

making a meaningful difference...

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|------|------|-------------|------|
| 1980 | 1981 | 1982 | 1983 |
| 1984 | 1985 | 1986 | 1987 |
| 1988 | 1989 | 1990 | 1991 |
| 1992 | 1993 | 1994 | 1995 |
| 1996 | 1997 | 1998 | 1999 |
| 2000 | 2001 | 2002 | 2003 |
| 2004 | 2005 | 2006 | 2007 |
| 2008 | 2009 | 2010 | 2011 |

...in people's lives through the years

A Message *from our President and CEO*



Over the past 30 years, USABLE Life has built a solid reputation as a strong, stable partner in the insurance industry. We are continuing the important mission of supporting the strategic direction and market position of our Blue Cross and Blue Shield partners. Our products and services complement the Blue mission of improving our customers' lives and enhancing overall member well-being.

In 2010, USABLE Life had a record year for premium, sales and total revenues. As our business increases, we are continuing to add new partners who can contribute to our long-term growth.

We have recently entered into relationships with Highmark Blue Cross and Blue shield (Pennsylvania and West Virginia) and Horizon Healthcare Services in New Jersey.

As we embark on new relationships and strengthen our existing partnerships, USABLE Life will remain focused on providing products and services that make a meaningful difference in the lives of our customers.

At USABLE Life, we view the world through the eyes of our customers. We understand the importance of taking the time and devoting the attention necessary to authentically understanding their needs. Our top priority is satisfying our customers by not just meeting, but exceeding, their expectations. That's at the heart of our mission as a strong, stable partner.

We look forward to growing our relationship with you and identifying new and innovative ways to serve our current and potential customers.

Yours in Good Health,

A handwritten signature in black ink that reads "Jason Mann".

Jason D. Mann
President and Chief Executive Officer

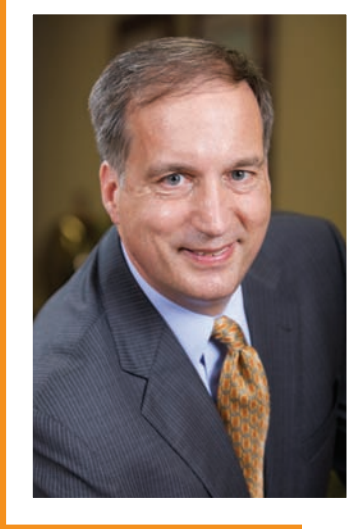




“Our promise is to provide peace of mind through the years for all of our customers, individuals, employees, employer groups, producers and Blue Cross Blue Shield Plans.”

*DANA LAZZARI
Director of Account Management /
Sales Support*

Satisfying our customers by not just meeting, but exceeding, their expectations is our top priority. Because we know they could do business with anyone, we view the world through the eyes of our customers, taking the time and care to authentically understand their needs.



*Jim Casey
Chief Operating Officer*

the *US*Able Life difference

USable Life is committed to providing our partners and our customers with in-depth experience, superior service and financial stability. We make sure that our products are simple to understand, affordable and flexible, creating a foundation that builds lasting and stable relationships with our customers and our partners.

USable Life is well-positioned to take advantage of growth opportunities. We offer well-designed products, market diversification, competitive pricing and a professional sales force. Our company is committed to providing excellent service each and every day, helping our strategic partners achieve their goals while enhancing the well-being of their members. We support our Blue partners by providing a deep understanding of our customers and consumer markets. Our promise is to provide peace of mind through the years for all of our customers, individuals, employees, employer groups, producers and Blue Cross Blue Shield Plans.

USable Life offers products that complement the health business, increasing customer relationship value and retention. Our Total Health Solution works across all product lines to improve overall member health and wellness and reduce medical expenses. Our company will continue to search for and produce innovative solutions that strengthen our partnerships and make a difference in the lives of our customers.

