credited interest is linked to returns in Standard & Poor's 500 Stock Index (Index) based on a formula which applies participation rates to the returns in the Index. Call options are contracts, which give the option purchaser the right, but not the obligation, to buy securities at a specified price during a specified period. The Company holds call options which expire monthly until December 1, 2005. The Company paid and received initial fees (the option premium) to enter the option contracts. The purchased Index call options give the Company

the right to receive cash at settlement if the closing Index value is above the strike price, while the sold index call options require the Company to pay cash at settlement if the closing Index value is above the strike price. The Company sells call options to effectively offset the proceeds the Company would receive on its purchased call options that represent a return above the amount that would be credited to insurance contracts electing a capped return in the Index.

The Company is exposed to credit-related losses in the event of nonperformance by counter-parties to the call options. To minimize this risk, the Company only enters into private options contracts with counterparties having Standard & Poor's credit ratings of AA- or above or listed contracts guaranteed by the Chicago Board Options Exchange. The credit exposure is limited to the value of the call options of $6,083,000 at December 31, 2004.

The call options are carried at their fair value, and are reflected in "Other invested assets" in the Consolidated Balance Sheets. The liabilities for the hedged insurance contracts are adjusted based on the market value of the call options, and are reflected in "Deposit funds" in the Consolidated Balance Sheets. The liabilities for the hedged insurance contracts were adjusted based on the returns in Standard & Poor's 500 Stock Index, and were reflected in "Deposit funds" in the Consolidated Balance Sheets. The notional amount of the call options at December 31, 2004 and 2003 was $50,574,000 and $31,128,000, respectively.

In 2004 and 2003, the Company entered into interest rate swap agreements with a notional value of $35,000,000 and $125,000,000, respectively, with Morgan Stanley, Bank One and Deutsche Bank. The purpose of the interest rate swap agreements was to hedge interest rate risk associated with specifically identified bonds within the Company's investment portfolio. The interest rate swap agreements were categorized as and met the criteria of effective fair value hedges. Under the interest rate swap agreements, the Company paid a fixed rate and received a floating interest rate. The objective of the interest rate swaps was to offset any change in value of the bonds due to market interest rate fluctuations. The Company is exposed to credit-related losses in the event of nonperformance by the counter-parties to the interest rate swaps. To minimize this risk, the Company only enters into private contracts with counterparties having Standard & Poor's credit ratings of AA- or above or listed contracts guaranteed by the Chicago Board Options Exchange. The credit exposure is limited to the value of the interest rate swaps of $317,000 at December 31, 2003. The Company is required to make semi-annual interest payments based on the fixed rate inherent in the interest rate swaps. Settlement of gain or loss under the interest rate swaps occurs upon termination. The financing cost of the interest rate swaps excluded from the assessment of hedge effectiveness totaled $307,000 and $592,000 in 2004 and 2003, respectively, and was recorded in "Net investment income" in the Consolidated Statements of Income.

The change in value of the interest rate swaps was accounted for consistently with the hedged bonds. During 2004 and 2003, $75,000,000 and $85,000,000, respectively, of the notional value of the interest rate swap agreements was terminated, leaving no notional value as of December 31, 2004. In 2004 and 2003, respectively, a pre-tax gain of $262,000 and $603,000 was realized upon the terminations of the agreements and was recorded in "Net investment income" in the Consolidated Statements of Income.

In 2004 and 2003, the Company entered into one-month swap agreements with Deutsche Bank and Morgan Stanley to hedge the change in value of a portion of its investments in certain Summit Mutual Fund, Inc. mutual funds. (See Note 2 for further detail of the Company's investments in these funds.) The notional amount of the swap agreements is set based on the amount of the Company's investments in the mutual funds that it determines to hedge. Under the swap agreements, the Company pays or receives the total return of the associated indexes during the term of the swap agreements, and receives interest income on the notional amount of the swap agreements that approximates prevailing short-term rates. The Company records the change in value of its swap agreements and investments in the unconsolidated hedged Summit mutual funds in earnings. The swap agreements were designated and qualified as fair value hedges.

For the years ended December 31, 2004 and 2003, the swap agreements offset unrealized gains of $301,000 and $0, respectively, and pre-tax realized gains of $440,000 and $2,138,000, respectively, that the Company incurred in the hedged mutual funds. Swap agreements with a notional value of $4,200,000 and $0 were outstanding as of December 31, 2004 and 2003, respectively.

In 2004, the Company entered into interest rate swap agreements with a notional value of $75,000,000 at December 31, 2004, with Morgan Stanley and Bank One. The swap agreements are carried at their fair value and are reflected in "Other invested assets" in the Consolidated Balance Sheets. The purpose of the interest rate swap agreements was to hedge interest rate risk

associated with a pool of commercial mortgage loans held for sale. Under the interest rate swap agreements, the Company paid a fixed rate and received a floating interest rate. The objective of the interest rate swaps is to offset any change in value due to market interest rate fluctuations of the pool of commercial mortgage loans prior to the sale. The loss in fair value of the swap agreements of $1,153,000 and financing costs of $737,000 was recorded in "Net investment income" in the Consolidated Statements of Income. The interest rate swap agreements were not designated as hedging instruments.

The Company enters into loan commitments in association with originating commercial mortgage loans that are held for sale. The loan commitments are accounted for as derivative instruments. The loan commitments are marked to fair value based on estimates of fluctuations in market interest rates for comparable mortgage loans from loan commitment dates. The loan commitments are typically hedged with repurchase agreements.

Deferred Policy Acquisition Costs

The costs of acquiring new business, principally commissions, certain expenses of the policy issue and underwriting department and certain variable agency expenses have been deferred. Deferred policy acquisition costs are amortized consistent with the methods described in "Policy Liabilities, Revenues, Benefits and Expenses". Amortization of deferred policy acquisition costs totaled $56,351,000 and $69,019,000 for the years ended December 31, 2004 and 2003, respectively, and were included in "Underwriting, acquisition and insurance expense" in the Consolidated Statements of Income. Deferred policy acquisition costs are adjusted to reflect the impact of unrealized gains and losses on available-for-sale securities. Adjustments decreasing deferred policy acquisition costs related to unrealized gains and losses totaled $36,783,000 and $40,765,000 at 2004 and 2003, respectively.

In 2004 and 2003, the Company revised its estimates of future gross profits, and as a result amortization of deferred policy acquisition costs included in "Underwriting, acquisition and insurance expense" in the Consolidated Statements of Income increased (decreased) ($5,969,000) and $2,563,000 for the years ended 2004 and 2003, respectively.

Property, Plant and Equipment

Property, plant and equipment is valued at historical cost less accumulated depreciation in the Consolidated Balance Sheets. It consists primarily of Union Central's home office, furniture and fixtures and electronic data processing equipment.

Depreciation is computed with the straight-line method over the estimated useful lives of the respective assets, not to exceed 10 years for office furniture and 3 years for electronic data processing equipment. Depreciation is computed for leasehold improvements with the straight-line method over the shorter of the remaining lease term or useful life of the improvements.

Capitalization of Software Costs

Software development costs of $3,891,000 and $3,352,000 were capitalized in 2004 and 2003, respectively. Amortization expense of $4,204,000 and $5,283,000, respectively, was recorded to "Underwriting, acquisition and insurance expense" in the Consolidated Statements of Income in 2004 and 2003. Depreciation is computed with the straight-line method over the estimated useful life of the software, not to exceed 5 years.

Deposit Funds

The liability for deposit funds is generally established at the policyholders' accumulated cash values plus amounts provided for guaranteed interest.

Policy Claim Reserves

Policy claim reserves represent the estimated ultimate net cost of all reported and unreported claims incurred. In addition, a claim adjustment expense reserve is held to account for the expenses associated with administering these claims. The reserves for unpaid claims are estimated using individual case basis valuations and statistical analyses. The claim adjustment expense reserve is estimated using statistical analyses. These estimates are subject to the effects of trends in claim severity and frequency. Although some variability is inherent in such estimates, management believes that the reserves for claims and claim related expenses are adequate. The estimates are reviewed and adjusted as experience develops or new information becomes known and such adjustments are included in current operations.

Dividends to Policyholders

The Company's dividend liability is the amount estimated to have accrued to policyholders' as of each year-end. Insurance in force receiving dividends accounted for 6.19% and 5.63% of total insurance in force at December 31, 2004 and 2003, respectively.

Separate Accounts

Separate account assets and liabilities reported in the accompanying financial statements (excluding seed money provided by the Company) represent funds that are separately administered for the individual annuity, group annuity and variable universal life lines of business, and for which the contract holders rather than the Company bear the investment risk. Separate account contract holders have no claim against the assets of the general account of the Company. Separate account investments are carried at market value. Investment income and gains and losses from these accounts accrue directly to contract holders and are not included in the accompanying financial statements. Union Central derives certain fees for maintaining and managing the separate accounts, but bears no investment risk on these assets, except to the extent that it participates in a particular separate account. On assets transferred to the separate accounts, the Company recognized interest income of $37,846,000 and $22,455,000 and investment gains of $172,762,000 and $327,660,000 for the years ending December 31, 2004 and 2003, respectively. The interest income and investment gains were offset by the increase in separate account liabilities within the same line item in the Consolidated Statements of Income.

The Company issues variable annuity contracts through the separate accounts where the Company contractually guarantees to the contract holder total deposits made to the contract less any partial withdrawals. This guarantee only includes benefits that are payable in the event of death. The total separate account assets and liabilities for policies with a minimum guaranteed death benefit were $365,042,000 and $335,182,000 as of December 31, 2004 and 2003, respectively, and were composed of mutual funds. Death claims incurred and paid as a result of the minimum guaranteed death benefit totaled $146,000 and $325,000 for the years ended December 31, 2004 and 2003, respectively. The Company had $15,649,000 of net amount at risk involving the minimum guaranteed death benefit on variable annuities as of December 31, 2004. The weighted average attained age for contract holders with a minimum guaranteed death benefit was 57 years old as of December 31, 2004.

Policy Liabilities, Revenues, Benefits and Expenses

Traditional Insurance Products

Traditional insurance products include those products with fixed and guaranteed premiums and benefits and consist primarily of whole life insurance policies, term insurance policies and disability income policies. Premiums for traditional products are recognized as revenue when due.

The liability for future policy benefits for participating traditional life is computed using a net level premium method and the guaranteed mortality and dividend fund interest. The mortality and interest assumptions are equivalent to statutory assumptions. The liabilities for future policy benefits and expenses for nonparticipating traditional life policies and disability income policies are generally computed using a net level premium method and assumptions for investment yields, morbidity, and withdrawals based principally on experience projected at the time of policy issue, with provision for possible adverse deviations. Interest assumptions for participating traditional life reserves for all policies ranged from 2.3% to 6.0% for the years ended 2004 and 2003.

The costs of acquiring new traditional business, principally commissions, certain policy issue and underwriting expenses (such as medical examination and inspection report fees) and certain agency expenses, all of which vary with and are primarily related to the production of new and renewal business, are deferred to the extent that such costs are deemed recoverable through future gross premiums. Such non-participating deferred acquisition costs are amortized over the anticipated premium paying period of the related policies, generally not to exceed the premium paying lifetime of the policies using assumptions consistent with those used to develop policy benefit reserves. For participating life insurance products, deferred policy acquisition costs are amortized in proportion to estimated gross margins of the related policies. Gross margins are determined for each issue year and are equal to premiums plus investment income less death claims, surrender benefits, administrative costs, policyholder dividends, and the increase in reserves for future policy benefits. The future investment yields are assumed to range from 5.7% to 8.2% and from 6.1% to 8.3% for the years ended 2004 and 2003, respectively. Changes in dividend payouts are assumed with changes in yields.

Universal Life and Other Interest Sensitive Products

Interest sensitive products include universal life, single premium whole life and annuity products. They are distinguished by the existence of a separately definable fund that is credited with interest and from which any policy charges are taken. Revenues for these products consist of policy charges for the cost of insurance, policy administration charges, and surrender charges that have been assessed against policyholder account balances during the period.

Benefit reserves for universal life and other interest sensitive products are computed in accordance with the retrospective deposit method and represent policy account balances before applicable surrender charges. Policy benefits that are charged to expense include benefit claims incurred in the period in excess of related policy account balances and interest credited to account balances. Interest crediting rates ranged from 2.8% to 7.0% and from 4.5% to 6.5% for the years ended 2004 and 2003, respectively.

The cost of acquiring universal life and other interest sensitive products, principally commissions, certain policy issue and underwriting expenses (such as medical examination and inspection report fees) and certain agency expenses, all of which vary with and are primarily related to the production of new and renewal business, are deferred to the extent that such costs are deemed recoverable through future estimated gross profits. Acquisition costs for universal life and other interest sensitive products are amortized over the life of the policies in proportion to the present value of expected gross profits from surrender charges and investment, mortality and expense margins. The amortization is adjusted retrospectively when estimates of current or future gross profits (including the impact of investment gains and losses) to be realized from a group of products are revised.

Amounts assessed policyholders that represent revenue for services to be provided in future periods are reported as unearned revenue and recognized in income over the life of the policies, using the same assumptions and factors as are used to amortize deferred acquisition costs. These charges consist of policy fees and premium loads that are larger in the initial policy years than they are in the later policy years. Amortization of unearned revenue totaled $15,341,000 and $10,558,000 for the years ended December 31, 2004 and 2003, respectively, and was included in "Universal life policy charges" in the Consolidated Statements of Income.

In 2004 and 2003, the Company revised its estimates of future gross profits, and as a result amortization of unearned revenue included in "Universal life policy charges" in the Consolidated Statements of Income was increased by $3,396,000 and $3,161,000 for the years ended 2004 and 2003, respectively.

Group Products

Group products consist primarily of group life insurance, and group long and short term disability income products. Premiums for group insurance products are recognized as revenue when due.

The liabilities for future policy benefits and expenses for group life and disability income products are computed using statutory methods and assumptions, which approximate net level premium reserves using assumptions for investment yields, mortality, and withdrawals based principally on company experience projected at the time of policy issue, with provisions for possible adverse deviations. Interest assumptions are based on assumed investment yields that ranged from 6.6% to 8.3% and 7.5% to 8.3% for the years ended 2004 and 2003, respectively.

Pension Products

Pension products include deferred annuities and payout annuities. Revenues for the deferred annuity products consist of investment income on policy funds, mortality and expense charges, contract administration fees, and surrender charges that have been assessed against policyholder account balances. Expenses for deferred annuity products include the interest credited on policy funds and expenses incurred in the administration and maintenance of the contracts. For payout annuities, premiums are recognized as revenue when due while expenses exclude the interest credited on policy funds.

Benefit reserves for the deferred annuity contracts represent the policy account balances before applicable surrender charges. Interest assumptions on payout annuities are based on assumed investment yields that ranged from 2.0% to 8.0% for the years ended 2004 and 2003.

Commissions and other related costs of acquiring annuity contracts that vary with and are primarily related to the production of new and renewal business are deferred to the extent that such costs are deemed recoverable through future estimated gross profits. Acquisition costs are amortized over the life of the contracts in direct proportion to the present value of expected gross profits from surrender charges and investment and expense margins. The amortization is adjusted retrospectively when estimates of current or future gross profits (including the impact of investment gains or losses) to be realized on a group of contracts are revised.

Reinsurance

Reinsurance premiums and claims are accounted for on bases consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts. Premiums and benefits are reported net of reinsured amounts.

Federal Income Taxes

The Company accounts for income taxes using the liability method for financial accounting and reporting of income taxes. Under this method, deferred income taxes are recognized for the tax consequences of "temporary differences" by applying the applicable tax rate to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities.

Reclassifications

Previously reported amounts for 2003 have in some instances been reclassified to conform to the 2004 presentation.

