

*We take your*  
**Financial Security seriously,**  
*very seriously.*



Western & Southern  
Financial Group

## A LETTER FROM THE CHAIRMAN

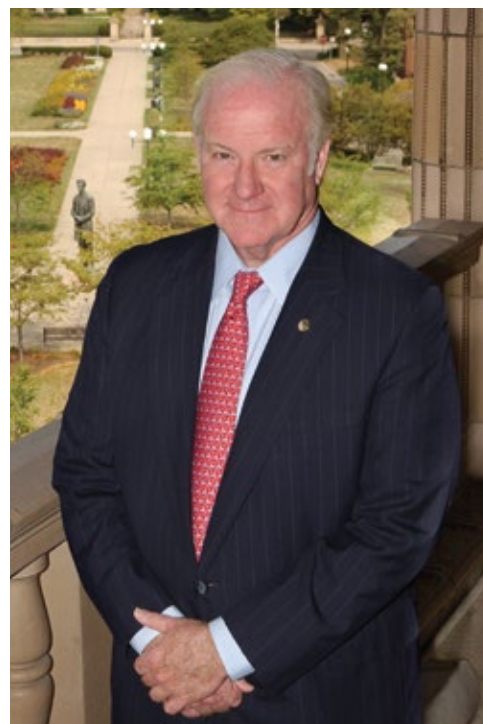
### *To Our Valued Friends & Colleagues,*

When we look back, the year 2008 will mark the beginning of a period of reassessment and realignment of values worldwide. After many years of questionable business practices and even more questionable judgments by leaders from many fields of influence, markets throughout the world experienced a return to economic reality. The warning signs were there for years, but for some reason the big meltdown did not occur until the latter part of the year. The easy money available worldwide allowed far too many to become far too leveraged with investment instruments that were far too complicated.

Through the first eight months of the year, Western & Southern Financial Group was enjoying record sales and record operating performance. Then came September, when the U.S. government was forced to nationalize mortgage loan providers Fannie Mae and Freddie Mac, watch the bankruptcy of Lehman Brothers, start the bailout of AIG and the U.S. banking system, and create a backstop for the money market industry.

The financial events of September had worldwide impact that carried over into October and November with devastating fury. While much of the financial services industry continued to struggle, our operating performance remained sound. We ended 2008 with record sales and revenue, and we came within \$5 million of record operating profits. However, like most financial institutions, the values of our investments were impacted harshly by the global financial panic.

Fortunately, two of the best qualities of our company are a fortress-like balance sheet and very high ratings from the four major rating agencies. Despite the



**John F. Barrett**

Chairman, President  
and Chief Executive Officer  
Western & Southern Financial Group

financial crisis that continues today, we still have industry-leading capital ratios, and we continue to be one of the nine highest-rated life insurance groups in the world based on Standard & Poor's ratings. As our peers and competitors report their 2008 financial results, it is clear that we are weathering this huge financial storm better than all but a few companies.

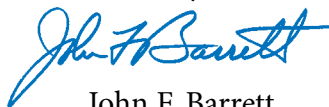
We are pleased to report that for the first quarter 2009, we enjoyed record operating profits and near-record sales as people sought very high quality companies that will be there when they need them. Our decision to sell financial solutions rather than just selling financial products is proving to be a good one. We ensure dreams. We are committed to running this financial services powerhouse for the benefit of all of our stakeholders with a watchful eye on execution, continuous improvement and true innovation in all that we do.

The challenges of the last four months of 2008 and the first part of 2009 certainly have been trying, but our company is coming through with flying colors. We are blessed with an incredibly talented and motivated workforce. This group has created a very special Enterprise that is poised to prosper. We are prepared for opportunities that may arise due to the increasingly difficult financial environment. Frankly, we were built for these times.

Inasmuch as this is a global financial crisis, there is no way to know when it will end. What we can tell you, though, is that we are well positioned to weather the storm, and we expect to come out of it in better shape than just about any other company. The four cornerstones of our business model — Culture, Capital, Capacity and Competence — will see us through.

We thank you for your continued confidence. We will not let you down.