We are using our experience, technology and medical expertise to positively impact our customers' lives in a way other companies can't. That's what differentiates USable Life from our competitors.

We've focused on serving our customers for over 30 years and have become a trusted, reliable name in the industry. We are licensed to sell our products in 48 states and the District of Columbia. We are headquartered in Little Rock, Arkansas, and have regional offices around the country.

Our company takes pride in being large enough to offer unquestioned financial strength and world-class products and services. In addition, we value our ability to remain nimble and responsive to our customers' needs. That's a combination that is tough to beat.

the *Sales* difference

Our promise, “*Live life. You’re covered.*” is practiced by our sales team located throughout the country. Sales is more than meeting financial goals, it’s about the relationships we develop and those individuals who benefit from our products. Whether it’s an employee who receives a disability check or a family who benefits from a life insurance policy, we want our customers to *live life* to its fullest knowing they have protection they need in time of need.

In 2010, sales soared with an increase of 10% over 2009, making it a record year for USABLE Life. We continued the goal of increasing market penetration, despite the continued economic challenges and impact of healthcare reform.

Contributing to our overall sales are those who distribute life, disability, dental and worksite products through our partners. They are the strength behind our growth. Leading the way is our experienced and professional team of sales executives who understand the health business and how to complement the core health benefits with the addition of ancillary products.

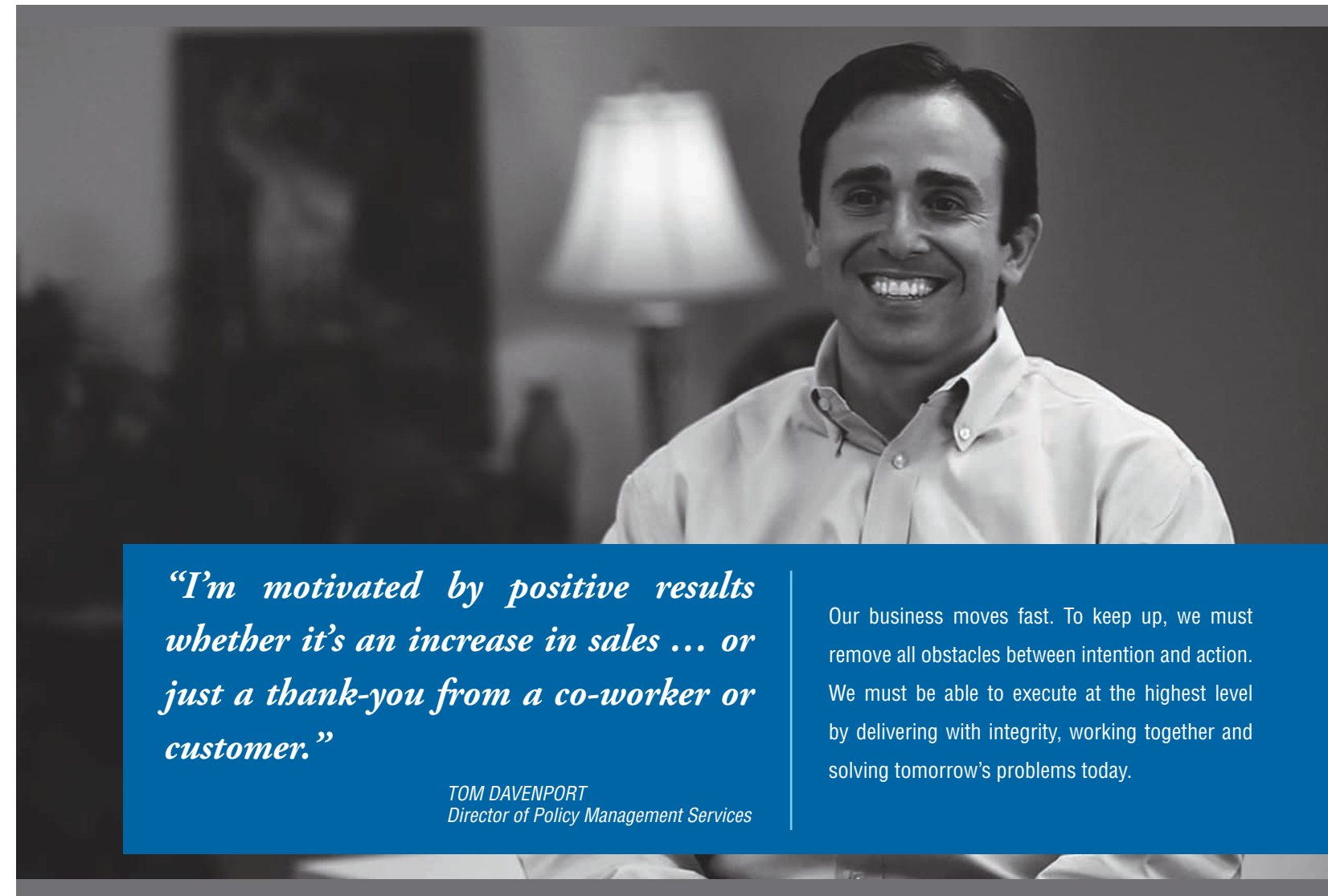
We stand behind our commitment to our partners and our customers. Our training team continues to provide ancillary products, sales management, sales and skills training to our distribution channels to help increase sales momentum and ultimate results. Our account management team works behind the scenes to ensure excellent service beyond our customers’ expectations.