NOTE 2 – INVESTMENTS

Available-for-sale securities are summarized as follows:

	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Fair Value
		(in thousands)		
December 31, 2004:				
U.S. treasury securities and obligations of U.S. government corporations and agencies	$ 34,931	$ 171	$ (154)	$ 34,948
Corporate securities and other	2,386,810	86,339	(5,939)	2,467,210
Mortgage-backed securities, collateralized mortgage obligations and other structured securities	943,542	10,864	(7,792)	946,614
Subtotal	3,365,283	97,374	(13,885)	3,448,772
Equity securities	16,681	856	(62)	17,475
Total	$3,381,964	$ 98,230	$(13,947)	$3,466,247

	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Fair Value
		(in thousands)		
December 31, 2003:				
U.S. treasury securities and obligations of U.S. government corporations and agencies	$ 40,314	$ 354	$ —	$ 40,668
Corporate securities and other	2,045,679	97,063	(11,937)	2,130,805
Mortgage-backed securities, collateralized mortgage obligations and other structured securities	1,279,156	16,882	(18,579)	1,277,459
Subtotal	3,365,149	114,299	(30,516)	3,448,932
Equity securities	59,810	3,616	(349)	63,077
Total	$3,424,959	$ 117,915	$(30,865)	$3,512,009

Fixed maturity available-for-sale securities, at December 31, 2004, are summarized by stated maturity as follows:

	Amortized Cost	Fair Value
	(in thousands)	
Due in one year or less	$ 44,604	$ 45,380
Due after one year through five years	332,600	346,360
Due after five years through ten years	1,151,657	1,192,823
Due after ten years	727,189	745,260
Subtotal	2,256,050	2,329,823
Mortgage-backed securities	943,601	946,679
Other securities with multiple repayment dates	165,632	172,270
Total	$3,365,283	$3,448,772

Significant components of the unrealized gain on available-for-sale securities included in "Accumulated other comprehensive income" in the accompanying Consolidated Balance Sheets are as follows:

	Year Ended December 31,	
	2004	2003
	(in thousands)	
Gross unrealized gain on available-for-sale securities	$ 84,283	$ 87,050
Amortization of deferred policy acquisition costs	(36,783)	(40,765)
Deferred tax liability	(16,625)	(16,199)
Net unrealized gain on available-for-sale securities	$ 30,875	$ 30,086

A summary of available-for-sale securities with unrealized losses along with the related fair value, aggregated by the length of time that investments have been in a continuous loss position, is as follows (in thousands):

	December 31, 2004					
	Less than Twelve Months		Twelve Months or More		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Fixed maturity securities	$932,256	$ (10,548)	$208,180	$ (3,337)	$1,140,436	$(13,885)
Equity securities	33	(15)	1,860	(47)	1,893	(62)
Total	$932,289	$ (10,563)	$210,040	$ (3,384)	$1,142,329	$(13,947)

	December 31, 2003					
	Less than Twelve Months		Twelve Months or More		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Fixed maturity securities	$905,114	$ (22,451)	$107,960	$ (8,065)	$1,013,074	$(30,516)
Equity securities	74	(4)	347	(345)	421	(349)
Total	$905,188	$ (22,455)	$108,307	$ (8,410)	$1,013,495	$(30,865)

The unrealized losses in both 2004 and 2003 reported above were primarily caused by the effect of the interest rate environment on certain securities with stated interest rates currently below market rates, and as such, are temporary in nature. Certain securities also experienced declines in fair value that were due in part to credit-related considerations. Upon review of the economic circumstances underlying these securities, the Company determined that such declines were temporary in nature.

Therefore, the Company does not believe the unrealized losses on available-for-sale investments represent an other-than- temporary impairment as of December 31, 2004 and December 31, 2003.

See Note 9 for discussion of the methods and assumptions used by the Company in estimating the fair values of available-for-sale securities.

Investments in bonds on deposit with state insurance departments to satisfy regulatory requirements are carried at fair value and totaled $3,325,000 and $3,498,000, at December 31, 2004 and 2003, respectively.

Proceeds, gross realized gains, and gross realized losses from the sales and maturities of available-for-sale securities follows:

	Year Ended December 31,	
	2004	2003
	(in thousands)	
Proceeds	$2,415,601	$3,352,138
Gross realized gains	35,895	69,271
Gross realized losses	16,064	28,000

In 2004, the Company completed the sale of mortgage-backed securities with a book value of $285,000,000 to a third party in conjunction with a securitization transaction anticipated to occur in 2005.

A summary of the characteristics of the Company's mortgage portfolio follows:

	December 31, 2004		December 31, 2003	
	Carrying Amount	Percent of Carrying Amount	Carrying Amount	Percent of Carrying Amount
	(in thousands)			
Region				
New England and Mid-Atlantic	$ 42,272	6.8%	$ 31,354	5.9%
South Atlantic	134,944	21.8	97,623	18.5
North Central	114,090	18.4	102,113	19.4
South Central	56,338	9.2	46,756	8.9
Mountain	128,959	20.8	116,578	22.1
Pacific	142,709	23.0	133,227	25.2
Total	$619,312	100.0%	$527,651	100.0%
Property Type				
Apartment and residential	$ 35,772	5.8%	$ 35,805	6.8%
Warehouses and industrial	135,800	21.9	110,028	20.8
Retail and shopping center	209,921	33.9	178,264	33.8
Office	166,510	26.9	149,828	28.4
Other	71,309	11.5	53,726	10.2
Total	$619,312	100.0%	$527,651	100.0%

In 2002, the Company sold commercial mortgage loans with a book value of $186,686,000 to Morgan Stanley. Relative to the sale, the Company has agreed to repurchase mortgage loans which are secured by properties that do not have terrorism insurance in place, in the event the properties are subjected to a terrorist attack resulting in a loss. As of December 31, 2004, the maximum potential exposure to the Company is $3,400,000. It is management's opinion that the probability of loss related to this commitment is remote due to the nature and location of the properties.

At December 31, 2004 and 2003, respectively, an interest-only strip asset of $1,387,000 and $2,085,000 was recorded in "Other invested assets" in the Consolidated Balance Sheets. During 2004, the Company recognized a pre-tax realized loss of $305,000 recorded in "Net realized gains (losses) on investments" in the Consolidated Statements of Income and a reduction of the interest-only strip asset of $305,000 due to the prepayment of mortgage loans previously sold to third parties. The realized loss and reduction of the interest-only strip asset represented the present value of compensation related to mortgage loans

previously sold to third parties that the Company would have received over the life of the mortgage loans. Amortization expense of $393,000 and $518,000 was recorded in "Net investment income" in the Consolidated Statements of Income for the years ended December 31, 2004 and 2003, respectively.

In 2004 the Company recorded a pre-tax realized loss of $335,000 representing the difference between net collateral value and book value on two mortgage loans held for investment with a book value of $1,637,000. The Company recognized and collected interest totaling $161,000 during 2004 on the two mortgage loans.

The Company has a $100 million warehouse finance facility from a bank. This facility bears interest at prime (5.25% at December 31, 2004 and 4.00% at December 31, 2003) or LIBOR (2.56% at December 31, 2004 and 1.12% at December 31, 2003) plus 1.00%. $84,565,000 and $18,970,000 was outstanding under this facility at December 31, 2004 and December 31, 2003, respectively, and was recorded in "Other liabilities" in the Consolidated Balance Sheets. Outstanding borrowings on the Company's warehouse finance facilities are collateralized by commercial mortgage loans held for sale. Upon the sale of these loans the borrowings under the facility are repaid.

Real estate consists of investment real estate under lease and foreclosed real estate. The investment real estate under lease is depreciated over 40 years. The cost of the property totaled $1,755,000 at December 31, 2004 and 2003 and accumulated depreciation totaled $1,408,000 at December 31, 2004 and 2003. The book value of foreclosed real estate was $9,709,000 and $10,926,000 at December 31, 2004 and 2003, respectively.

In 2000, the Company commenced the development of a 123-acre business park (the Park), which included the installation of infrastructure and a roadway. To fund the cost of the infrastructure and roadway, the municipality in which the Park is located issued $2,800,000 of municipal bonds. The municipal bonds will be paid off through tax increment financing (TIF). TIF is an economic development tool that allows a local government to use increases in real property tax revenues to finance public infrastructure improvements. Thus, the development of the Park will result in increased real property tax revenues, which will be directed to pay off the municipal bonds. If increases in real property tax revenues from the Park are not sufficient to service the municipal bonds, the Company must fund any shortage. The maximum estimated potential exposure to the Company is $2,800,000. Based upon current projections, the Company anticipates the increased property tax revenues will be sufficient to fully service the municipal bonds.

NOTE 3 – REINSURANCE

In the ordinary course of business, the Company assumes and cedes reinsurance with other insurers and reinsurers. These arrangements provide greater diversification of business and limit the maximum net loss potential on large or hazardous risks. Reinsurance ceded contracts do not relieve the Company from its obligations to policyholders. Reinsurance ceded is recorded in "Other assets" in the Consolidated Balance Sheets. The Company remains liable to its policyholders for the portion reinsured to the extent that any reinsurer does not meet its obligations for reinsurance ceded to it under the reinsurance agreements. Failure of reinsurers to honor their obligations could result in losses to the Company; consequently, allowances would be established for amounts deemed or estimated to be uncollectible. To minimize its exposure to significant losses from reinsurance insolvencies, the Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics of the reinsurers. No losses are anticipated, and, based on management's evaluation; there are no concentrations of credit risk at December 31, 2004 and 2003. The Company retains the risk for varying amounts of individual or group insurance written up to a maximum of $1,000,000 on any one life or $4,000 per month disability risk and reinsures the balance.

Reinsurance transactions with other insurance companies for the years ended December 31, 2004 and 2003 are summarized as follows:

	December 31, 2004			
	Direct	Assumed	(Ceded)	Net
	(In thousands)			
Life insurance in force	$34,864,605	$125,468	$(20,855,818)	$14,134,255
Premiums and other considerations:				
Traditional insurance premiums and universal life	$ 395,773	$ 5,365	$ (225,676)	$ 175,462
Annuity	32,336	—	—	32,336
Total	$ 428,109	$ 5,365	$ (225,676)	$ 207,798

	December 31, 2003			
	Direct	Assumed	(Ceded)	Net
	(in thousands)			
Life insurance in force	$31,353,542	$141,861	$(17,636,047)	$13,859,356
Premiums and other considerations:				
Traditional insurance premiums and universal life	$ 347,834	$ 5,888	$ (173,146)	$ 180,576
Annuity	31,854	—	—	31,854
Total	$ 379,688	$ 5,888	$ (173,146)	$ 212,430

Benefits paid or provided were reduced by $16,836,000 and $21,521,000 at December 31, 2004 and 2003, respectively, for estimated recoveries under reinsurance treaties.

The Company nor any of its related parties control, either directly or indirectly, any reinsurers in which the Company conducts business. No policies issued by the Company have been reinsured with a foreign company, which is controlled, either directly or indirectly, by a party not primarily engaged in the business of insurance. The Company has not entered into any reinsurance agreements in which the reinsurer may unilaterally cancel any reinsurance for reasons other than nonpayment of premiums or other similar credits.

NOTE 4 – FEDERAL INCOME TAX

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax liabilities and assets are as follows:

	December 31,	
	2004	2003
	(in thousands)	
Deferred tax liabilities:		
Deferred policy acquisition costs	$142,452	$141,452
Unrealized gains – FAS 115	16,625	16,119
Capitalization of software	4,581	5,245
Other	662	311
Total deferred tax liabilities	164,320	163,127
Deferred tax assets:		
Policyholders' dividends	2,864	1,611
Future policy benefits	66,741	73,501
Basis differences on investments	17,823	20,405
Premium – based DAC adjustment	35,207	37,308
Retirement plan accruals	20,289	17,474
Investment income differences	358	787
Other	4,018	3,113
Total deferred tax assets	147,300	154,199
Net deferred tax liabilities	$ 17,020	$ 8,928

Significant components of the provision for income tax expense attributable to continuing operations are as follows:

	Year ended December 31,	
	2004	2003
	(in thousands)	
Current	$ 7,134	$10,350
Deferred	9,002	5,701
Total	$16,136	$16,051

Federal income tax expense is calculated based on applying the statutory corporate tax rate to taxable income, and adjusting this amount for permanent differences between deductions allowed for financial statement purposes versus federal income tax purposes. Significant differences are due to adjustments to prior years' tax liabilities and the release of tax contingency reserves.

NOTE 5 – COMMITMENTS AND CONTINGENT LIABILITIES

Leases

The Company leases office space for various field agency offices with lease terms that vary in duration from 1 to 15 years. Some of these leases include escalation clauses that vary with levels of operating expense. Rental expense under these operating leases totaled $3,808,000 and $3,835,000 in 2004 and 2003, respectively. The Company leased equipment through a series of arrangements in 2004 and 2003. Rental expense under these agreements totaled $158,000 and $121,000 in 2004 and 2003, respectively.

At December 31, 2004, the future minimum lease payments for all noncancelable operating leases are as follows:

Year	Amount (in thousands)
2005	$2,860
2006	2,212
2007	1,013
2008	764
2009	526
After 2009	1,808
Total	$9,183

Other Commitments

At December 31, 2004, the Company had outstanding agreements to fund mortgages totaling $38,065,000 in early 2005. In addition, the Company has committed to invest $11,241,000 in equity-type limited partnerships during the years 2005 to 2011. These transactions are in the normal course of business for the Company.

Litigation

In the normal course of business, the Company is party to various claims and litigation primarily arising from claims made under insurance policies and contracts. Those actions are considered by the Company in estimating the policy and contract liabilities. The Company's management believes that the resolution of those actions will not have a material adverse effect on the Company's financial position or results of operations.

Guaranty Fund Assessments

The economy and other factors have caused an increase in the number of insurance companies that are under regulatory supervision. This circumstance is expected to result in an increase in assessments by state guaranty funds, or voluntary payments by solvent insurance companies, to fund policyholder losses or liabilities of insurance companies that become insolvent. These assessments may, in certain instances, be offset against future premium taxes. For 2004 and 2003, the charge to operations related to these assessments was not significant. The estimated liability of $796,000 and $860,000 at December 31, 2004 and 2003, respectively, was based on data provided by the National Organization of Life and Health Insurance Guaranty Associations and was included in "Other liabilities" in the Consolidated Balance Sheets.

NOTE 6 - STATUTORY SURPLUS AS REPORTED TO REGULATORY AUTHORITIES

Union Central files statutory-basis financial statements with regulatory authorities. Union Central's statutory-basis financial statements are prepared in conformity with accounting practices prescribed or permitted by the Department of Insurance of Ohio, Union Central's state of domicile. Effective January 1, 2001, the State of Ohio required that insurance companies domiciled in the State of Ohio prepare their statutory basis financial statements in accordance with the NAIC Accounting

Practices and Procedures Manual subject to any deviations prescribed or permitted by the State of Ohio insurance commissioner. Surplus as reflected in the statutory-basis financial statements was as follows:

	Year ended December 31,	
	2004	2003
	(in thousands)	
Capital and surplus	$337,730	$311,308

NOTE 7 – EMPLOYEE BENEFITS

The Company has pension plans covering substantially all of its employees. Pension expense and funding was determined according to regulations as specified by the Employee Retirement Income Security Act of 1974 (ERISA) and subsequent amendments. Benefits are based on the average of the employee's compensation over their career.

In addition to pension benefits, the Company provides certain health care and life insurance benefits for its eligible retired employees ("Other Postretirement Benefits"). Substantially all of the Company's employees may become eligible for these benefits if they reach normal retirement age while working for the Company.

The measurement date for the Company's pension benefits was December 31. The measurement date for Other Postretirement Benefits was October 1. A summary of the assets, obligations and assumptions are as follows:

	Pension Benefits		Other Postretirement Benefits	
	2004	2003	2004	2003
	(in thousands)			
Accumulated benefit obligation	$140,852	$128,666	$ 25,596	$ 23,355
Projected benefit obligation	$143,023	$130,603	$ —	$ —
Plan assets at fair value	$109,540	$113,692	$ 10,278	$ 8,131
Funded status	$(33,483)	$ (16,911)	$(15,318)	$ (15,224)
Accrued liabilities	$ 31,312	$ 14,975	$ 14,546	$ 15,343
Employer contributions	$ —	$ 4,855	$ 2,575	$ 2,400
Plan participants' contributions	$ —	$ —	$ 351	$ 242
Benefits and administrative expenses paid	$ 6,014	$ 6,354	$ 2,281	$ 1,927
Components of net periodic benefit cost:				
Service cost	$ 3,597	$ 3,711	$ 845	$ 731
Interest cost	8,181	7,962	1,464	1,336
Expected return on plan assets	(8,746)	(8,075)	(709)	(504)
Transition obligation/(asset) amortization	(41)	(41)	—	—
Amount of recognized (gains)/losses	3,529	4,734	—	—
Amount of prior service cost recognized	(1,050)	(1,070)	178	1,142
Total net periodic benefit cost	$ 5,470	$ 7,221	$ 1,778	$ 2,705

	Pension Benefits		Other Postretirement Benefits	
	2004	2003	2004	2003
Weighted average assumptions:				
Discount rate	6.00%	6.50%	6.00%	6.50%
Expected compensation increase	3.00%	3.00%	3.00%	3.00%
Expected return on plan assets	8.50%	8.50%	8.50%	8.50%

	Pension Benefits	Other Postretirement Benefits
	(in thousands)	
Expected Benefit Payments:		
2005	$ 7,567	$ 1,562
2006	7,898	1,610
2007	8,376	1,663
2008	8,984	1,716
2009	9,700	1,765
2010 – 2014	61,715	10,202

Also, $2,631,000 and $3,071,000 (net of tax) was charged directly to policyholders' equity in 2004 and 2003, respectively, as a result of recognizing an additional minimum pension liability adjustment under Statement of Financial Accounting Standard No. 87, "Employers' Accounting for Pensions", and was included in "Minimum pension liability adjustment" in the Consolidated Statements of Equity.