Sincerely,



John F. Barrett  
Chairman, President and  
Chief Executive Officer

## 2008 FINANCIAL YEAR IN REVIEW; FIRST QUARTER 2009 PROGRESS

For the year ended Dec. 31, 2008, we reported record sales of \$6.3 billion — \$1.0 billion in fees and life insurance sales, \$3.0 billion in annuity sales and \$2.3 billion in mutual fund sales. Our record sales and continued focus on expense control drove a near-record year in GAAP\* operating gain to \$314 million versus \$319 million in 2007, which was our best year ever. Worth noting is that we held insurance expenses to \$316 million, \$5 million less than in 2007.

The difficult economic environment, however, negatively affected our investment returns and the values of our portfolios. After taxes and applying mark-to-market principles — which require us to adjust the value of our stocks and bonds to current market prices — our \$314 million GAAP operating gain was reduced dramatically, producing a relatively modest net income loss of \$49 million for 2008 versus net income of \$365 million the year before. Market declines also drove down our GAAP net worth from \$4.9 billion to \$3.2 billion at year-end.

On a statutory\*\* accounting basis, our net premiums increased over 41 percent to \$3.8 billion. Consolidated statutory operating earnings before capital gains and losses were \$248 million and statutory net income was \$59 million. This compares to \$289 million in operating earnings and \$263 million in net income in 2007. Adjusted capital and surplus ended the year at \$3.5 billion, providing our insurance businesses with a very healthy statutory capital-to-total asset ratio of 11.9 percent. Only a handful of the highest-rated life groups can boast a double-digit ratio.

Even after the markdowns, our company is stronger than most insurance groups were before the market decline. We are among the very best capitalized life insurance groups in the world. Our GAAP capital-to-asset ratio of 10.4 percent, as of year-end 2008, is twice the average of the 15 largest publicly traded life insurance companies. Our statutory adjusted capital and surplus-to-adjusted liability ratio of 16.9 percent, also as of year-end 2008, is greater than every U.S. life insurer that ranks among the top 25 based on assets; and our ratio is greater than every U.S. life group rated A++ (Superior) by A.M. Best.

Our strong performance continues in 2009. GAAP operating gain for the first quarter of 2009 was a record-setting \$85 million. This was achieved on near-record first quarter sales with statutory premiums reaching \$1.1 billion.

\* Generally Accepted Accounting Principles.

\*\* Accounting rules determined by insurance regulators.



# Western & Southern Financial Group

Western & Southern Financial Group is a diversified,  
customer-oriented family of companies and a nationally  
recognized leader in consumer and business financial services.

As a Fortune 500 company since 2004, we provide millions of individuals, businesses and institutions with life and health insurance, annuities, mutual funds, and a variety of investment management products and services through 15 member companies. We also have several member companies that provide support services internally or to others in the financial services industry.

We are united by a common culture and are committed to delivering financial solutions that protect and grow our clients' assets to help them achieve financial security over a lifetime.

Our customer base consists of a wide range of American families and businesses, including moderate-, middle- and upper-income families; affluent individuals and families; independent advisors, financial planners and consultants; corporations; financial institutions; pension plans;

broker-dealers and wirehouses; small- and mid-size businesses; real estate investors; and foundations, endowments and universities.

At any point throughout their lives, our customers are often served by one or more member companies under the Western & Southern umbrella. Our family of companies includes The Western and Southern Life Insurance Company; Western-Southern Life Assurance Company; Capital Analysts Incorporated;<sup>1, 2</sup> Columbus Life Insurance Company; Eagle Realty Group, LLC; Fort Washington Investment Advisors, Inc.;<sup>1</sup> Fort Washington Savings Company;<sup>3</sup> IFS Financial Services, Inc.; Integrity Life Insurance Company; The Lafayette Life Insurance Company; National Integrity Life Insurance Company; Todd Investment Advisors, Inc.;<sup>1, 4</sup> Touchstone Advisors, Inc.;<sup>1</sup> Touchstone Securities, Inc.;<sup>2</sup> and W&S Financial Group Distributors, Inc. See the center of this report for a detailed listing.

## THE KEY TO OUR CONTINUED SUCCESS: WESTERN & SOUTHERN CULTURE

We have developed a unique culture that permeates all facets of our corporate headquarters. It is defined by hard work, sensible decision making, teamwork, collegiality, top-notch service, and the continuous upgrading of our businesses and our competencies. We stress quality in all that we do, and we favor the long-term outlook over the short term. While we are proud of our ever-improving performance, there is little room for arrogance, greed or ego. Simply put, we are passionate about our Enterprise. We will continue to create outstanding value for our policyholders and clients and continue to be the ideal place for a long-term career for our associates.