With these things in mind, the real sales difference becomes clear through our relationship with our customers and our partners. At USABLE Life our goal is to provide the best in class products and services to ensure we are there when our customers need us the most.



Julie Marshall
Executive Vice President, Sales

PARTNER



“I’m motivated by positive results whether it’s an increase in sales ... or just a thank-you from a co-worker or customer.”

TOM DAVENPORT
Director of Policy Management Services

Our business moves fast. To keep up, we must remove all obstacles between intention and action. We must be able to execute at the highest level by delivering with integrity, working together and solving tomorrow’s problems today.



*Stu Rubinstein
Executive Vice President,
Life, Disability and Worksite*

the *Product* difference *innovative solutions*

USABLE Life is building innovative solutions linking health and ancillary services through our Total Health Solution, which combines our Health and Productivity and Oral Health for Overall Health programs. Our Total Health Solution improves health outcomes for our customers through state-of-the-art integration of our disability and dental claims with that of our Blue Cross Blue Shield Plan Partners.

This innovative approach clearly demonstrates that our products make a meaningful difference in people's lives. Whether it's our supplemental health products that help people cover uninsured expenses, our financial protection solutions that pay a life insurance claim or help families stay in their homes during the time of a disability...we are there when people need us most, and we take the health and financial protection of our customers very seriously.

Another way our products "make a meaningful difference" is that we aim to quickly restore quality to people's lives, both personally and professionally. With our Health and Productivity program, we're doing just that by taking a more active role in helping to manage employees' health. By utilizing existing health care support programs like disease management, we can reduce health care costs, return employees back to work sooner and ultimately drive wellness.

We don't always have our health. Accidents do happen, and when life's hardships occur, they don't wait politely to come at us one at a time. But we take pride in knowing that our products and services are there when our customers are experiencing the worst of times, and it is our desire and passion to ensure we are providing benefits that are competitive, affordable, comprehensive and will deliver the best possible protection from life's unexpected events.

At USABLE Life, our dental product plays a key role in supporting the strategic direction and market position of our partners. We assist several of our strategic partners with product development and administration of our dental product.

Our Oral Health for Overall Health strategy is an important part of our plan for future growth. It's an area that we'll concentrate on in the coming years as we continue to differentiate ourselves in the marketplace. This program includes informing and educating members about the importance of good oral care and the significant part it plays in overall health. In addition, the program provides targeted intervention for members who are either at risk for or suffer from chronic health conditions like coronary artery disease and diabetes – to better assist them in maintaining their oral and systemic health.