Plan assets of the pension and other postretirement benefit plans are composed of affiliated and unaffiliated mutual funds and a portfolio of actively managed equity securities. As of their respective measurement dates in 2004 and 2003, $89,955,000 and $93,060,000 was invested in affiliated mutual funds.

The expected long-term rate of return for the Company's benefit plans is currently 8.5%. In developing this assumption, the Company periodically monitors investment yields on the assets in the plans to determine if the current expected rate of return is reasonable given the current investment performance. Historical and projected returns are also reviewed for appropriateness of the selected assumption. The Company believes its assumption of future returns is reasonable.

The primary investment objectives of the Company's benefit plans is to provide sufficient assets and liquidity to meet the distribution requirements of the Plans through capital appreciation of the Plans' assets and levelized funding. To accomplish this objective, Pension Plan assets are invested in affiliated and unaffiliated mutual funds and assets of the Other Postretirement Benefit Plans are invested in a diversified pool of equity securities, affiliated mutual funds and cash. The Company's investment strategy for the Pension Plan is generally a target investment mix of 60% equities and 40% bonds. The Company's investment strategy for Other Postretirement Benefit Plans is a target investment allocation consisting primarily of equities with the remainder in bonds and cash. The actual allocation of plan assets by investment category for the year ending December 31, 2004 and 2003 are as follows:

	Pension Benefits		Other Postretirement Benefits	
Equity securities:	2004	2003	2004	2003
Domestic equities	52.3%	51.6%	82.6%	87.0%
Foreign equities	9.6	9.2	9.4	3.8
Bonds	38.1	39.2	5.8	—
Cash	—	—	2.2	9.2
Total	100.0%	100.0%	100.0%	100.0%

The Company's current funding strategy for its benefit plans is to fund an amount at least equal to the minimum required funding as determined under ERISA with consideration of factors such as the minimum pension liability requirement for Pension Benefits and the maximum tax deductible amounts for both Pension Benefits and Other Postretirement Benefits. The ultimate amount of the Company's funding may be adjusted based on changes in the fair value of plan assets and changes in related assumptions. For the year ending December 31, 2004, the Company does not expect any required contributions under ERISA for the Pension Plans and will fund Other Postretirement Benefits Plans to meet their liquidity needs.

The health care cost trend rate was 12.1% graded to 5.0% over 10 years for 2004. The health care cost trend rate assumption has an insignificant effect on the postretirement benefit obligation, the interest cost and estimated eligibility cost components of the net periodic postretirement benefit cost as of and for the year ended December 31, 2004.

The Company did not adjust its projection of the liability for Other Postretirement Benefits to consider the impact of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 as the impact was immaterial.

The Company has two contributory savings plans for home office employees and agents meeting certain service requirements, which qualify under Section 401(k) of the Internal Revenue Code. These plans allow eligible employees to contribute up to certain prescribed limits of their pre-tax compensation. The Company will match 50% of the first 6% of participants' contributions for the Employees Savings Plan and the Agents Savings Plan. The Company's matching contributions to these plans were $1,846,000 and $1,820,000 for 2004 and 2003, respectively. The value of the plans' assets were $95,318,000 and $83,287,000 at December 31, 2004 and 2003, respectively. The assets are held in the deposit fund or under the variable accounts of a group annuity policy. At December 31, 2004 and 2003, $31,960,000 and $28,994,000, respectively, was invested in affiliated mutual funds.

NOTE 8 – FAIR VALUES OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used by the Company in estimating its fair value disclosures for financial instruments:

Cash and short-term investments: The carrying amounts reported in the Consolidated Balance Sheets for these instruments approximate their fair values.

Investment securities: Fair values for bonds are based on quoted market prices, where available. If quoted market prices are not available, fair values are estimated using values obtained from independent securities broker dealers or quoted market prices of comparable instruments. The fair values of common stock in Company sponsored mutual funds are based on quoted market prices and are recognized in "Equity securities available-for-sale at fair value", "Other fixed maturities" and "Other equity securities" in the Consolidated Balance Sheets. The fair values for limited partnerships are based on the quoted market prices of the investments underlying the limited partnership portfolios.

Mortgage loans: The fair values for commercial mortgages held for investment in good standing are estimated using discounted cash flow analysis using interest rates currently being offered for similar loans to borrowers with similar credit ratings in comparison with actual interest rates and maturity dates. Fair values for mortgages held for investment with potential loan losses are based on discounted cash flow analysis of the underlying properties.

The estimate of fair values for commercial mortgage loans held for sale is based on current pricing of whole loan transactions that a purchaser unrelated to the seller would demand for a similar loan.

Warehouse Finance Facility: The warehouse finance facility is offered with interest at market interest rates, and therefore, the carrying value of the warehouse finance facility is a reasonable estimation of fair value.

Policy loans: Management is unable to ascertain the estimated life of the policy loan portfolio. Due to the excessive costs that would be incurred to determine this information, management considers the estimation of its fair value to be impracticable. The nature of a policy loan insures that the outstanding loan balance will be fully recoverable because the balance owed to the Company is always equal to or lower than the cash value of the insurance policy owed to the policyholder. Policy loans are stated at their aggregate unpaid balance in the Consolidated Balance Sheets.

Investment contracts: Fair values for the Company's liabilities under investment-type insurance contracts are estimated using discounted cash flow calculations, based on interest rates currently being offered for similar contracts with maturities consistent with those remaining for the contracts being valued.

Surplus notes: Fair value for the Company's surplus notes liability was estimated using a discounted cash flow calculation based on current interest rates consistent with the maturity of the surplus notes.

Repurchase Agreements: The fair value of repurchase agreements are based on quoted market prices.

Interest Rate Swap Agreements: The fair value of interest rate swaps is the estimated amount the Company would receive or pay to terminate the agreements based on current market interest rates.

The carrying amounts and fair values of the Company's mortgage loans are as follows:

	December 31, 2004		December 31, 2003	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(in thousands)			
Mortgage loans	$619,312	$656,724	$527,651	$571,359

The carrying amounts and fair values of the Company's liabilities for investment-type insurance contracts are as follows:

	December 31, 2004		December 31, 2003	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(in thousands)			
Direct access	$ 61,072	$ 61,072	$ 63,208	$ 63,208
Traditional annuities	35,157	38,324	34,896	38,838
Supplementary contracts	9,855	9,907	10,919	11,073
GPA not involving life	539	584	719	785
Dividend accumulations	5,830	5,830	5,846	5,846
Premium deposit funds	662	662	664	664
Total	$113,115	$116,379	$116,252	$120,414

The carrying amounts and fair values of the Company's liability for surplus notes is as follows:

	December 31, 2004		December 31, 2003	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(in thousands)			
Surplus notes	$ 49,810	$ 56,034	$ 49,801	$ 52,657

The Company's other insurance contracts are excluded from disclosure requirements. However, the fair values of liabilities under all insurance contracts are taken into consideration in the Company's overall management of interest rate risk, which minimizes exposure to changing interest rates through the matching of investment maturities with amounts due under insurance contracts. Additional data with respect to the carrying value and fair value of the Company's investments is disclosed in Note 2.

NOTE 9 – LIABILITY FOR UNPAID CLAIMS AND CLAIM ADJUSTMENT EXPENSES

Activity in the liability for unpaid claims and claim adjustment expense is summarized as follows:

	December 31,	
	2004	2003
	(in thousands)	
Balance as of January 1	$176,655	$161,037
Incurred related to:		
Current year	83,105	91,862
Prior years	11,451	6,927
Total incurred	94,556	98,789
Paid related to :		
Current year	45,940	52,342
Prior years	39,023	30,829
Total paid	84,963	83,171
Balance as of December 31	$186,248	$176,655

The balance in the liability for unpaid claims and claim adjustment expenses is included in "Future policy benefits" and "Policy and contract claims" in the Consolidated Balance Sheets.

As a result of changes in estimates of insured events in prior years, the provision of claims and claim adjustment expenses increased by $11,451,000 and $6,927,000 in 2004 and 2003, respectively. Amounts related to incurred claims related to prior years' resulted from prior year claims being settled for amounts greater than originally estimated. Included in the above balances are reinsurance recoverables of $2,615,000 and $4,037,000 at 2004 and 2003, respectively.

NOTE 10 – SURPLUS NOTES

On November 1, 1996, Union Central issued $50,000,000 of 8.20% Surplus Notes (Notes). The Notes mature on November 1, 2026 and may not be redeemed prior to maturity. The Notes are unsecured and subordinated to all present and future policy claims, prior claims and senior indebtedness. Subject to prior written approval of the Superintendent of the Ohio Insurance Department, these Notes pay interest semi-annually on May 1 and November 1. Interest expense of $4,100,000 was incurred in 2004 and 2003, and was recorded as a reduction of "Net investment income" in the Consolidated Statements of Income. In connection with issuing the Notes, Union Central incurred and capitalized $765,000 of issuance cost. This cost is recorded in "Other assets" in the Consolidated Balance Sheets, and totaled $562,000 and $587,000 as of December 31, 2004 and 2003, respectively. Issuance cost of $26,000 was amortized in 2004 and 2003, respectively, and recorded to "Underwriting, acquisition and insurance expense" in the Consolidated Statements of Income. Additionally, the Notes have an original issue discount of $260,000, which is deducted from the balance of the Notes. Issuance costs and original issue discount will be amortized under the straight-line method over the term of the Notes. Amortization relating to original issue discount of $9,000 was recorded in 2004 and 2003 in "Underwriting, acquisition and insurance expense" in the Consolidated Statements of Income. Unamortized original issue discount of $190,000 and $199,000 was deducted from the balance of the Notes as of December 31, 2004 and 2003, respectively.

NOTE 11 – COMPREHENSIVE INCOME

Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" (FAS 130) establishes the requirement for the reporting and display of comprehensive income and its components in the financial statements. Comprehensive income is defined by the FASB as all changes in an enterprise's equity during a period other than those resulting from investments by owners and distributions to owners. Comprehensive income includes net income and other comprehensive income, which includes all other non-owner related changes to equity and includes unrealized gains and losses on available-for-sale debt and equity securities and minimum pension liability adjustments. FAS 130 also requires separate presentation of the accumulated balance of other comprehensive income within the equity section of a statement of financial position. The Company has presented the required displays of total comprehensive income and its components, along with the separate presentation of the accumulated balance of other comprehensive income within the Consolidated Statements of Equity.

Following are the FAS 130 disclosures of the related tax effects allocated to each component of other comprehensive income and the accumulated other comprehensive income balances required by FAS 130.

	Year Ended December 31, 2004		
	Before-Tax Amount	Tax Expense/(Benefit)	Net-of-Tax Amount
		(in thousands)	
Unrealized gains on securities:			
Unrealized gains arising during 2004	$ 22,694	$ 7,943	$ 14,751
Less: reclassification adjustments for gains realized in net income	(21,480)	(7,518)	(13,962)
Net unrealized gains	1,214	425	789
Minimum pension liability adjustment	(4,048)	(1,417)	(2,631)
Other comprehensive loss	$ (2,834)	$ (992)	$ (1,842)

	Year Ended December 31, 2003		
	Before-Tax Amount	Tax Expense/(Benefit)	Net-of-Tax Amount
		(in thousands)	
Unrealized losses on securities:			
Unrealized gains arising during 2003	$ 20,561	$ 7,196	$ 13,365
Less: reclassification adjustments for gains realized in net income	(25,316)	(8,861)	(16,455)
Net unrealized losses	(4,755)	(1,665)	(3,090)
Minimum pension liability adjustment	(4,725)	(1,654)	(3,071)
Other comprehensive loss	$ (9,480)	$(3,319)	$ (6,161)

NOTE 12 – SUBSEQUENT EVENT (UNAUDITED)

In January 2005, the Board of Directors of the Parent and the Ameritas Acacia Companies voted to combine at the mutual holding company level. The target date for the consolidation is the end of 2005. Members and policyholders of the companies must approve the transaction. In addition, a number of regulatory approvals must be met, including approval from the Department of Insurance in Nebraska and Ohio.

EXHIBIT 3

THE AMERITAS ACACIA MUTUAL HOLDING COMPANY AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2004
AND 2003 WITH REPORT OF INDEPENDENT AUDITORS

AMERITAS ACACIA MUTUAL HOLDING COMPANY AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2004 AND 2003

AND FOR THE YEARS THEN ENDED

AND INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Ameritas Acacia Mutual Holding Company
Lincoln, Nebraska

We have audited the accompanying consolidated balance sheets of Ameritas Acacia Mutual Holding Company and subsidiaries (the Company) as of December 31, 2004 and 2003, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Ameritas Acacia Mutual Holding Company and subsidiaries as of December 31, 2004 and 2003, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

Lincoln, Nebraska
March 1, 2005

AMERITAS ACACIA MUTUAL HOLDING COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands)

ASSETS	December 31 2004	2003
Investments:		
Fixed maturity securities held to maturity (fair value $389,635 – 2004, $437,106 – 2003)	$ 368,347	$ 407,358
Fixed maturity securities available for sale (amortized cost $2,452,072 – 2004, $2,425,705 – 2003)	2,555,274	2,528,562
Fixed maturity securities trading	20,624	—
Equity securities available for sale (cost $126,071 – 2004, $115,296 – 2003)	155,459	135,520
Equity securities trading	7,020	1,796
Loans receivable, net	1,530,388	1,410,736
Real estate, less accumulated depreciation ($18,044 – 2004, $34,230 – 2003)	40,815	76,104
Other investments	116,998	102,645
Total investments	4,794,925	4,662,721
Cash and cash equivalents	184,540	186,109
Accrued investment income	57,076	61,305
Deferred policy acquisition costs	282,253	290,349
Property and equipment, less accumulated depreciation ($61,396 – 2004, $57,045 – 2003)	47,246	42,770
Reinsurance receivable – affiliate	135	117
Current income taxes	8,482	—
Other assets	118,267	114,296
Separate accounts	2,666,204	2,487,043
Total assets	$8,159,128	$7,844,710

The accompanying notes to the consolidated financial statements are an integral part of these statements.

AMERITAS ACACIA MUTUAL HOLDING COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands)

	December 31	
	2004	2003
LIABILITIES AND EQUITY		
Policy and contract reserves	$ 849,887	$ 863,275
Policy and contract claims	47,012	54,586
Accumulated contract values	2,248,017	2,227,929
Unearned policy charges	14,000	13,109
Dividends payable to policyowners	17,120	17,687
Savings deposits	577,511	593,231
Note payable – affiliate	3,359	3,359
Borrowings	290,689	295,642
Current income taxes	—	4,254
Deferred income taxes	44,404	29,771
Other liabilities	163,546	158,267
Separate accounts	2,666,204	2,487,043
Total liabilities	6,921,749	6,748,153
COMMITMENTS AND CONTINGENCIES		
Minority interest in subsidiary	58,294	53,235
Retained earnings	1,123,764	993,884
Accumulated other comprehensive income	55,321	49,438
Total equity	1,179,085	1,043,322
Total liabilities and equity	$8,159,128	$7,844,710

The accompanying notes to the consolidated financial statements are an integral part of these statements.