<sup>1</sup> A registered investment advisor. <sup>2</sup> A registered broker-dealer and member FINRA/SIPC. <sup>3</sup> Member FDIC. <sup>4</sup> Sold in early 2009.

## ANNUITIES

Annuity sales grew significantly for Western & Southern Financial Group in 2008 as Americans countered economic uncertainty with financial solutions backed by the strength and stability of Western & Southern member companies.

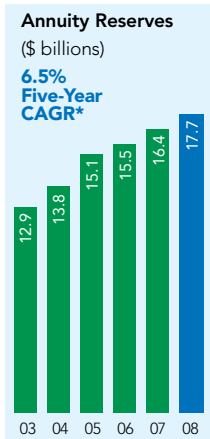
The aging of the nation's population dominates the demographic landscape. By 2012, approximately 10,000 Americans will turn 65 each day. By 2030, the senior population will total nearly 71 million.

Retirees are living longer and healthier lives. At the same time, responsibility for retirement planning and risk management has shifted from institutions to individuals. Western & Southern continues to provide the products and services needed by this growing population.

Total annuity premium produced by Western & Southern reached \$2.97 billion in 2008, an increase of more than 59

percent over 2007 and an all-time high. Annuity reserves at year-end totaled \$17.66 billion, also a record.

Results in Western & Southern's fixed and immediate annuity lines of business affirmed that consumers are looking for interest rate guarantees and income certainty from a proven, steadfast company. Fixed annuity premium climbed by 69 percent to \$2.87 billion for 2008, up from \$1.69 billion for 2007.



\*Compound Annual Growth Rate

A closer look at this record sales volume indicates sizable contributions from a number of Western & Southern core business units and their distribution partners:

- The bank distribution channel, served by **W&S Financial Group Distributors, Inc.**, generated \$1.20 billion in fixed annuity premium in 2008, more than double the \$540 million of the previous year.
  - **Western & Southern Life**, serving middle-market individuals, families and businesses, posted \$161 million in fixed annuity premium, a nearly 9 percent increase from 2007.
  - **The Lafayette Life Insurance Company**, which serves middle- and upper-middle income customers and small-
- **Integrity Life Insurance Company** and **National Integrity Life Insurance Company**, which distribute through independent agents, independent marketing organizations and broker-dealers, produced \$1.31 billion in fixed annuity premium in 2008, up 48 percent over 2007 and a record high.



**Jill T. McGruder**, President and Chief Executive Officer of Integrity Life Insurance Company and National Integrity Life Insurance Company; and Chief Executive Officer of W&S Financial Group Distributors, Inc.





and mid-size businesses, established a record as well with a combination of fixed and equity-indexed annuity premium. It grew annuity production to \$122 million, up 32 percent over 2007.

- **Columbus Life Insurance Company**, which serves customers in the middle- to upper-middle income market, achieved more than \$74 million in fixed annuity premium in 2008, a 166 percent advance over 2007.

Western & Southern's growing annuity premium production continued to rank it among the largest individual annuity providers in the United States, according to LIMRA International, an organization of life insurers and financial firms. For the past decade, it has consistently ranked among the top 10 life insurers for fixed annuity sales through banks.

Western & Southern expanded its range of solutions available through distribution partners to help customers address risk management challenges resulting from the changing economic environment. The company also introduced LiveInRetirement.com, an information resource and assessment tool to help financial professionals

Left to right: **Mark E. Caner**, President of W&S Financial Group Distributors, Inc., with **Charles E. White**, Senior Vice President, Financial Institutions Distribution; **John F. O'Connell**, Senior Vice President, Broker-Dealer Distribution; and **Edward J. Haines**, Senior Vice President, Independent Agent Distribution.

and their clients understand the impact of several risk factors — Longevity, Inflation, Volatility and Event (LIVE) — on financial well-being and retirement planning.

Despite the national economic upheaval of 2008, over 90 percent of fixed annuity contracts with Western & Southern member companies remained in force, serving as an affirmation of the company's focus on world-class service backed by outstanding financial stability.