And while other dental insurance companies may be talking about the oral and overall health link, we are actually doing it! Because of our relationship with our health plan partners, we're able to analyze dental and medical claims information together and identify members who can benefit from focused attention. This gives us the ability to perform targeted outreach, begin intervention and initiate a program including enhanced dental benefits. Most other dental carriers only have access to members' dental information. This is a big differentiator for us – something that sets us apart from our competitors and something we're continuing to refine and grow.

Dental insurance is a key component in employee benefit packages today, and it's no wonder, given the ties between dental health and overall health. Keeping our members' smiles healthy and looking out for their overall health, that's how we make a meaningful difference in the lives of our customers.



*Ed Murphy
Executive Vice President,
Dental*

Group Products

- Group Term Life
- Accidental Death and Dismemberment (AD&D)
- Supplemental Life
- Dependent Life
- Group Short-Term Disability (STD)
- Group Long-Term Disability (LTD)
- Group Dental*
- Group Vision

Voluntary Products

- Voluntary Group Term Life (VGTL)
- Voluntary AD&D (VAD&D)
- Voluntary Short-Term Disability (VSTD)
- Voluntary Long-Term Disability (VLTD)
- Voluntary Dental*
- Voluntary Vision
- Term Life
- Accident
- Cancer
- Critical Illness
- Hospital Confinement

Small Group (2-50) Packages

Services

- Sales and Marketing Planning
- Distribution Support and Training
- Enrollment and Reconciliation
- Online Enrollment and Billing
- Online Claims
- EAP Programs
- FMLA Administration
- Travel Protection

*offered in conjunction with our partners

STABLE



Chad Richard
Chief Marketing Officer

Across the nation we're continuing to see rising incidences of many health conditions and associated costs. There are more U.S. households in a precarious financial position than ever before. Now more than ever, our customers rely on us to provide the protection they need.

USABLE Life is focused on providing our customers with products and services that improve their lives - whether it's our health-related solutions that give customers better vision or better smiles, or our financial solutions that help protect them from life's unexpected events. Our marketing and communications efforts are focused on making sure that key groups understand this message and that we are living up to the important role we play in our customers' lives. We are communicating this message to all key audiences: individuals, brokers, employers, employees, sales management and our sales partners.

That effort is centered on a new campaign, Making A Meaningful Difference, that emphasizes to our employees and our customers the significant role that we play in people's lives. We understand that the better we are at doing our jobs, the more lives we can improve.

Each and every day, our customers know they can count on us for support. Our experience and superior service provide value to our customers and build relationships that last a lifetime. Our company will continue to focus on understanding and meeting our customers' needs and exceeding their expectations. That's how we are making a meaningful difference at USABLE Life.

making a meaningful difference



"I gather every resource available so our team can collectively think through how to best approach whatever problem we're trying to overcome."

OCTAVIA FULLER
Business Analyst, Information Technology

Whether we're improving our customers' health, helping them avoid financial crisis, or simply giving them peace of mind, our products make a meaningful difference in people's lives. And the better we do our jobs, the more lives we touch ... the more lives we improve.



the *Financial* difference



*Mark Langston, Executive Vice President, Finance
and Chief Financial Officer*

Over the past few years, our nation's weak economy has taken a toll on many businesses. We often hear of cutbacks and loss of revenue and financial instability. At USABLE Life, we understand that an insurance policy is only as good as the company that stands behind it. To make a meaningful difference in people's lives, we must be able to honor the promise made to the policyholder – that we will be there in their time of need. USABLE Life has kept that promise for 30 years and built a company that has grown stronger each year.

In 2010, we saw growth in revenue, earnings and surplus despite continued weakness in our national economy. We continue to work hard to meet our customers' current needs while also maintaining a solid insurance company for the future.