AMERITAS ACACIA MUTUAL HOLDING COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	Years Ended December 31	
	2004	2003
Net income	$129,880	$50,076
Other comprehensive income, net of tax:		
Unrealized gains on securities:		
Unrealized holding gains arising during the period (net of deferred tax expense, $1,511 – 2004, $6,647 – 2003)	3,005	12,316
Reclassification adjustment for losses included in net income (net of deferred tax benefit, $1,607 – 2004, $5,781 – 2003)	2,985	12,595
Allocation to Closed Block policyholder dividend obligation (PDO) (net of deferred tax expense, $85 – 2004, $350 – 2003)	(158)	(651)
Minority interest	51	19
	5,883	24,279
Minimum pension liability adjustment (net of deferred tax expense, $0 – 2004, $10,907 – 2003)	—	20,256
Other comprehensive income	5,883	44,535
Comprehensive income	$135,763	$94,611

The accompanying notes to the consolidated financial statements are an integral part of these statements.

AMERITAS ACACIA MUTUAL HOLDING COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(in thousands)

	Retained Earnings	Accumulated Other Comprehensive Income	Total Equity
BALANCE, January 1, 2003	$ 943,808	$ 4,903	$ 948,711
Net unrealized investment activity, net	—	24,911	24,911
Minority interest in net unrealized investment activity, net of tax	—	19	19
Allocation to Closed Block PDO	—	(651)	(651)
Minimum pension liability adjustment	—	20,256	20,256
Net income	50,076	—	50,076
BALANCE, December 31, 2003	993,884	49,438	1,043,322
Net unrealized investment activity, net	—	5,990	5,990
Minority interest in net unrealized investment activity, net of tax	—	51	51
Allocation to Closed Block PDO	—	(158)	(158)
Net income	129,880	—	129,880
BALANCE, December 31, 2004	$1,123,764	$55,321	$1,179,085

The accompanying notes to the consolidated financial statements are an integral part of these statements.

AMERITAS ACACIA MUTUAL HOLDING COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Years Ended December 31	
	2004	2003
OPERATING ACTIVITIES:		
Net Income	$ 129,880	$ 50,076
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	11,463	12,641
Amortization of deferred policy acquisition costs	45,512	34,983
Policy acquisition costs deferred	(39,409)	(40,559)
Interest credited to accumulated contract values	100,197	108,366
Amortization of discounts or premiums	(767)	(5,459)
Net realized (gains) losses on investment transactions	(73,203)	24,156
Cumulative effect of change in accounting principle (Note 1)	606	—
Unrealized (gain) loss on trading securities and equity method investments	(3,967)	821
Loans receivable held for sale	(708)	4,497
Deferred income taxes	11,995	1,245
Minority interest in earnings of subsidiary	5,108	5,781
Change in assets and liabilities:		
Fixed maturity securities trading	(19,669)	—
Equity securities trading	(4,751)	(1,644)
Accrued investment income	4,229	(691)
Current income taxes	(12,736)	13,158
Other assets	(3,989)	(4,233)
Policy and contract reserves	(11,960)	(13,290)
Policy and contract claims	(7,574)	7,488
Unearned policy charges	891	776
Dividends payable to policyowners	(567)	(505)
Other liabilities	4,511	1,803
Net cash from operating activities	135,092	199,410
INVESTING ACTIVITIES:		
Purchase of investments:		
Fixed maturity securities held to maturity	(75,383)	(25,076)
Fixed maturity securities available for sale	(379,280)	(936,675)
Equity securities available for sale	(49,506)	(50,664)
Loans receivable	(97,254)	(89,018)
Real estate	(2,277)	(17,155)
Other investments	(37,162)	(18,715)
Proceeds from sale of investments:		
Fixed maturity securities available for sale	59,302	88,765
Equity securities available for sale	41,198	51,161
Real estate	112,798	393

The accompanying notes to the consolidated financial statements are an integral part of these statements.

AMERITAS ACACIA MUTUAL HOLDING COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Years Ended December 31	
	2004	2003
INVESTING ACTIVITIES (continued):		
Proceeds from maturities or repayment of investments:		
Fixed maturity securities held to maturity	$ 115,116	$ 136,035
Fixed maturity securities available for sale	289,733	431,620
Loans receivable	71,607	54,467
Other investments	20,863	18,610
Purchase of property and equipment	(21,768)	(26,503)
Proceeds from sale of property and equipment	9,486	12,759
Net change in loans on insurance policies	5,853	6,832
Net change in loans receivable from banking activities	(99,205)	(188,974)
Net cash from investing activities	(35,879)	(552,138)
FINANCING ACTIVITIES:		
Deposits credited to accumulated contract values	1,081,793	2,339,018
Withdrawals from accumulated contract values	(1,161,902)	(2,312,483)
Net change in savings deposits	(15,720)	137,297
Increase in borrowings	513,500	503,250
Net change in repurchase agreements	(20,944)	37,333
Repayment of borrowings	(497,509)	(456,172)
Net cash from financing activities	(100,782)	248,243
CHANGE IN CASH AND CASH EQUIVALENTS	(1,569)	(104,485)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	186,109	290,594
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 184,540	$ 186,109
Supplemental cash flow information:		
Cash paid for income taxes	$ 63,791	$ 19,589
Cash paid for interest	24,294	23,216

The accompanying notes to the consolidated financial statements are an integral part of these statements.

AMERITAS ACACIA MUTUAL HOLDING COMPANY AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003
(in thousands)

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND NATURE OF OPERATIONS

Effective January 1, 1999, Ameritas Mutual Insurance Holding Company (AMIHC) and Acacia Mutual Holding Corporation (AMHC) merged to form Ameritas Acacia Mutual Holding Company (AAMHC) in a business combination accounted for as a pooling of interests. In addition, their two wholly owned subsidiaries, Ameritas Holding Company and Acacia Financial Group, Ltd., were merged to form Ameritas Holding Company (AHC). AHC wholly owns two stock life insurance companies, Ameritas Life Insurance Corp. (Ameritas) and Acacia Life Insurance Company (Acacia).

AAMHC is a mutual insurance holding company structure. Owners of designated policies issued by Ameritas and Acacia have membership interests in AAMHC, while contractual rights remain with each respective insurance company.

Ameritas' insurance operations consist of life and health insurance and annuity and pension contracts. Ameritas and its subsidiaries operate in all 50 states and the District of Columbia. Ameritas wholly owns First Ameritas Life Insurance Corp. of New York, an insurance subsidiary. Ameritas is also a majority owner of AMAL Corporation (AMAL), which wholly owns Ameritas Variable Life Insurance Company (AVLIC), Ameritas Investment Corp., a broker dealer, and The Advisors Group, Inc. (TAG), a broker dealer. Ameritas also conducts other diversified financial service related operations through the following wholly owned subsidiaries: Ameritas Investment Advisors, Inc., an advisor providing investment management services; and Pathmark Administrators Inc., formerly Pathmark Assurance Company which effective September 30, 2003 surrendered its insurance license and now operates as a third-party administrator.

Acacia's insurance operations consist of life and annuity products. Acacia and, prior to January 1, 2004, its wholly owned insurance subsidiary, Acacia National Life Insurance Company (ANLIC), operate in 47 states and the District of Columbia. Effective after the close of business at December 31, 2003, ANLIC was merged into Acacia. Non-insurance products and services are offered by Acacia Financial Corporation (AFCO), a wholly owned subsidiary of Acacia which is a holding company of several financial service companies. Principal subsidiaries of AFCO include: Calvert Group Ltd. (Calvert), a provider of investment advisory, management, and administrative services to The Calvert Group of mutual funds; and Acacia Federal Savings Bank (AFSB), a federally chartered savings bank. Prior to July 15, 2004, Acacia Realty Square, LLC (ARS), a wholly owned subsidiary of Acacia, owned and leased the former Acacia headquarters building to an unrelated party. Effective on July 15, 2004, ARS was dissolved as part of a real estate transaction involving the sale of the Acacia headquarters building.

BASIS OF ACCOUNTING AND PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements of Ameritas Acacia Mutual Holding Company and subsidiaries (the Company) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The consolidated financial statements include the accounts of AAMHC and its majority owned subsidiaries, but exclude the effects of all material intercompany transactions.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates susceptible to significant change include deferred policy acquisition costs, reserves, and income taxes.

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

RISKS AND UNCERTAINTIES

The Company operates in a business environment which is subject to various risks and uncertainties. Such risks and uncertainties include, but are not limited to, interest rate risk, market risk, credit risk and legal and regulatory changes.

Interest rate risk is the potential for interest rates to change, which can cause fluctuations in the value of investments, the liabilities for future policy benefits and the carrying amount of deferred policy acquisition costs. Market risk is the potential for market values to change, which can cause fluctuations in certain future policy benefits and contract charges. Credit risk is the risk that issuers of investments owned by the Company may default or that other parties may not be able to pay amounts due to the Company. The Company is also subject to various State and Federal regulatory authorities. The potential exists for changes in regulatory initiatives which can result in additional, unanticipated impacts to the Company.

RECLASSIFICATIONS

Certain items on the prior year financial statements have been reclassified to conform to current year presentation.

INVESTMENTS

The Company classifies its securities into categories based upon the Company's intent relative to the eventual disposition of the securities. The first category, held to maturity, is for fixed maturity securities which the Company has the positive intent and ability to hold to maturity. These securities are carried at amortized cost. The second category, available for sale, is for fixed maturity securities and equity securities that may be sold to address the liquidity and other needs of the Company. Securities classified as available for sale are carried at fair value on the balance sheet with unrealized gains and losses excluded from operations and reported as a component of accumulated other comprehensive income, net of related deferred policy acquisition costs and income tax effects. The third category, trading, is for fixed maturity securities and equity securities acquired for the purpose of selling them in the near term and are carried at fair value. Unrealized gains and losses on trading securities are reflected in net investment income. Realized investment gains and losses on sales of securities are determined on the specific identification method.

For mortgage-backed and asset-backed securities, the Company recognizes income using a constant effective yield based on anticipated prepayments and the estimated economic life of the securities. When estimates of prepayments change, the effective yield is recalculated to reflect actual payments to date and anticipated future payments and any resulting adjustment is included in net investment income.

Loans receivable includes mortgage loans on real estate which are carried at amortized cost less an allowance for estimated uncollectible amounts, except impaired loans, which are measured at the present value of expected future cash flows, or alternatively, the loan's observable market price or the fair value of the collateral. Total impaired loans as of December 31, 2004 and 2003 and the associated interest income were not material. Management's periodic evaluation of the adequacy of the allowance is based on past loan loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay, the estimated value of any underlying collateral, and the current economic conditions. Loans on insurance policies are also reported as loans receivable, and are recorded at the unpaid principal balance.

Loans originated and intended for sale in the secondary market are carried at the lower of cost or estimated fair value in the aggregate. Net unrealized losses, if any, are recognized through a valuation allowance by charges to income.

Investment real estate owned directly by the Company is carried at cost less accumulated depreciation. Real estate acquired through foreclosure is carried at the lower of cost or fair value minus estimated costs to sell.

Other investments primarily include investments in venture capital partnerships accounted for using the cost or equity method depending on ownership percentages, and investments in real estate limited partnerships and real estate limited liability companies accounted for on the equity method.

The Company records write-downs or allowances for its investments based upon an evaluation of specific investments. The Company reviews, on a continual basis, all invested assets to identify investments where the Company may have a decline in fair value below cost.

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (continued)

CASH EQUIVALENTS

The Company considers all highly liquid debt securities purchased with a remaining maturity of less than three months to be cash equivalents.

As of December 31, 2004 and 2003, the Company had investments classified as cash equivalents of $43,256 and $35,029 respectively, in various money market mutual funds to which Calvert is the advisor. These investments are recorded at their fair value based on net asset values.

PROPERTY AND EQUIPMENT

Property and equipment are carried at cost less accumulated depreciation. Property and equipment includes properties occupied by the Company, electronic data processing equipment, software, and furniture and equipment. The Company provides for depreciation of property and equipment using straight-line and accelerated methods over the estimated useful lives of the assets. Depreciation expense for property and equipment is included in sales and operating expenses on the statement of operations at $7,825 and $8,530 in 2004 and 2003, respectively.

SEPARATE ACCOUNTS

The Company operates separate accounts on which the earnings or losses accrue exclusively to policyowners. The assets (principally investments) and liabilities of each account are clearly segregated from other assets and liabilities of the Company. The separate accounts are an investment option for pension, variable life, and variable annuity products which the Company markets. Amounts are reported at fair value.

AVLIC has a variable insurance trust (VIT). The Company offers the VIT as an investment option to policyowners through their separate accounts. The Company had separate account investments of $573,720 and $625,429 in the VIT as of December 31, 2004 and 2003, respectively. Affiliates of the Company provide investment advisory and administrative services to the VIT on a fee basis.

The Company offers Calvert Variable Series, Inc. (CVS) mutual funds, which are affiliates, to policyowners through the separate accounts. Separate account investments in mutual funds offered through CVS were $164,232 and $137,633 as of December 31, 2004 and 2003, respectively.

PREMIUM REVENUE AND BENEFITS TO POLICYOWNERS

PARTICIPATING AND TERM LIFE, ACCIDENT AND HEALTH AND ANNUITY

Participating life insurance products include those products with fixed and guaranteed premiums and benefits on which dividends are paid by the Company. Premiums on participating and term life products and certain annuities with life contingencies (immediate annuities) are recognized as premium revenue when due. Accident and health insurance premiums are recognized as premium revenue over the time period to which the premiums relate. Benefits and expenses are associated with earned premiums so as to result in recognition of profits over the premium-paying period of the contracts. This association is accomplished by means of the provision for liabilities for future policy benefits and the amortization of deferred policy acquisition costs.

UNIVERSAL LIFE-TYPE CONTRACTS

Universal life-type policies are insurance contracts with terms that are not fixed and not guaranteed. The terms that may be changed include one or more of the amounts assessed to the policyowner, premiums paid by the policyowner or interest accrued to the policyowner's balance. Amounts received as payments for such contracts are reflected as deposits in accumulated contract values and are not reported as premium revenues.

Revenues for universal life-type policies consist of charges assessed against policy account values for deferred policy charges, mortality risk expense, the cost of insurance and policy administration. Policy benefits and claims that are charged to expense include interest credited to contracts and benefit claims incurred in the period in excess of related policy account balances.

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (continued)

INVESTMENT CONTRACTS

Contracts that do not subject the Company to risks arising from policyowner mortality or morbidity are referred to as investment contracts. Deposit administration plans and certain deferred annuities are considered investment contracts. Amounts received as payments for such contracts are reflected as deposits in accumulated contract values and are not reported as premium revenues.

Revenues for investment products consist of investment income and policy administration charges. Contract benefits that are charged to expense include benefit claims incurred in the period in excess of related contract balances, and interest credited to contract balances.

RECOGNITION OF MUTUAL FUND MANAGEMENT AND RELATED FEES

Mutual fund management and related fees are accrued daily and consist of advisory, transfer agency, shareholder account servicing, distribution, and fees for services. Fees for advisory and administrative services provided to mutual funds are determined based on the net assets of the funds, the number of shareholder accounts and transactions, and sales, as contractually determined with the specific mutual fund. Fees for brokerage of depository accounts are negotiated with the respective banks and/or savings institutions and are accrued daily.

RECOGNITION OF BROKER DEALER REVENUES

Broker dealer revenues consist of commissions, underwriting income and service and advisory fees. Commissions are based on set rates and are recognized at the time the trade is executed. Underwriting income is recognized at the time the underwriting is completed and the income is reasonably determinable. Fees for general financial services and personal investment advisory services are recognized as they are earned.

DEFERRED POLICY ACQUISITION COSTS

Those costs of acquiring new business, which vary with and are directly related to the production of new business, have been deferred to the extent that such costs are deemed recoverable from future premiums. Such costs include commissions, certain costs of policy issuance and underwriting, and certain agency expenses.

Costs deferred related to term life insurance are amortized over the premium-paying period of the related policies, in proportion to the ratio of annual premium revenues to total anticipated premium revenues. Such anticipated premium revenues are estimated using the same assumptions used for computing liabilities for future policy benefits.

Costs deferred related to participating life, universal life-type policies and investment contracts are generally amortized over the lives of the policies, in relation to the present value of estimated gross profits from mortality, investment and expense margins. The estimated gross profits are reviewed and adjusted periodically based on actual experience and changes in assumptions.