As Americans continue to take responsibility for ensuring their own financial security, Western & Southern will be there with a wide range of planning solutions to help them manage risk, save money, accumulate wealth and enjoy retirement with a steady income for life.

## LIFE & HEALTH INSURANCE

Western & Southern Financial Group continues to build upon its roots as a life insurance company by providing individuals, families and businesses with financial solutions that secure and protect their future.

**Western & Southern Life** continues to deliver innovative solutions and industry-leading customer service to middle-market individuals, families and businesses. Its success is fueled by the combined contributions of a career agency workforce, a world-class Client Relationship Center and an eBusiness online services team whose collective efforts continue to build leading-edge sales and service support for a growing base of clients.

In 2008, Western & Southern Life achieved record highs in GAAP operating income, return on equity, and return on assets. Its claims-paying ability and financial strength remained solid. It paid more than \$245 million in death benefits to beneficiaries and \$57 million in dividends to policyholders.

Western & Southern Life became the first life insurance company to be awarded an “Excellent Rating” by the Customer Respect Group, which also ranked the company’s Web site, WSLife.com, No. 1 in the life insurance industry and No. 3 overall for all sites reviewed. Also during 2008, WSLife.com achieved a No. 10 ranking among the top life insurance and annuity consumer Web sites nationally.

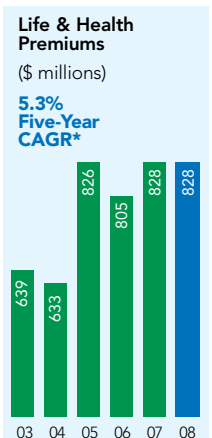
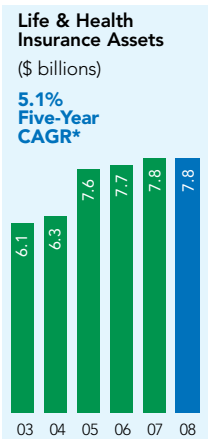
Two new universal life insurance products were introduced in 2008 to provide Western & Southern Life’s customers enhanced financial solutions with guarantees to meet their changing needs. Since their release, sales of the two products have outpaced the previous year’s sales seven to one. Additionally, Western & Southern Life built upon its multicultural program and extended its reach to include a new sales office in St. Paul, Minn., to better serve that community’s growing ethnic population.

**Columbus Life Insurance Company** achieved a near record year with annuity sales of more than \$74 million in 2008. This success was due in part to increasingly competitive interest rates, strong guarantees, well-informed producers and a heritage of unmatched financial strength.

In a highly unpredictable economy, consumers’ need for guaranteed lifetime income made Columbus Life’s financial strength particularly attractive. That same strength led to a record year in attracting highly qualified financial professionals to offer Columbus Life products to their clients. This is a result of an enhanced direct mail campaign and a new Web site for prospective producers.

In response to producer preferences, Columbus Life introduced an electronic newsletter. This “green” publication is sent monthly to notify producers of Columbus Life’s current interest rates and payout levels, as well as the latest regulatory and economic news.

The company launched two new survivorship products in 2008 — Legacy *Plus* Survivorship Universal Life, designed for cash accumulation within the policy; and Legacy G Survivorship Universal Life, a lower premium, built-in no-lapse guarantee product. These two new



\*Compound Annual Growth Rate





products appeal to different segments of the estate planning market, thus broadening Columbus Life's potential audience. Columbus Life's Legacy Survivorship Variable Universal Life product is one of the few remaining survivorship variable universal life products on the market, giving the company a unique market niche.

**The Lafayette Life Insurance Company** ended 2008 with another best year ever in new individual life earned premium with more than \$41 million. Additionally, the company had an excellent year in new annuity premium production reaching \$122 million.

Lafayette Life made a significant decision to exit the group life insurance line of business during 2008 in order to focus resources on the company's very successful core lines of business — individual life insurance, fixed annuities and retirement services.

Product availability expanded with the introduction of a new indexed universal life product and a new term life portfolio. Both made a positive impact on premium revenue. Whole life continued to be the primary focus of

Left to right: **J. J. Miller**, President and Chief Executive Officer of Columbus Life Insurance Company; **Jerry B. Stillwell**, President and Chief Executive Officer of The Lafayette Life Insurance Company; and **Bryan C. Dunn**, President and Chief Marketing Officer of W&S Agency Group.