We're proud that our company is consistently recognized for its financial performance. In the September 2010 edition of *Best's Review*, a monthly insurance news magazine, USABLE Life was listed in the top 25 Life Companies for Group Life issued in 2009. In 2010, the **Ward Group** named USABLE Life as a "Ward's 50" top-performing insurance company for the fifth consecutive year (2007 - 2011). And our company has maintained its "A" (Excellent) rating from **A.M. Best** for the past five years.

All together, recognition by external entities combined with our operational results proves our strength is in our performance. We have become a trusted, reliable name in the industry.

While it's nice to get national recognition for our financial performance, we know the real measure is being able to provide protection when our customers need it most. Our financial performance translates into reliability and stability for customers. That's a priority that will never change.



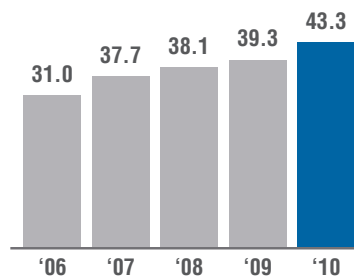
“Our customers need to know that we are here for them and that we are doing the right thing.”

SARIKA PATEL
Group Underwriter

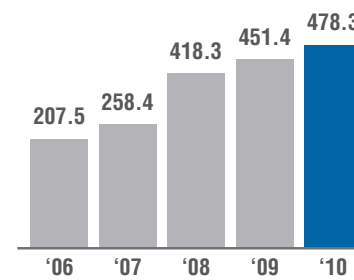
Trust builds better relationships, both inside and outside our company. It helps improve communication, collaboration and execution because it's all about doing what you say you're going to do.

the *Trusted* difference

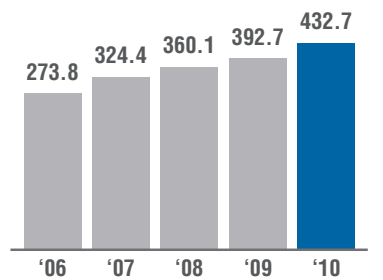
TOTAL INSURANCE IN FORCE
(IN BILLIONS OF DOLLARS)



TOTAL GROSS REVENUES
(IN MILLIONS OF DOLLARS)*



ASSETS
(IN MILLIONS OF DOLLARS)*



*Presented in accordance with Generally Accepted Accounting Principles

We're proud that our company is consistently recognized for its financial performance.



Rated "A" (Excellent) by
A. M. Best Company

Rated "A-" (Strong) by
Standard & Poor's



Named as a "Ward's 50"
Top Performing Insurance Company
for the 5th year (2007-11)

Life and Specialty Ventures, LLC Board of Directors

USable Life is a wholly owned subsidiary of Life and Specialty Ventures, LLC.



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Chairman, Life and Specialty Ventures
Jacksonville, FL



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Arkansas Blue Cross and Blue Shield
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Little Rock, AR



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Chattanooga, TN

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President and Chief Executive Officer
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Little Rock, AR



Jim Casey
Chief Operating Officer
Life and Specialty Ventures/USable Life
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Executive Vice President and
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Little Rock, AR



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Chairman, Life and Specialty Ventures
Jacksonville, FL

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President and Chief Executive Officer



Julie Marshall, CLU, CHC
Executive Vice President, Sales



Jim Casey
Chief Operating Officer



Ed Murphy
Executive Vice President, Dental



Chad Richard
Chief Marketing Officer



Stu Rubinstein
Executive Vice President,
Life, Disability and Worksite



Mark Langston, CPA, FLMI
Executive Vice President and
Chief Financial Officer



Terri Schmidt
Executive Vice President,
Business Development



Glenn Gross
Executive Vice President,
Human Resources and
Organizational Development



Jim Touse
General Counsel, Compliance Officer
and Corporate Secretary



strong. stable. partner.
that's the difference

Locations

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USable Life Office Locations