A roll-forward of the amounts reflected in the consolidated balance sheets as deferred policy acquisition costs is as follows:

	Years Ended December 31	
	2004	2003
Beginning balance	$290,349	$284,225
Change in accounting principle (Note 1)	(2,360)	—
Acquisition costs deferred	39,409	40,559
Amortization of deferred policy acquisition costs	(45,512)	(34,983)
Adjustment for unrealized investment loss	367	548
Ending balance	$282,253	$290,349

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

DEFERRED POLICY ACQUISITION COSTS, (continued)

To the extent that unrealized gains or losses on available for sale securities would result in an adjustment of deferred policy acquisition costs had those gains or losses actually been realized, the related unamortized deferred policy acquisition costs are recorded as an adjustment to the unrealized investment gains or losses included in accumulated other comprehensive income.

FUTURE POLICY AND CONTRACT BENEFITS

Liabilities for future policy and contract benefits for participating and term life contracts and additional coverages offered under policy riders are calculated using the net level premium method and assumptions as to investment yields, mortality, withdrawals and dividends. The assumptions are based on projections of past experience and include provisions for possible unfavorable deviation. These assumptions are made at the time the contract is issued. These liabilities are shown as policy and contract reserves.

Liabilities for future policy and contract benefits on universal life-type and investment contracts are based on the policy account balance, and are shown as accumulated contract values.

DIVIDENDS PAYABLE TO POLICYOWNERS

A portion of the Company's business has been issued on a participating basis. The amount of policyowners' dividends to be paid is determined annually by the respective insurance subsidiaries' Board of Directors.

INCOME TAXES

Beginning in 2004, AAMHC and its subsidiaries, with the exception of AMAL and its subsidiaries, will join in the filing of a life/non-life consolidated federal income tax return. Prior to 2004, AAMHC, AHC and the former AMIHC, with the exception of AMAL and its subsidiaries, joined in the filing of a consolidated federal income tax return with their common parent, Acacia and its wholly owned subsidiary, ANLIC, filed a life consolidated income tax return and AFCO and its wholly owned subsidiaries filed a non-life consolidated return.

An agreement among the members of each consolidated group generally provides for distribution of consolidated income tax results as if filed on a separate income tax return basis. The provision for income taxes includes amounts currently payable and deferred income taxes resulting from the cumulative differences in assets and liabilities determined on a tax return and financial statement basis at the current enacted tax rates.

The Company is subject to tax-related audits in the normal course of operations. In accordance with Financial Accounting Standards Board Statement No. 5, *Accounting for Contingencies* (FAS 5), the Company records a contingency for these tax-related matters when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. The Company reviews its loss contingencies on an ongoing basis to ensure that the Company has appropriate reserves recorded on the balance sheet. These reserves are based on judgment made by management with respect to the likely outcome of these matters. The Company's judgment could change based on new information, Internal Revenue Service examinations and changes in laws or regulations.

Federal tax returns have been examined by the Internal Revenue Service (IRS) for the former AMIHC group, with the exception of AMAL and it subsidiaries, through 1998. The federal tax returns of AMAL and its subsidiaries have been examined by the IRS through 1995. Federal tax returns have been examined by the IRS for the former AMHC group through 1995. The IRS has notified AAMHC and its subsidiaries they plan to begin an examination for tax years 2002 and 2003 beginning in 2005.

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

CREDIT RELATED FINANCIAL INSTRUMENTS

In the ordinary course of business, AFSB has entered into commitments to extend credit, including commitments under commercial letters of credit, standby letters of credit, and forward sales commitments of residential mortgages to various investors. Such financial instruments are recorded when they are funded.

RELATED PARTY TRANSACTIONS

The Company engages in various transactions with related parties. Transactions with related parties are not necessarily indicative of revenues and expenses which would have occurred had the parties not been related.

ACCOUNTING PRONOUNCEMENTS

VARIABLE INTEREST ENTITIES AND IMPLEMENTATION OF INTERPRETATION NO. 46

In January 2003, the Financial Accounting Standards Board (FASB) issued Interpretation No. 46, *Consolidation of Variable Interest Entities* (FIN 46). FIN 46 defines a variable interest entity (VIE) as an entity where the (1) equity investment at risk is not sufficient for the entity to finance its activities without subordinated financial support or (2) equity holders do not have the characteristics of a controlling financial interest. It requires that the primary beneficiary consolidate the VIE. The primary beneficiary is identified as the party that absorbs the majority of the expected losses, receives a majority of the expected residual returns, or both, as a result of holding variable interests. FIN 46 also requires disclosure about variable interest entities that a company is not required to consolidate but in which it has a significant variable interest. The FASB issued a revised FIN 46 (FIN 46R) in December 2003 that, among other changes, deferred the effective date for applying the provisions of this interpretation. The consolidation requirements of FIN 46 apply immediately to variable interest entities created after December 31, 2003 for non-public companies. The consolidation requirements of FIN 46R for non-public companies apply to existing entities in the first annual period beginning after December 15, 2004.

The Company has evaluated its investments and other interests in entities that may be VIEs under the provisions of FIN 46R. The Company holds limited partnership interests and member interests in various real estate limited partnerships and real estate limited liability companies (LLCs) that engage in the acquisition, development, management and disposal of real estate investments. Some of these investments are considered VIEs however, the Company is not required to consolidate any of these interests as it is not the primary beneficiary. At December 31, 2004 the total assets and liabilities of the entities identified as VIEs are approximately $76,900 and $45,500, respectively. The creditors of these entities have no recourse to the assets of the Company. The maximum exposure to loss represents the recorded investment in these real estate limited partnerships and LLCs totaling approximately $28,400.

The Company holds interests in limited partnerships that invest in low income housing projects that qualify for tax credits under the Internal Revenue Code. These housing projects are VIEs but the Company will not consolidate these partnerships as it is not the primary beneficiary. As of December 31, 2004, the total assets and liabilities of the partnerships are approximately $132,000 and $87,000, respectively. The creditors of these entities have no recourse to the assets of the Company. The maximum exposure to loss is the carrying value of $2,900 in these type of investments.

GUARANTEED MINIMUM DEATH BENEFITS AND SEPARATE ACCOUNTS AND IMPLEMENTATION OF STATEMENT OF POSITION 03-1

On January 1, 2004, the Company adopted Statement of Position 03-1, *Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts* (SOP 03-1). SOP 03-1 addresses a number of topics; one of which is the accounting for contracts with guaranteed minimum death benefits (GMDB). As a result, the cumulative effect of the change in accounting principle from implementing SOP 03-1 was a loss of $606, after-tax ($932 pre-tax). It was comprised of a reduction of $1,428 (pre-tax) to policy and contract reserves and a decrease of $2,360 (pre-tax) to deferred policy acquisition costs. Prior period has not been restated as it is not permitted by SOP 03-1.

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

ACCOUNTING PRONOUNCEMENTS, (continued)

GUARANTEED MINIMUM DEATH BENEFITS AND SEPARATE ACCOUNTS AND IMPLEMENTATION OF STATEMENT OF POSITION 03-1 (continued)

SOP 03-1 requires consideration of a range of potential results to estimate the cost of variable annuity death benefits and income benefits, which generally necessitates the use of stochastic modeling techniques. To maintain consistency with the assumptions used in the establishment of reserves for variable annuity guarantees, the Company utilized the results of this stochastic modeling to estimate expected gross profits, which form the basis for determining the amortization of deferred policy acquisition costs. This new modeling approach resulted in a lower estimate of expected gross profits, and therefore results in a write-down of deferred policy acquisition costs.

PENSION AND POSTRETIREMENT BENEFIT DISCLOSURES AND IMPLEMENTATION OF REVISED STATEMENT OF FINANCIAL ACCOUNTING STANDARD NO. 132(R)

In December 2003, the FASB issued revised Statement of Financial Accounting Standards No. 132, *Employers' Disclosures about Pensions and Other Postretirement Benefits* ("SFAS No. 132(R)"), that changes existing financial statement disclosure requirements for pension plans and for other postretirement benefit plans. It requires additional disclosures about the assets, obligations, cash flows, and net periodic benefit cost of defined benefit pension plans and other defined benefit postretirement plans. The required information is to be provided separately for pension plans and for other postretirement benefit plans. SFAS No. 132(R) has been adopted by the Company in 2004.

MEDICARE PRESCRIPTION DRUG, IMPROVEMENT AND MODERNIZATION ACT AND FASB STAFF POSITION NO. 106-1 and 106-2

In January 2004, the FASB issued FASB Staff Position No. 106-1 (FSP No. 106-1), Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003 ("Act"). The Act was signed into law in December 2003 and introduces a prescription drug benefit under Medicare (Medicare Part D) as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. The post-retirement benefit obligation and net periodic post-retirement benefit cost in the financial statements and accompanying notes do not reflect the effects of the Act on the Ameritas and Acacia plans. In accordance with the provisions of FSP No. 106-1, the Company elected to defer the recognition of the accounting impact of the Act as specific authoritative guidance on the accounting for the federal subsidy was pending and that guidance, when issued, could require the Company to change previously reported information.

In May 2004, the FASB issued FASB Staff Position No. 106-2 (FSP No. 106-2), which supercedes FSP No. 106-1, to provide guidance on accounting for the effects of the Act to sponsors of postretirement health care plans that provide prescription drug benefits. FSP No. 106-2 requires reporting entities that 1) elected deferral under FSP No. 106-1 and 2) are able to determine if their plans are actuarially equivalent to recognize the impact of the Act no later than the first annual reporting period beginning after June 15, 2004. The measures of benefit obligations and net periodic postretirement benefit cost included in these financial statements do not reflect the effects of the Act. The Company does not expect the adoption of FSP No. 106-2 to have a material impact on the results of operations or balance sheet of the Company.

2. CLOSED BLOCK

Effective October 1, 1998 (the Effective Date) Ameritas formed a closed block (the Closed Block) of policies, under an arrangement approved by the Insurance Department of the State of Nebraska, to provide for dividends on policies that were in force on the Effective Date and which were within the classes of individual policies, for which Ameritas had a dividend scale in effect at the Effective Date. The Closed Block was designed to give reasonable assurance to owners of affected policies that the assets will be available to support such policies, including maintaining dividend scales in effect at the Effective Date, if the experience underlying such scales continues. The assets, including income thereon, will accrue solely to the benefit of the owners of policies included in the block until the block is no longer in effect.

2. CLOSED BLOCK, (continued)

The financial results of the Closed Block, while prepared in accordance with GAAP, reflect the provisions of the approved arrangement and not the actual results of operations and financial position. The arrangement provides for the level of expenses charged to the Closed Block, actual expenses related to the Closed Block operations are charged outside of the Closed Block; therefore, the contribution or loss from the Closed Block does not represent the actual operations of the Closed Block.

Summarized financial information for the Closed Block included in the consolidated financial statements as of and for the years ended December 31, 2004 and 2003 is as follows:

	December 31	
	2004	2003
Liabilities:		
Policy and contract reserves	$255,226	$254,835
Policy and contract claims	1,837	1,591
Accumulated contract values	57,709	58,040
Dividends payable to policyowners	10,455	10,369
Other liabilities (including PDO $8,002 – 2004, $8,571 – 2003)	10,693	11,047
Total Closed Block liabilities	335,920	335,882
Assets:		
Fixed maturity securities held to maturity (fair value $53,439 – 2004; $78,800 – 2003)	50,242	67,466
Fixed maturity securities available for sale (amortized cost $162,045 – 2004; $143,949 – 2003)	169,555	151,216
Mortgage loans on real estate	43,311	41,384
Loans on insurance policies	32,981	34,598
Cash and cash equivalents	4,478	4,936
Accrued investment income	4,891	4,851
Deferred policy acquisition costs	7,878	8,289
Other assets	3,594	3,121
Total Closed Block assets	316,930	315,861
Excess of reported Closed Block liabilities over Closed Block assets	18,990	20,021
Increase in unrealized investment gains, net of tax	158	651
Allocation to policyowner dividend obligation, net of tax	(158)	(651)
Maximum future earnings to be recognized from Closed Block assets and liabilities	$ 18,990	$ 20,021

2. CLOSED BLOCK, (continued)

	Years Ended December 31	
	2004	2003
Change in policyowner dividend obligation:		
Balance at beginning of period	$8,571	$7,888
Impact on net income before income taxes	(812)	(318)
Unrealized investment gains	243	1,001
Balance at end of period	$8,002	$8,571

	Years Ended December 31	
	2004	2003
Income:		
Premiums	$14,537	$14,775
Net investment income	18,268	19,024
Total Closed Block income	32,805	33,799
Benefits and expenses:		
Policy benefits	18,110	19,002
Policyowner dividends	10,788	10,425
Sales and operating expenses	2,154	2,259
Amortization of deferred policy acquisition costs	411	726
Total Closed Block benefits and expenses	31,463	32,412
Closed Block revenues, net of closed block benefits and expenses, before income taxes	1,342	1,387
Income taxes	311	592
Closed Block revenues, net of closed block benefits and expenses and income taxes	$ 1,031	$ 795

3. LIABILITIES FOR CONTRACT GUARANTEES

The Company offers various guaranteed death benefits to variable annuity policyowners including a return of no less than (1) the account value at death; (2) the sum of all premium payments less prior withdrawals; (3) the sum of all premium payments less prior withdrawals plus a minimum return minus a partial withdrawal adjustment; or (4) the highest account value on a specified anniversary date plus any premium payments since the anniversary minus any withdrawals following the anniversary and, in most cases, minus a partial withdrawal adjustment. The Company currently reinsures those death benefits greater than the sum of all premium payments less prior withdrawals.

The table below presents information regarding the Company's variable annuity contracts with guarantees. The Company's variable annuity contracts may offer more than one type of guarantee in each contract; therefore, the amounts listed are not mutually exclusive. For guarantees of amounts in the event of death, the net amount at risk is defined as the current guaranteed minimum death benefit in excess of the current account value at the balance sheet date.

3. LIABILITIES FOR CONTRACT GUARANTEES, (continued)

	December 31, 2004
Return of Net Deposits	$1,761,326
Account value	$ 69,176
Net amount at risk	61
Average attained age of policyowners	
Return of Net Deposits Plus a Minimum Return	$ 31,297
Account value	$ 404
Net amount at risk	59
Average attained age of policyowners	
Highest Specified Anniversary Account Value Minus Withdrawals Post Anniversary	$1,170,955
Account value	$ 4,704
Net amount at risk	61
Average attained age of policyowners	

The following table summarizes the liabilities for guarantees on variable annuity contracts:

	Minimum Guaranteed Death Benefit
Balance at January 1, 2004	$ 1,160
Less reinsurance recoverable	(53)
Net balance at January 1, 2004	1,107
Incurred guarantee benefits	1,507
Paid guarantee benefits	(1,593)
Net balance at December 31, 2004	1,021
Plus reinsurance recoverable	34
Balance at December 31, 2004	$ 1,055

The liability for variable annuity death benefit guarantees is established equal to a benefit ratio multiplied by the cumulative contract charges earned, plus accrued interest less contract benefit payments. The benefit ratio is calculated as the estimated present value of all expected contract benefits divided by the present value of all expected contract charges. For guarantees in the event of death, benefits represent the current guaranteed minimum death payments in excess of the current account balance.

Projected benefits and contract charges used in determining the liability are based on models that involve a range of scenarios and assumptions, including those regarding expected market rates of return and volatility. The assumptions used are consistent with those used in determining estimated gross profits for purposes of amortizing deferred policy acquisition costs. The Company regularly evaluates estimates used and adjusts the additional liability balance, with a related charge or credit to benefit expense, if actual experience or other evidence suggests that earlier assumptions should be revised.

Assumptions used in determining the GMDB liability included:

- Data used were 50 deterministic scenarios derived from actual historical experience of the 20th century. For each 15 year period beginning with even numbered calendar years, historical returns reflected a 50% investment in equities (S&P 500 as the proxy), 35% in fixed income (Ibbotson LT Corporate Total Return) and 15% in cash (T-bills).
- Mortality was assumed to be 50% of the 1980 CSO table.
- Lapse rates varied by contract type and duration and range from 7.5% to 45%.

3. LIABILITIES FOR CONTRACT GUARANTEES, (continued)

Variable and non-variable universal life-type contracts are sold with secondary guarantees that guarantee that the policy will not lapse, even if the account value is reduced to zero, as long as the policyowner makes scheduled premium payments. Although there was no method prescribed under GAAP for universal life secondary guarantee reserving until the issuance of SOP 03-1, the Company had been recording a reserve for these guarantees. At December 31, 2004 and 2003, the Company's estimated reserve for these guarantees was $1,335 and $1,750, respectively. Mortality assumptions reflect actual Company experience.

The Company has no deferred sales inducements at this time.