Lafayette Life's portfolio of products, contributing over 90 percent of new individual earned life insurance premium during 2008.

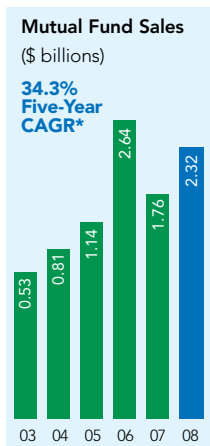
Despite the challenging financial environment, Lafayette Life achieved record-breaking GAAP operating income and individual life premium production.

As part of the Western & Southern family of companies, Lafayette Life is well positioned to meet the unprecedented challenges of the future.

Western & Southern Financial Group's investment subsidiaries remained strong in 2008 as they continued to provide solutions-focused products and services to help customers minimize risk and maximize performance of their investment portfolios.

**Touchstone Investments** provides individual and institutional investors with strategically focused investment solutions through a family of mutual funds, Touchstone Funds.<sup>1</sup> The Funds encompass a variety of asset classes, investment disciplines and risk/return potential and are managed by institutional money managers who act as sub-advisors.

Despite the equity market downturn in 2008, Touchstone increased market share by expanding the availability of its funds through broker-dealers, financial planners, registered investment advisors, consultants, retirement plans, wealth managers and private banks. It also served as a valuable partner by providing these advisors with programs and tools to help them cultivate, build and manage their businesses.



\*Compound Annual Growth Rate

Touchstone continued to deliver enhanced product solutions by introducing a new share class and repositioning other share classes to offer new options for the diverse needs of retail and institutional clients and distribution partners. In addition, Touchstone launched the Touchstone Mazama Institutional Growth Fund and adopted the Touchstone

International Growth Fund sub-advised by Navellier & Associates.<sup>2</sup> It also received national recognition for its Touchstone Institutional Money Fund by Lipper, Crane Data and *iMoneyNet*.

Touchstone liquidated or merged funds that had limited growth prospects, consolidated service providers for fund custodial services, and instituted a new commission recapture program.

Additionally, Touchstone reduced expense ratios of several funds to improve competitiveness and attract additional assets, and increased efficiencies with e-mail marketing and e-delivery of statements, reports and prospectuses.

**Fort Washington Investment Advisors, Inc.**, provides world-class investment management solutions for institutional and individual investors. With \$25 billion in assets under management,<sup>3</sup> Fort Washington is distinguished by its range of investment strategies, which center on risk-adjusted returns and sound investment processes.

Of those assets under management, Fort Washington's small cap growth strategy grew to \$383 million in assets, proving the benefit of focusing an experienced team of professionals on the less efficient part of the market.

Fort Washington Capital Partners Group, which manages and/or advises 12 private equity fund of funds and six customized programs, had numerous achievements in 2008, including bringing a new fund of funds to market, launching an active secondary program, and purchasing the fund of funds business from Cleveland-based Peppertree Partners, LLC.

Fort Washington's high yield fixed income strategy had \$968 million in assets and outperformed its benchmark by nearly 7 percent in 2008. With a 14-year track record, the strategy drives investments in higher quality segments of the high yield fixed income market and provides favorable opportunities to outperform over a full market cycle while maximizing risk-adjusted returns.

Fort Washington's reputation in other fixed income sectors continued to grow as a result of outperforming competitors in the money market and municipal bond sectors. Several clients retained Fort Washington to manage high-grade corporate bond portfolios. As of Dec. 31, Fort Washington's fixed income strategies totaled \$4.5 billion in assets under management for non-affiliated clients.



**Todd Investment Advisors, Inc.**,\* is a wholly owned subsidiary of Fort Washington Investment Advisors, Inc., based in Louisville, Ky. With more than \$3.5 billion in assets under management, Todd provides investment strategies for public and private institutions, mutual funds, high-net-worth individuals and broker-sponsored separately managed accounts.

During 2008, Todd continued its pattern of above-average relative performance on a one-, three-, five-, and 10-year basis versus the S&P 500 Index. Highlights of 2008 include the addition of \$420 million in new assets, an expansion into the Taft-Hartley market, and a \$329 million increase in retirement assets under management.