4. INVESTMENTS

Investment income summarized by type of investment is as follows:

	Years Ended December 31	
	2004	2003
Fixed maturity securities held to maturity	$ 28,032	$ 33,206
Fixed maturity securities available for sale	138,584	138,803
Fixed maturity securities trading	1,188	—
Equity securities available for sale	3,279	2,544
Equity securities trading	555	174
Loans receivable	90,345	81,158
Real estate	14,038	21,743
Other investments and cash and cash equivalents	16,741	11,322
Gross investment income	292,762	288,950
Investment expenses	20,633	29,701
Net investment income	$272,129	$259,249

The gain recognized during 2004 and 2003 on equity securities trading still held at December 31, 2004 and 2003 was $136 and $216, respectively. There were no losses recognized on equity securities trading still held at December 31, 2004 or 2003.

Net pretax realized investment gains (losses) were as follows:

	Years Ended December 31	
	2004	2003
Net gains (losses) on disposals, including calls and writedowns, of investments		
Fixed maturity securities held to maturity	$ (909)	$ (341)
Fixed maturity securities available for sale	(2,587)	(17,761)
Equity securities available for sale	2,475	(1,369)
Real estate	78,742	203
Other investments	(3,438)	(4,831)
	74,283	(24,099)
Provisions for losses on investments		
Loans receivable	(62)	(89)
Other investments	(18)	32
Net pretax realized investment gains (losses)	$74,203	$(24,156)

4. INVESTMENTS, (continued)

The Company recorded other than temporary impairments on fixed maturity securities and equity securities of $8,824 in 2004 and $18,148 in 2003. In addition, the Company recorded other than temporary impairments on other investments of $4,220 in 2004 and $6,431 in 2003.

On July 15, 2004, Acacia sold real estate property located at 51 Louisiana Avenue NW in the District of Columbia, which served as its former home office, to an unaffiliated third party. This property had been developed and leased to an unaffiliated third party by Acacia's subsidiary, ARS. Concurrent with the real estate sale in Acacia, ARS was dissolved, as there was no other activity in this limited liability corporation. The realized gain from the sale was $73,073.

Proceeds from sales of securities and gross gains and losses realized on those sales were as follows:

	Year Ended December 31, 2004		
	Proceeds	Gains	Losses
Fixed maturity securities available for sale	$59,302	$3,107	$3,814
Equity securities available for sale	41,198	5,123	2,636

	Year Ended December 31, 2003		
	Proceeds	Gains	Losses
Fixed maturity securities available for sale	$88,765	$3,200	$6,467
Equity securities available for sale	51,161	9,813	9,274

The amortized cost and fair value of investments in securities by type of investment were as follows:

	December 31, 2004			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Fixed maturity securities held to maturity				
U.S. corporate	$ 163,225	$ 11,322	$ 256	$ 174,291
Mortgage-backed	58,387	2,042	—	60,429
U.S. Treasury securities and obligations of U.S. government agencies	24,287	3,168	21	27,434
Foreign	122,448	5,690	657	127,481
Total fixed maturity securities held to maturity	$ 368,347	$ 22,222	$ 934	$ 389,635
Fixed maturity securities available for sale				
U.S. corporate	$1,319,863	$ 80,798	$5,325	$1,395,336
Mortgage-backed	463,789	7,972	1,309	470,452
Asset-backed	41,531	4,168	13	45,686
U.S. Treasury securities and obligations of U.S. government agencies	428,760	9,285	1,384	436,661
Foreign	198,129	10,241	1,231	207,139
Total fixed maturity securities available for sale	$2,452,072	$112,464	$9,262	$2,555,274
Equity securities available for sale	$ 126,071	$ 30,529	$1,141	$ 155,459

At December 31, 2004, the Company had fixed maturity securities with a carrying amount of $24,055 on deposit with various state insurance departments.

4. INVESTMENTS, (continued)

	December 31, 2003			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Fixed maturity securities held to maturity				
U.S. corporate	$ 205,582	$ 15,895	$ 1,620	$ 219,857
Mortgage-backed	86,980	3,940	1	90,919
Asset-backed	5,682	179	18	5,843
U.S. Treasury securities and obligations of U.S. government agencies	30,584	4,161	6	34,739
Foreign	78,530	7,258	40	85,748
Total fixed maturity securities held to maturity	$ 407,358	$ 31,433	$ 1,685	$ 437,106
Fixed maturity securities available for sale				
U.S. corporate	$1,349,322	$ 96,130	$11,443	$1,434,009
Mortgage-backed	460,441	7,555	2,157	465,839
Asset-backed	56,357	2,144	6,196	52,305
U.S. Treasury securities and obligations of U.S. government agencies	387,770	8,582	1,864	394,488
Foreign	171,815	11,003	897	181,921
Total fixed maturity securities available for sale	$2,425,705	$125,414	$22,557	$2,528,562
Equity securities available for sale	$ 115,296	$ 22,293	$ 2,069	$ 135,520

During 2000, the Company purchased $30,000 of corporate fixed maturity securities at par value from an affiliate. During 2001, the issuing company declared bankruptcy and the bonds were unpaid at maturity. The fair value of the fixed maturity securities available for sale as of December 31, 2003, was $31,049. During 2004, the Company settled these bonds and were paid in full after the issuing company emerged from bankruptcy.

An aging of unrealized losses on the Company's investments in fixed maturity securities classified as held to maturity and available for sale and equity securities classified as available for sale as of December 31, 2004 is as follows:

	Less than 12 months		12 months or more		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed maturity securities:						
U.S. Corporate	$143,558	$1,863	$ 76,955	$3,718	$220,513	$ 5,581
Mortgage-backed	124,619	740	31,028	569	155,647	1,309
Asset-backed	137	—	785	13	922	13
U.S. Treasury securities and obligations of U.S. government agencies	129,763	1,168	10,462	237	140,225	1,405
Foreign	64,430	1,075	17,700	813	82,130	1,888
Total fixed maturity securities	462,507	4,846	136,930	5,350	599,437	10,196
Equity securities	6,183	500	4,510	641	10,693	1,141
Total	$468,690	$5,346	$141,440	$5,991	$610,130	$11,337

4. INVESTMENTS, (continued)

The Company regularly reviews its investment portfolio for factors that may indicate that a decline in fair value of an investment is other than temporary. Based on an evaluation of the prospects of the issuers, including, but not limited to, the company's intentions to sell or ability to hold the investments; the length of time and magnitude of the unrealized loss; and the credit ratings of the issuers of the investments in the above fixed maturity securities, the Company has concluded that the declines in the fair values of the Company's investments in fixed maturity securities at December 31, 2004 are temporary.

For substantially all equity securities above with an unrealized loss greater than 12 months, such unrealized loss was less than 20% of the Company's carrying value of each equity security. The Company considers various factors when considering if a decline in the fair value of an equity security is other than temporary, including but not limited to, the length of time and magnitude of the unrealized loss; the volatility of the investment; analyst recommendations and price targets; opinions of the Company's investment managers; market liquidity; and the Company's intentions to sell or ability to hold the investments. Based on an evaluation of these factors, the Company has concluded that the declines in the fair values of the Company's investments in equity securities at December 31, 2004 are temporary.

The amortized cost and fair value of fixed maturity securities by contractual maturity at December 31, 2004 are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Available for Sale		Held to Maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	$ 112,425	$ 114,074	$ 22,595	$ 22,974
Due after one year through five years	567,618	597,693	101,004	107,283
Due after five years through ten years	842,195	879,121	128,986	134,991
Due after ten years	424,514	448,248	57,375	63,958
Mortgage-backed and asset-backed securities	505,320	516,138	58,387	60,429
Total	$2,452,072	$2,555,274	$368,347	$389,635

Loans receivable are summarized as follows:

	December 31	
	2004	2003
Residential mortgages	$ 612,307	$ 522,198
Commercial and commercial real estate mortgages	597,725	564,093
Construction loans	144,074	130,215
Consumer loans and others	26,096	38,026
Net deferred loan costs	2,494	2,236
Allowances for losses on loans	(5,390)	(4,972)
Loans on insurance policies	153,082	158,940
	$1,530,388	$1,410,736

The majority of the Company's residential and construction loans are with customers located in the Washington, D.C. metropolitan area. The ability of the Company's debtors to honor their contracts is dependent upon real estate valuation and general economic conditions in this area.

Commercial, commercial real estate, and construction loans are evaluated individually for impairment.

The Company requires collateral on residential real estate loans and originates loans generally with loan-to-value ratios of no greater than 80% at the time of origination, unless appropriate private mortgage insurance is obtained. For commercial real

4. INVESTMENTS, (continued)

estate mortgages, the Company requires collateral on original loans with a loan-to-value ratio of no greater than 75% at the time of origination. The amount of collateral on non-real estate loans is based on management's credit assessment of the customer.

Loans held for sale at December 31, 2004 and 2003, were $2,649 and $1,941, respectively. These loans are included within the residential mortgage loans noted above.

Loans serviced for others are not included in the accompanying consolidated balance sheets. The unpaid principal balance of mortgage and other loans serviced for others was $103,788 and $85,942, respectively, at December 31, 2004 and 2003.

The activity in the allowance for loan losses is summarized as follows:

	Years Ended December 31	
	2004	2003
Balance, beginning of year	$4,972	$4,952
Net charge-offs	(35)	(69)
Provision for loan losses	453	89
Balance, end of year	$5,390	$4,972

5. SAVINGS DEPOSITS

Savings deposits include demand deposits of $127,912 and $128,155 and time deposits of $449,599 and $465,076, at December 31, 2004 and 2003, respectively. Time deposits with individual balances in excess of $100 totaled approximately $39,860 and $45,211, respectively, at December 31, 2004 and 2003. Interest on deposits paid by the Company totaled $14,573 in 2004 and $13,035 in 2003.

The scheduled maturities of the time deposits are summarized as follows:

	December 31, 2004
2005	$243,475
2006	119,412
2007	63,649
2008	12,430
2009	10,495
Thereafter	138
	$449,599

6. BORROWINGS

Borrowings consist of repurchase agreements and long-term debt.

The Company sells securities under agreements to repurchase as part of its banking operations. These repurchase agreements are classified as secured borrowings and generally mature within one to ninety days from the transaction date. Securities sold under agreements to repurchase are reflected at the amount of cash received in connection with the transaction. The Company may be required to provide additional collateral based on the fair value of the underlying securities. Collateral for the repurchase agreements consists of mortgage-backed securities.

The Company's long term debt consists of fixed and floating rate long-term advances from the Federal Home Loan Bank (FHLB) of Atlanta and a mortgage loan in 2003 only.

6. BORROWINGS, (continued)

The Company's total fixed-rate FHLB advances were $249,300 and $164,200 at December 31, 2004 and 2003, respectively. At December 31, 2004 and 2003, the interest rates on fixed-rate FHLB advances ranged from 2.38% to 7.94% and from 1.21% to 7.94%, respectively. At December 31, 2004 and 2003, the weighted average interest rate was 3.80% and 4.10%, respectively.

The Company's total floating rate FHLB advances were $33,000 at December 31, 2003. The Company had no floating rate FHLB advances at December 31, 2004. The floating rate is based on the FHLB of Atlanta's overnight deposit rate. At December 31, 2003, the interest rate on floating rate, FHLB advances was 1.15%.

Collateral for the Company's long-term FHLB advances consists of mortgage loans with principal balances totaling approximately $569,563 and $328,131 at December 31, 2004 and 2003, respectively.

In 1997, Acacia obtained a commitment to finance renovations to its headquarters building with a $40,000 mortgage loan from Northwestern Mutual Life Insurance Company (Northwestern). Interest-only payments, at 8.35%, were required through the completion of the renovation. In November 1999, the loan was converted to a permanent mortgage, with the home office property serving as collateral. Monthly principal and interest payments were due on the first day of each month until the mortgage expires and a balloon payment of $14,158 was due on June 1, 2014. The interest rate was fixed at 8.35%. Monthly payments were due to Northwestern in the amount of $354 with scheduled increases to $398 at November 1, 2011. This mortgage was paid off in July 2004 upon the sale of the real estate property.

During 2000, AMAL Corporation entered into an unsecured loan agreement to borrow up to $20,000 from its parents. The note was amended in 2002 to borrow up to $15,000 and came due August 15, 2003. At that time, the maturity date of the promissory note was amended to be August 13, 2004. During 2004, the promissory note was renewed until August 11, 2005. The note carries an interest rate of LIBOR plus 0.625% (2.90625% at December 31, 2004 and 1.8125% at December 31, 2003). The note payable-affiliate of $3,359 at December 31, 2004 and 2003 represents the amount due to AMAL Corporation's minority owner as the portion due to the Company's subsidiaries has been eliminated in consolidation.

Principal payments due on borrowings are as follows:

	December 31, 2004			
	Repurchase Agreements	Fixed Rate Advances	Total	Note Payable-Affiliate
Due in 2005	$41,389	$ 76,200	$117,589	$3,359
Due in 2006	—	35,400	35,400	—
Due in 2007	—	41,400	41,400	—
Due in 2008	—	41,400	41,400	—
Due in 2009	—	29,900	29,900	—
2010 and thereafter	—	25,000	25,000	—
Total borrowings	$41,389	$249,300	$290,689	$3,359

7. INCOME TAXES

The items that give rise to deferred tax assets and liabilities relate to the following:

	Years Ended December 31	
	2004	2003
Net unrealized investment gains	$ 37,101	$ 24,566
Equity in subsidiaries	23,043	22,516
Deferred policy acquisition costs	74,719	78,906
Prepaid expenses	13,366	12,518
Other	6,416	5,400
Gross deferred tax liability	154,645	143,906
Future policy and contract benefits	73,776	72,766
Deferred future revenues	6,756	6,888
Policyowner dividends	5,988	6,184
Pension and post-retirement benefits	9,796	9,570
Policyholder dividend obligation	2,801	4,188
Other	10,841	9,612
Net operating/capital losses and credits	283	4,927
Gross deferred tax asset	110,241	114,135
Net deferred tax liability	$ 44,404	$ 29,771

The difference between the U.S. federal income tax rate and the consolidated tax provision rate is summarized as follows:

	Years Ended December 31	
	2004	2003
Federal statutory tax rate	35.00%	35.00%
Equity in subsidiaries	1.72	4.40
Tax credits	(0.79)	(2.07)
Release of federal income tax reserve	(4.00)	—
Other	(0.29)	.42
Effective tax rate	31.64%	37.75%

AVLIC has approximately $808 of gross capital loss carryforwards as of December 31, 2004. AVLIC's gross capital loss carryforward of approximately $138 and $670 will expire in 2005 and 2009, respectively.

The Company files income tax returns with the Internal Revenue Service and various state tax jurisdictions. From time to time, the Company is subject to routine audits by those agencies and those audits may result in proposed adjustments. The Company has considered the alternative interpretations that may be assumed by the various taxing agencies and believes its positions taken regarding its filings are valid. Based upon review of the Company's tax contingencies, the reserve held for tax related contingencies was reduced by $7,935 in 2004.

8. EMPLOYEE AND AGENT BENEFIT PLANS

DEFINED BENEFIT PLAN

AHC sponsors a non-contributory defined benefit plan (the Plan or Pension Plan). The Plan was formerly sponsored by Ameritas as a non-contributory defined benefit pension plan covering substantially all employees of Ameritas and AMAL (Ameritas Plan). During 2000, the Ameritas Plan was merged with the Acacia Retirement Plan (Acacia Plan), sponsored by Acacia.

Upon the merger of the Ameritas and Acacia Plans, accumulated benefits of the Plan were frozen, and AHC became the Plan sponsor. While their pension plans were merged, the separate benefit formulas of the Ameritas Plan and Acacia Plan still exist within the Plan and are used to determine the amount of expense to allocate to the participating subsidiaries.

AHC uses a December 31 measurement date for its plans.

Obligations and Funded Status At December 31

	Pension Benefits	
	2004	2003
Projected benefit obligation	$108,322	$102,848
Fair value of plan assets	102,593	97,078
Funded status	(5,729)	(5,770)
Employer contributions	5,000	12,000
Benefit payments	8,006	7,341
Accumulated benefit obligation	94,537	90,477
Net periodic benefit cost	4,024	5,618
Amounts recognized in the balance sheet consist of:		
Prepaid benefit cost	$ 34,424	$ 33,448

Investment Policies And Strategies

The investment objective for the Plan shall be to maximize the real rate of return (adjusted for inflation) within prudent limits and with the diversity to which a prudent investor would adhere. At a minimum, the investment objective is to generate a positive real rate of return. The targeted total asset allocation mix between Equity and Fixed Income asset classes is 60% Equity and 40% Fixed Income. This allocation ratio should be maintained on a continuous basis with an allowable range of 45% to 65% in Equities and 35% to 55% in Fixed Income.

The long term expected return for the plan assets is 8%. The expected return was based on 10 years of historical data of Equity and Fixed Income benchmarks. It was also based on current market valuations and forecasted market returns. The allocation ranges are determined to be the most consistent at providing the expected return, limiting risk and covering the Plan's benefit obligation considering the size, duration, and nature of the Plan's obligations.

The actual allocation ratio was:

	Equities Affiliated	Equities Unaffiliated	Fixed Income Affiliated	Fixed Income Unaffiliated
2004	37.8%	22.3%	23.7%	16.2%
2003	40.5%	13.7%	25.5%	20.2%

A portion of the separate account assets is invested in mutual funds, which are advised by Calvert.

8. EMPLOYEE AND AGENT BENEFIT PLANS, (continued)

DEFINED BENEFIT PLAN (continued)

AHC made contributions to the retirement plan totaling $5,000 in 2004 and $12,000 in 2003. The Pension Plan is subject to the minimum funding requirements of ERISA. AHC's funding policy is to contribute annually an amount that satisfies the funding standard account requirements of ERISA. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future. AHC is expected to contribute $3,300 to the plan in fiscal year 2005. The annual funding contributions are determined by the Plan's enrolled actuary. No voluntary contributions by participants were permitted.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Fiscal Year	Amount
2005	$ 7,605
2006	9,133
2007	8,643
2008	9,408
2009	11,297
2010 – 2014	53,194

Assumptions

Weighted-average assumptions used to determine benefit obligations and net periodic pension cost at December 31:

	Pension Benefits	
	2004	2003
Discount rate	6.00%	6.25%
Rate of compensation increase	4.50%	4.50%
Expected long term Rate of Return on Assets	8.00%	8.00%

At December 31, 2003, the accumulated benefit obligation did not exceed the fair value of the Plan assets. As a result, the Company reversed its 2002 recognition of the additional minimum pension liability, the deferred tax asset, and the intangible asset. Accounting for the minimum pension liability resulted in a credit of $20,256 in 2003 to accumulated other comprehensive income.

DEFINED CONTRIBUTION PLANS

Substantially all full-time employees and agents participate in defined contribution plans sponsored by AHC. Company matching contributions under the defined contribution plan ranged from 0.5% to 3.0% in 2004 and 2003. In addition, AHC makes an additional contribution of 6.0% of the participants' eligible compensation on a quarterly basis. Contributions by AHC to the employee and agents defined contribution plans were $5,867 and $6,018 in 2004 and 2003, respectively.

The defined contribution plan's assets also include investments in a deposit administration contract with Ameritas and investments in two pension separate accounts of Ameritas. The carrying value of the assets of the Plan invested in Ameritas and its separate accounts were approximately $170,849 and $153,442 at December 31, 2004 and 2003, respectively. A portion of the separate account assets is invested in mutual funds, which are advised by Calvert.

8. EMPLOYEE AND AGENT BENEFIT PLANS, (continued)

POST-RETIREMENT BENEFIT PLANS

Ameritas provides certain health care benefits to retired employees. For associates eligible to retire at January 1, 2000, these benefits are a specified percentage of premium until age 65 and a flat dollar amount thereafter. For associates eligible for retirement after January 1, 2000, benefits will be provided until the associate becomes eligible for Medicare. Employees become eligible for these benefits upon the attainment of age 55, 15 years of service and participation in the Ameritas medical plan for the immediately preceding five years.

Acacia also provides certain life insurance and medical benefits to employees who retired before December 31, 1992.

Ameritas and Acacia use a December 31 measurement date for their plans.

Obligations and Funded Status

	Ameritas		Acacia	
	2004	2003	2004	2003
Benefit obligation	$ 7,537	$ 4,179	$ 14,050	$ 14,796
Fair value of plan assets	2,713	2,385	—	—
Funded status	(4,823)	(1,794)	(14,050)	(14,796)
Employer contributions	505	415	—	—
Participant contributions	277	283	218	215
Benefit payments	757	725	1,301	1,217
Net periodic benefit cost	414	138	645	526

Amounts recognized in the balance sheet consist of:

	Ameritas		Acacia	
	2004	2003	2004	2003
Accrued benefit cost	$ 2,953	$ 3,218	$ 18,061	$ 18,499

Plan assets are invested in 100% fixed income investments. The expected rate of return on these investments is 6%.

Estimated Future Benefit Payments

The following net benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

	Expected Net Benefit Payments	
Fiscal Year	Ameritas	Acacia
2005	$ 537	$1,127
2006	559	1,131
2007	585	1,120
2008	604	1,094
2009	622	1,059
2010 – 2014	3,119	4,684

Assumptions

Weighted-average assumptions used to determine post retirement benefit obligations at December 31:

	Ameritas		Acacia	
	2004	2003	2004	2003
Discount rate	6.00%	6.25%	6.00%	6.25%
Expected long term rate of return on assets	6.00%	7.50%	N/A	N/A

8. EMPLOYEE AND AGENT BENEFIT PLANS, (continued)

POST-RETIREMENT BENEFIT PLANS, (continued)

Assumed Health Care Trend rates at December 31

	Ameritas		Acacia	
	2004	2003	2004	2003
Health care cost trend rate assumed for next year	8.0%	9.0%	8.0%	9.0%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.0%	5.0%	5.0%	5.0%
Year that rate reaches the ultimate trend rate	2008	2008	2008	2008

OTHER PLANS

Separate supplemental retirement agreements totaling approximately $22,000 and $21,000 included in other liabilities at December 31, 2004 and 2003, respectively, cover certain active and retired employees. These plans are unfunded.

9. REGULATORY MATTERS

Combined net income of the Company's insurance subsidiaries, as determined in accordance with statutory accounting practices prescribed or permitted by the Insurance Departments of the states of Nebraska, New York and the District of Columbia, as applicable, was $117,026 for 2004 and $46,607 for 2003 and combined statutory surplus was $941,089 and $811,343 at December 31, 2004 and 2003, respectively. Insurance companies are required to maintain a certain level of surplus to be in compliance with state laws and regulations. Surplus is monitored by state regulators to ensure compliance with risk based capital requirements.

Under statutes of the Insurance Departments of Nebraska, New York, and the District of Columbia, the amount of dividends payable to stockholders are limited.

AFSB is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on AFSB. As of September 30, 2003, the most recent notification from AFSB's bank regulator categorized AFSB as well capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification that management believes have changed AFSB's category.

10. REINSURANCE

The effect of reinsurance on premiums earned is as follows:

	Years Ended December 31	
	2004	2003
Assumed	$ 79,454	$ 85,213
Ceded	(55,922)	(60,621)
Reinsurance, net	$ 23,532	$ 24,592

The Company is not relieved of its primary liability in the event that a reinsurer is unable to meet the obligations ceded under the reinsurance agreement.

AmerUs Life Insurance Company (AmerUs), a minority owner of AMAL, through assumption reinsurance, has assumed approximately 99% of AVLIC's equity indexed annuity business as of December 31, 2004 and 2003. A receivable of $135 and $117 as of December 31, 2004 and 2003, respectively, from this affiliate supports the remaining co-insurance obligation. As a condition to assumption reinsurance, certain states have required that AVLIC remain contingently liable in the event the assuming reinsurer is unable to fulfill its obligations. AVLIC was contingently liable for $5,832 and $10,504 of additional reserves as of December 31, 2004 and 2003, respectively.

11. POLICY AND CONTRACT CLAIMS

The change in the liability for unpaid accident and health claims and claim adjustment expenses is summarized as follows:

	Years Ended December 31	
	2004	2003
Balance at January 1	$ 41,277	$ 39,023
Reinsurance reserves, net	(11,372)	(12,703)
	29,905	26,320
Incurred related to:		
Current year	261,896	262,464
Prior year	(9,786)	(7,943)
Total incurred	252,110	254,521
Paid related to:		
Current year	236,832	232,559
Prior year	20,119	18,377
Total paid	256,951	250,936
	25,064	29,905
Reinsurance reserves, net	9,955	11,372
Balance at December 31	35,019	41,277
Life insurance policy and contract claims	11,993	13,309
Total policy and contract claims	$ 47,012	$ 54,586

As a result of favorable settlement of prior years' estimated claims, the provision for claims and claim adjustment expenses decreased by $9,786 and $7,943 for the years ended December 31, 2004 and 2003, respectively.

12. COMMITMENTS AND CONTINGENCIES

LEASES

Acacia and affiliates lease office space and equipment under operating leases that expire at various dates through 2015. Rent expense was $6,427 for 2004 and $6,730 for 2003. Future minimum payments under noncancellable operating leases consist of the following:

	December 31, 2004
2005	$ 6,290
2006	5,914
2007	5,658
2008	2,709
2009	2,625
Thereafter	5,396
	$28,592

LINE OF CREDIT

At December 31, 2004, Ameritas and Acacia each have an unsecured line of credit available in the amount of $15,000 and $10,000, respectively. No balance was outstanding at any time during 2004 or 2003.

12. COMMITMENTS AND CONTINGENCIES, (continued)

OFF BALANCE SHEET INSTRUMENTS

Financial Instruments – Commitments on financial instruments were as follows:

	December 31	
	2004	2003
Securities commitments	$57,550	$35,354
Loan and real estate commitments	44,903	74,020
Unfunded commitments under lines of credit	112,687	109,120

These commitments have been made in the normal course of business. The Company's exposure to credit loss is represented by the contractual notional amount of these instruments. The Company uses the same credit policies and collateral requirements in making commitments and conditional obligations as it does for on-balance sheet instruments.

Commitments to extend credit are agreements to lend to a customer based upon the customer's fulfilling certain conditions as established in the loan agreement. These conditions are dependent on the type of loan. Commitments to extend credit under consumer lines of credit are generally dependent upon payments in accordance with the loan agreement. Adherence to the loan agreement as to prompt payment is also required for commercial and construction lines of credit. In addition, most of these credit lines require that collateral be identified and evaluated according to the terms of the loan agreement in order for additional amounts to be advanced. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Commitments for lines of credit may expire without being drawn upon. Therefore, the total commitment amounts do not necessarily represent future cash requirements

In the normal course of business the Company's brokerage activities involve, principally through its clearing firm, various securities transactions. These activities may expose the Company to off balance sheet risk in the event the customer or clearing firm is unable to fulfill its contractual obligations.

Derivative Financial Instruments – AFSB utilizes interest rate caps for asset liability management purposes, and these transactions involve both credit and market risk. The notional amounts are amounts on which calculations and payments are based. Notional amounts do not represent direct credit exposure. Direct credit exposure is limited to the net difference between the calculated amounts to be received and paid, if any.

In 2003, AFSB had an interest rate cap which expired in June 2003. The interest rate cap was used to mitigate some aspects of its interest rate risk exposure. Interest rate caps are options contracts that modify or reduce interest rate risk in exchange for a purchase premium when the contract is issued. The notional amount on which the premium and/or any interest payments are based is not exchanged. In particular, the cap contracts will increase in value as interest rates increase, partly offsetting the market value losses that the underlying financial instruments would experience. There is no interest payment due from AFSB's counterparty unless the actual index rate exceeds the cap rate. In that case the counterparty (the Federal Home Loan Bank of Atlanta) would pay quarterly to AFSB the excess of the actual rate over the cap rate times the notional amount.

No interest rate caps were carried on the books at December 31, 2004 and 2003.

STATE LIFE AND HEALTH GUARANTY FUNDS

As a condition of doing business, all states and jurisdictions have adopted laws requiring membership in life and health insurance guaranty funds. Member companies are subject to assessments each year based on life, health or annuity premiums collected in the state. In some states these assessments may be applied against premium taxes. The Company has estimated its costs related to past insolvencies and has provided a reserve included in other liabilities of $1,641 and $1,446 as of December 31, 2004 and 2003, respectively.

12. COMMITMENTS AND CONTINGENCIES, (continued)

LITIGATION

From time to time, the Company and its subsidiaries are subject to litigation in the normal course of business. Management does not believe that the Company is party to any such pending litigation which would have a material adverse effect on its financial statements or future operations.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following disclosures are made regarding fair value information about certain financial instruments for which it is practicable to estimate fair value. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates, in many cases, could not be realized on immediate settlement of the instrument. All nonfinancial instruments are excluded from disclosure requirements.

Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Company.

The fair value estimates presented herein are based on pertinent information available to management as of December 31, 2004 and 2003. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since that date; therefore, current estimates of fair value may differ significantly from the amounts presented herein.

The following methods and assumptions were used by the Company in estimating its fair value disclosures for each class of financial instrument for which it is practicable to estimate a value:

Fixed maturity securities – For publicly traded securities, fair value is determined using an independent pricing source. For securities without a readily ascertainable fair value, the value has been determined using an interest rate spread matrix based upon quality, weighted average maturity and U.S. Treasury yields.

Equity securities – Fair value is determined using prices from an independent pricing source.

Loans receivable – For variable-rate loans that reprice frequently and with no significant change in credit risk, fair values are based on carrying values. Fair values for fixed rate loans are estimated using a discounted cash flow analyses at interest rates currently being offered for loans with similar terms to borrowers of similar credit quality. Fair values for nonperforming loans are estimated using discounted cash flow analyses or underlying collateral values, where applicable.

Other investments – Fair value for venture capital partnerships is estimated based on values as last reported by the partnership and discounted for their lack of marketability. Real estate partnerships are carried on the equity method and are excluded from the fair value disclosure.

Cash and cash equivalents, reinsurance receivable – affiliate and accrued investment income – The carrying amounts approximate fair value due to the short maturity of these instruments.

Accumulated contract values – Funds on deposit with a fixed maturity are valued at discounted present value using market interest rates. Funds on deposit which do not have fixed maturities are carried at the amount payable on demand at the reporting date, which approximates fair value.

Savings deposits – The fair values disclosed for demand deposits (e.g., interest and non-interest checking, passbook savings, and certain types of money market accounts) are, by definition, equal to the amount payable on demand at the reporting date (i.e., their carrying amounts). The carrying amounts of variable-rate, fixed-term money market accounts, and certificates of deposit approximate their fair values at the reporting date. Fair values for fixed-rate certificates of deposit are estimated using a discounted cash flow calculation that applies interest rates currently being offered on certificates to a schedule of aggregated expected monthly maturities on time deposits.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS, (continued)

Borrowings – The carrying amounts of borrowings under repurchase agreements, and other short-term borrowings maturing within ninety days, approximate their fair values. The fair values of long-term borrowings are estimated using discounted cash flow analyses based on current incremental borrowing rates for similar types of borrowing arrangements.

Note payable – affiliate – As the note payable – affiliate is a variable rate note that reprices frequently, fair value is based on the carrying amount.

Separate account assets and liabilities – The fair value of separate account assets are based upon quoted market prices. Separate account liabilities are carried at the fair value of the underlying assets.

Commitments – The estimated fair value of commitments approximates carrying amount because the fees currently charged for these arrangements and the underlying interest rates approximate market.

Estimated fair values are as follows:

	December 31			
	2004		2003	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Fixed maturity securities:				
Held to maturity	$ 368,347	$ 389,635	$ 407,358	$ 437,106
Available for sale	2,555,274	2,555,274	2,528,562	2,528,562
Trading	20,624	20,624	—	—
Equity securities:				
Available for sale	155,459	155,459	135,520	135,520
Trading	7,020	7,020	1,796	1,796
Loans receivable	1,530,338	1,559,862	1,410,736	1,438,572
Other investments	70,172	65,752	60,688	58,660
Cash and cash equivalents	184,540	184,540	186,109	186,109
Accrued investment income	57,076	57,076	61,305	61,305
Reinsurance receivable – affiliate	135	135	117	117
Assets related to separate accounts	2,666,204	2,666,204	2,487,043	2,487,043
Financial liabilities:				
Accumulated contract values excluding amounts held under insurance contracts	1,470,654	1,479,012	1,466,409	1,478,469
Savings deposits	577,511	574,923	593,231	594,749
Borrowings	290,689	289,461	295,642	303,191
Note payable – affiliate	3,359	3,359	3,359	3,359
Liabilities related to separate accounts	2,666,204	2,666,204	2,487,043	2,487,043

14. SUBSEQUENT EVENT

In January 2005, the Boards of Directors of AAMHC and The Union Central Life Insurance Company (Union Central) voted to merge their mutual insurance holding companies in a business combination accounted for as a pooling of interests. Union Central is currently organized as a mutual insurance company. Union Central will form a mutual holding company which will simultaneously merge with AAMHC to form UNIFI Mutual Holding Company. UNIFI Mutual Holding Company will be a Nebraska domiciled company located in Lincoln, Nebraska. The intermediate holding company, AHC, will continue with the same name and remain under the laws of the State of Nebraska. The merger is anticipated to be effective late in 2005 subject to various approvals.