<sup>1</sup> Touchstone Funds are distributed by Touchstone Securities, Inc., a registered broker-dealer and member of FINRA and SIPC, and are advised by Touchstone Advisors, Inc., a registered investment advisor.

<sup>2</sup> An investor should carefully consider the investment objectives, risks, charges and expenses found in the prospectus. For a prospectus containing complete information about a Touchstone Fund, contact a financial professional, call Touchstone at (800) 638-8194 or visit [touchstoneinvestments.com](http://touchstoneinvestments.com). Please read the prospectus carefully before investing or sending money.

<sup>3</sup> As of 12/31/08, does not include Todd Investment Advisors, Inc., a wholly owned subsidiary, with more than \$3.5 billion in assets; or Fort Washington Capital Partners Group, a division of Fort Washington, with more than \$1.8 billion in commitments under management and/or advisement.

\* Sold in early 2009.

**Maribeth S. Rahe**, President and Chief Executive Officer of Fort Washington Investment Advisors, Inc., with **Nicholas P. Sargen**, Senior Vice President and Chief Investment Officer.



**Jill T. McGruder**, Chief Executive Officer of Touchstone Investments, with **William A. Dent**, Senior Vice President, Advisory Services.



Western & Southern Financial Group's diversification continues to be a central strategy to ensure growth and stability for the Enterprise.

**Capital Analysts Incorporated** is a business-to-business provider of wealth management services to independent investment advisors serving affluent clients.

In 2008, as part of Capital Analysts' succession planning, Matthew E. Lynch became president and chief executive officer, and Robert S. Cogan became vice chairman of the firm's board of directors.

The firm proceeded with development of its wealth management services platform and emerged as an industry leader with the launch of an integrated technology system, Advisor Portal.

A major component of the wealth management services platform, Advisor Portal provides seamless integration of data across numerous systems that advisors use daily in the operation of their businesses. Knowledge tools give advisors a competitive advantage and enhance their ability to deliver more consistent wealth management client service.

Capital Analysts' Asset Management Services, the firm's highly regarded suite of asset management solutions, supported the growth of \$100 million of new client assets. Its innovations have been recognized in industry media, with articles highlighting Capital Analysts as a wealth management services leader. Industry surveys continue to consistently rank Capital Analysts in the top tier of independent broker-dealers for assets under management and high-net-worth clients.

**Eagle Realty Group, LLC**, is a real estate investment and property management company serving Western & Southern affiliates and other institutional real estate investors. The company provides an array of professional services, including real estate investment management and strategic real estate development; multifamily and commercial property management; and facilities services.

In 2008, Eagle's Investment Management Division earned \$1 million in third-party fee revenue, a 66 percent increase over 2007. It welcomed its newest institutional investor, which acquired a minority interest in a \$35 million full-service, luxury hotel with locations in seven states. It also closed on six structured equity transactions, representing \$51 million in equity commitments.

Eagle continued to invest only in mortgages or mortgage-related securities that pass its rigorous underwriting process, fueling the firm's ability to weather an extended period of depressed asset prices and positioning it to prosper in challenging economic environments. Eagle's total mortgage loan portfolio surpassed \$1 billion in 2008 with no mortgage write-downs.

Eagle commenced construction of the Great American Tower at Queen City Square, which will be Cincinnati's tallest skyscraper upon completion in 2011. The building is designed to achieve certification through the Leadership in Energy and Environmental Design (LEED) Green Building Rating System™.

Eagle also demonstrated unique leadership in public/private partnerships by working with the local port authority to close on \$259 million in lease bonds and \$64 million in tax increment financing bonds for the Queen City Square development.

Eagle's Multi-Family Property Management and Commercial Property Management divisions increased new unaffiliated property management assignments in 2008. Multi-Family Property Management added new unaffiliated clients with a total of 544 units, growing its units under management to 3,950. Commercial Property Management recruited a number of new tenants and increased rental income, contributing to a revenue increase of more than 18 percent over 2007.