EXHIBIT 4

FAIRNESS OPINION OF MORGAN STANLEY, DATED JULY 20, 2005

Morgan Stanley

20 July 2005

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

Members of the Board:

We understand that The Union Central Life Insurance Company ("Union Central"), an Ohio mutual life insurance company, and Ameritas Acacia Mutual Holding Company ("Ameritas Acacia"), a Nebraska mutual insurance holding company, have entered into an Agreement and Plan of Merger, including the exhibits thereto, dated January 28, 2005 (the "Merger Agreement"), as amended by the draft Amendment No. 1 substantially in the form of the draft dated July 8th, 2005 (the "Amendment to the Merger Agreement"), which provides, among other things, for the conversion ("the Conversion"), pursuant to a plan of reorganization substantially in the form attached as an exhibit to the Merger Agreement and as updated in the form distributed to the Board of Directors of Union Central on July 8th, 2005 (the "Plan of Reorganization"), of Union Central into a stock insurance company subsidiary of a mutual insurance holding company to be known as Union Central MHC ("UCMHC") and, immediately thereafter, the merger (the "Merger") of UCMHC with and into Ameritas Acacia (such Conversion and Merger referred to collectively as the "Reorganization"). Pursuant to the Reorganization, Ameritas Acacia will be the surviving company and will continue its corporate existence under the laws of the State of Nebraska under the name UNIFI Mutual Holding Company ("UNIFI"), and Union Central will become an indirect, wholly-owned subsidiary of UNIFI. Furthermore, pursuant to the Conversion, we understand that an arrangement known as a "Closed Block" will be established for the exclusive benefit of certain policyholders of Union Central. The terms and conditions of the Reorganization are more fully set forth in the Merger Agreement and the Amendment to the Merger Agreement.

You have asked for our opinion as to whether the Reorganization is fair from a financial point of view to the policyholders of Union Central taken as a group (collectively, the "Union Central Policyholders").

For purposes of the opinion set forth herein, we have:

i. reviewed certain publicly available statutory financial statements and other business and financial information of Union Central and Ameritas Acacia, respectively;

ii. reviewed certain internal financial statements and other financial and operating data concerning Union Central and Ameritas Acacia prepared by the management of the respective companies;

iii. reviewed certain financial projections regarding Union Central and Ameritas Acacia prepared by the management of the respective companies;

iv. reviewed certain pro forma financial projections relating to UNIFI prepared jointly by the management of Union Central and Ameritas Acacia;

v. discussed the past and current operations and financial condition and the prospects of Union Central and Ameritas Acacia with the management of the respective companies;

vi. reviewed Tillinghast's Pricing Review, a summary of the pricing, product development and financial management practices for each of Union Central and Ameritas Acacia, dated September 27, 2004 (the "Tillinghast Pricing Review");

vii. reviewed Tillinghast's report on Ameritas Acacia's dental operations, dated January 14, 2005 (together with the Tillinghast Pricing Review, the "Tillinghast Materials");

viii. discussed with the management of Union Central and Milliman Inc ("Milliman"), its actuarial advisor, the establishment of the Closed Block;

ix. reviewed the Statement of Actuarial Opinion, substantially in the form of the draft dated July 20th, 2005, by Daniel J. McCarthy and Steven I. Schreiber of Milliman regarding the fairness, from an actuarial point of view, of the Reorganization (the "Actuarial Fairness Opinion");

x. reviewed the Statement of Actuarial Opinion, substantially in the form of the draft dated July 20th, 2005, by Daniel J. McCarthy and Steven I. Schreiber of Milliman regarding the purpose of the Closed Block (together with the Actuarial Fairness Opinion, the "Milliman Opinions");

xi. discussed with the management of Union Central and Ameritas Acacia the strategic objectives and rationale of the Reorganization;

xii. discussed with the management of Union Central the presentations and discussions regarding the Merger held both separately and jointly by Union Central and Ameritas Acacia and certain independent rating agencies;

xiii. reviewed the claims paying ratings histories of Union Central and Ameritas Acacia;

xiv. reviewed and discussed with Union Central management the Standard & Poor's Ratings Evaluation Service analysis, dated November 22, 2004, that was performed by Standard & Poor's for Ameritas Acacia regarding the impact of the proposed Merger on Ameritas Acacia's ratings (the "Standard & Poor's Ratings Material");

xv. reviewed the Statement of Operating Principles, dated January 28, 2005, attached as an exhibit to the Merger Agreement (the "Statement of Operating Principles");

xvi. participated in discussions and negotiations among representatives of Union Central and Ameritas Acacia and their legal and actuarial advisors;

xvii. reviewed the Merger Agreement, the Amendment to the Merger Agreement, the Plan of Reorganization and certain related documents; and

xviii. performed such other analyses and considered such other factors as we have deemed appropriate.

We have assumed and relied upon without independent verification the accuracy and completeness of the information supplied or otherwise made available to us by Union Central and Ameritas Acacia for the purposes of this opinion. With respect to the financial projections, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the future financial performance of Union Central, Ameritas Acacia and UNIFI. We have assumed that the Closed Block will be established as described in the Merger Agreement, the Amendment to the Merger Agreement, and the Plan of Reorganization and that such Closed Block will be funded with assets of reasonably sufficient amount and quality to produce cash flows that, together with anticipated revenues, will support obligations under the policies in the Closed Block, including paying claims, certain expenses and taxes, and the continuation of 2005 dividend scale in the aggregate, if the experience underlying such dividend scale continues, and appropriate adjustments in such dividend scale if such experience changes. We note that the Merger Agreement, the Amendment to the Merger Agreement, the Plan of Reorganization and other related documents may be subject to further change, but for purposes of our analyses, we have assumed that the Conversion and the Merger will be consummated in accordance with the terms set forth therein, without material delay, amendment or waiver,

including, among other things, that the Merger will be treated as a tax-free reorganization pursuant to the Internal Revenue Code of 1986, as amended. We have also assumed that in connection with the receipt of all the necessary regulatory approvals for the Conversion and the Merger, no restrictions or modifications will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the proposed Merger. We have assumed that the Plan of Reorganization complies or will comply with Ohio law and we have assumed that you will receive regulatory approvals in the manner contemplated in the Plan of Reorganization, the Merger Agreement and the Amendment to the Merger Agreement. We have assumed that Union Central and Ameritas Acacia will be integrated pursuant to the Reorganization in accordance with the integration plan articulated by the management of Union Central and Ameritas Acacia, the Merger Agreement, the Amendment to the Merger Agreement and the Statement of Operating Principles. We note that we are not legal, regulatory, or actuarial experts and have relied upon, without any independent verification, the assessment of Union Central and Ameritas Acacia's legal, regulatory and actuarial advisors with respect to the legal, regulatory and actuarial matters related to the Closed Block, the Conversion and the Merger. We have relied without independent verification on the assessments by the managements of Union Central and Ameritas Acacia of the strategic objectives and rationale of the Reorganization. We have not made any independent valuation or appraisal of the assets or liabilities of Union Central, nor have we been provided with any such valuation or appraisal. We have reviewed and relied upon, without independent verification, the Tillinghast Materials and the Milliman Opinions, including without limitation, on the Milliman Opinions with respect to the Closed Block and to the fairness of the Reorganization to Union Central's policyholders from an actuarial point of view. Our opinion is necessarily based on economic, financial, market and other conditions as in effect on, and the information made available to us as of, the date hereof.

You have not asked for our opinion and we do not express any opinion as to the fairness to any individual policyholder of Union Central or class of Union Central policyholders of the financial arrangements to be provided pursuant to the Merger to any such Union Central policyholder or class of Union Central policyholders. You have not asked for our opinion and we do not express any opinion as to any matters relating to the establishment or operation of the Closed Block. You have not asked for our opinion and we do not express an opinion as to the allocation of combined membership interests as between Union Central and Ameritas Acacia pursuant to the Reorganization or the value of the membership interests attributable to certain of the Union Central Policyholders pursuant to the Reorganization. You have not asked for our opinion and we do not express any opinion with respect to the fairness from a financial point of view of the Reorganization in relation to any other transaction which might be considered as an alternative to the Reorganization or with respect to the underlying business decision to engage in the Reorganization. In addition, our opinion does not address any actions which UNIFI, or any of its subsidiaries, may take following the Merger, including the terms of any initial public offering or any subscription or other participation rights which may be offered to the Union Central Policyholders.

In arriving at our opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to a merger, business combination or strategic alliance involving Union Central, nor did we have any discussions with any of the parties, other than Ameritas Acacia, which expressed interest in a possible merger, business combination or strategic alliance with Union Central.

We have acted as financial advisor to the Board of Directors of Union Central in connection with this transaction and will receive a fee for our services, a significant portion of which is contingent upon the consummation of the Reorganization. In the past, Morgan Stanley & Co. Incorporated and its affiliates have provided financial services for Union Central and have received fees for the rendering of these services.

Please note that Morgan Stanley is a full service securities firm engaged in securities trading, investment management and brokerage activities, as well as providing investment banking, financing, and financial advisory services. In the ordinary course of our trading, brokerage, investment management and financing activities, Morgan Stanley or its affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for our own account or the accounts of customers, in debt or equity securities or senior loans of any company or any currency or commodity that may be involved in this transaction.

It is understood that this letter is for the information of the Board of Directors of Union Central only and may not be used for any other purpose without our prior written consent. Our opinion is directed to the Board of Directors of Union Central and does not constitute a recommendation to any Union Central Policyholder or member of Ameritas Acacia as to how such policyholder or member should vote at the special meetings held in connection with the Reorganization.

Based upon and subject to the foregoing, we are of the opinion on the date hereof that the Reorganization is fair from a financial point of view to the Union Central Policyholders taken as a group.

Very truly yours,

MORGAN STANLEY & CO. INCORPORATED

By:

Phillip Barnett
Managing Director

EXHIBIT 5

FAIRNESS OPINION OF INDEPENDENT ACTUARIES, DATED JULY 20, 2005

A MILLIMAN GLOBAL FIRM

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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 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

Steven I. Schreiber, F.S.A., M.A.A.A.
Consulting Actuary

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

A MILLIMAN GLOBAL FIRM

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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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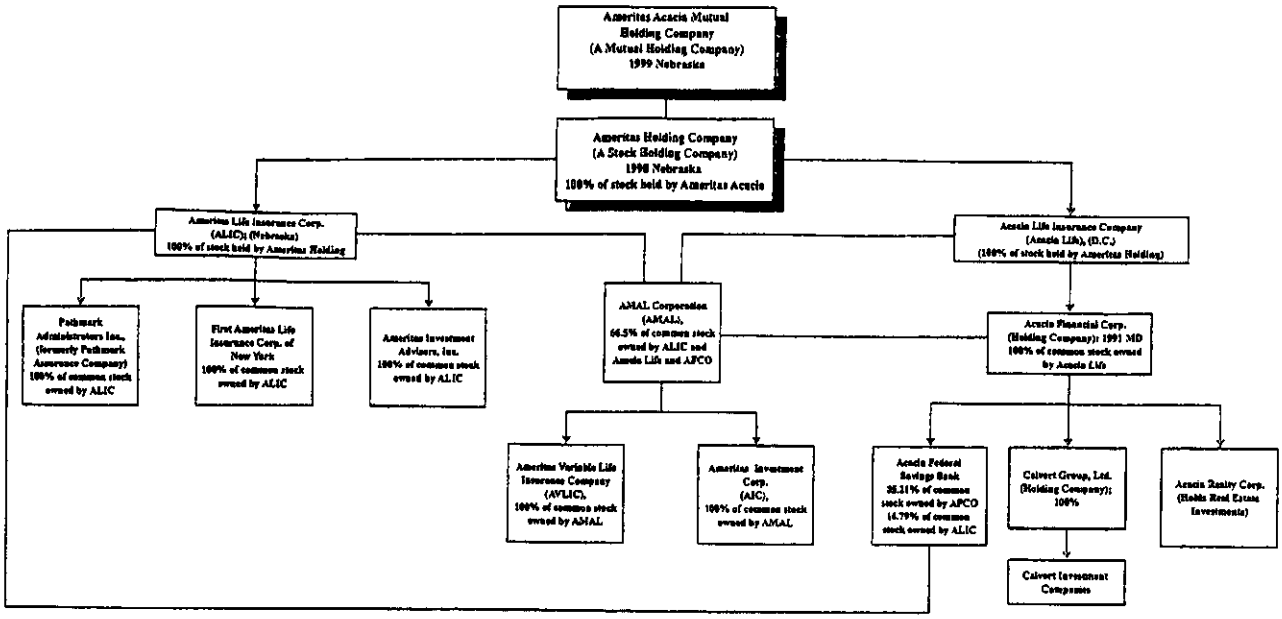
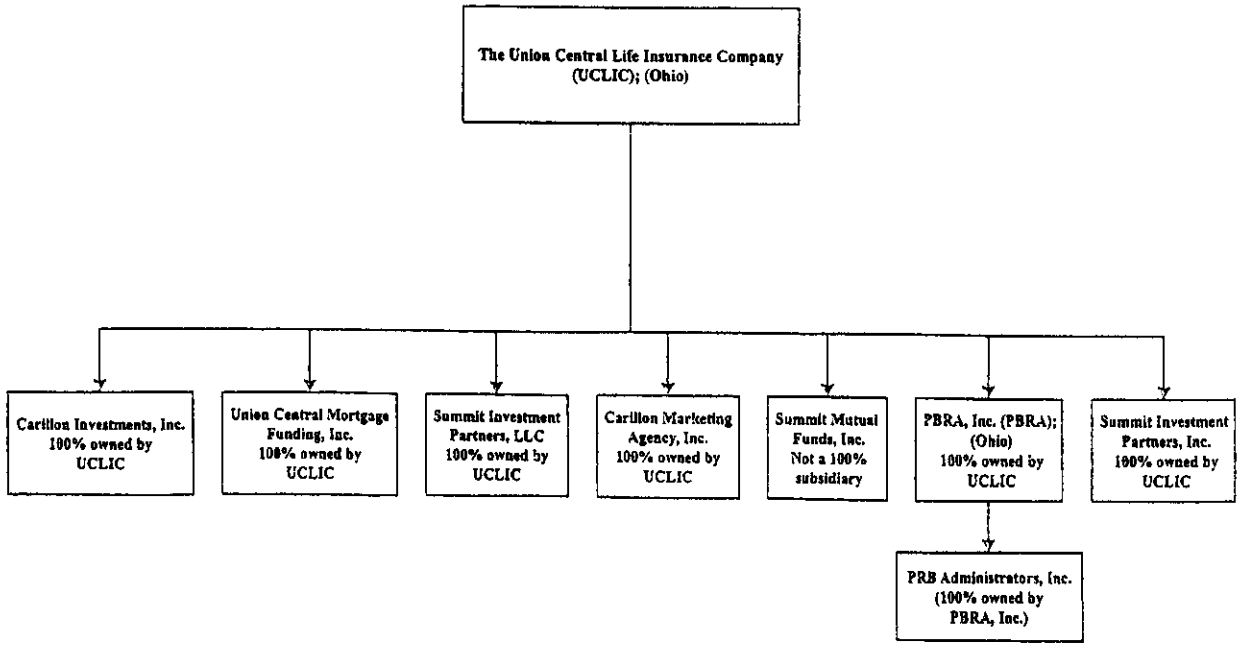
PRINCIPAL SUBSIDIARIES OF AMERITAS ACACIA AND UNION CENTRAL ORGANIZATIONAL CHART

AMERITAS ACACIA PRINCIPAL SUBSIDIARIES ORGANIZATION CHART (JUNE 30, 2005)



UNION CENTRAL

UNION CENTRAL PRINCIPAL SUBSIDIARIES ORGANIZATION CHART (June 30, 2005)



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