**Fort Washington Savings Company** (FWSC), Western & Southern Life's policyholder bank, provides customers with personalized savings solutions that help fund important short-term savings needs. FWSC strives to pay policyholders above-market interest rates on savings products that may include emergency savings accounts, certificates of deposit, money market accounts and IRAs. It integrates those savings solutions with financial services from other Western & Southern member companies to create valuable life-long financial benefits for Western & Southern Life policyholders.

**Lifetime Income Solutions Group** (LISG) is Western & Southern's research and development group that provides strategic expertise internally on income products, services and distribution opportunities for the retirement market.

In 2008, LISG led efforts to assess the feasibility, attractiveness and applicability of numerous new distribution channels and partnerships, and it provided strategic counsel to Western & Southern member companies on the most viable ways to leverage them. It also helped research and develop sales opportunities to deliver sound retirement income planning and financial solutions to consumers, advisors and strategic partners.

Left to right: **John R. Lindholm**, President and Chief Executive Officer of Lifetime Income Solutions Group; **Robert J. DalSanto**, President of Fort Washington Savings Company; and **Mario J. San Marco**, President of Eagle Realty Group, LLC.



Left to right: **Matthew E. Lynch**, President of Capital Analysts Incorporated, with **Robert S. Cogan**, Vice Chairman.

## ENTERPRISE AT A GLANCE

Company Information	Products and Services
<b>Western &amp; Southern Mutual Holding Company</b>	Mutual insurance holding company; sole shareholder of Western & Southern Financial Group.
<b>Western &amp; Southern Financial Group, Inc.</b>	Holding company; sole shareholder of The Western and Southern Life Insurance Company and The Lafayette Life Insurance Company.
<b>The Western and Southern Life Insurance Company (Western &amp; Southern Life)</b>	Whole life, juvenile term life, critical illness, accident insurance and personalized needs analysis.
<b>Western-Southern Life Assurance Company (Western &amp; Southern Life)</b>	Universal life insurance, fixed annuities, term life, single premium life, retirement strategies and personalized needs analysis.
<b>W&amp;S Agency Group</b>	Life insurance, annuities, mutual funds, retirement strategies and health insurance products.
<b>Fort Washington Savings Company<sup>1</sup></b>	Ohio savings and loan offering checking accounts for Western & Southern Life beneficiaries, and certificates of deposit and savings accounts for policyholders.
<b>Insurance Profillment Solutions, LLC</b>	Comprehensive call center services for insurance direct marketing companies.
<b>W&amp;S Brokerage Services, Inc.<sup>2</sup></b>	Registered broker-dealer for Western & Southern Life career agents selling mutual funds, variable and indexed annuity products, and variable universal life insurance.
<b>Columbus Life Insurance Company</b>	Universal life, variable universal life, survivorship universal life, indexed universal life, term life, annuities, and retirement and business planning.
<b>Capital Analysts Incorporated<sup>2,3</sup></b>	Wealth management services, including investment planning, advanced planning and life planning.
<b>Eagle Realty Group, LLC</b>	Real estate investment management (asset management, real estate investment advisory services, mortgage loans, co-investments and real estate development); commercial property management; and multifamily property management.
<b>Fort Washington Investment Advisors, Inc.<sup>3</sup></b>	Investment management strategies, including fixed income (cash management, core, active core, high yield and customized portfolios); public equities (small cap growth and traditional all cap value); and private equity (national funds of funds, secondaries, and customized limited partnerships).
<b>Todd Investment Advisors, Inc.<sup>3,4</sup></b>	Investment management strategies based on intrinsic value that include large cap relative value equity, international equity, lifestyle portfolios and balanced portfolios for both taxable and tax-exempt clients.
<b>IFS Financial Services, Inc.</b>	Fixed, variable and income annuities, mutual funds, life insurance and wealth preservation programs.
<b>Touchstone Investments</b>	Mutual funds sub-advised by institutional money managers.
<b>W&amp;S Financial Group Distributors, Inc.</b>	Fixed, variable and income annuities and life insurance.
<b>Integrity Life Insurance Company</b>	Fixed, variable and income annuities.
<b>National Integrity Life Insurance Company</b>	Fixed, variable and income annuities.
<b>Lifetime Income Solutions Group</b>	Retirement market research and education, and sales support for guaranteed income and fee-based products offered through Western & Southern member companies.
<b>The Lafayette Life Insurance Company</b>	Whole life, term life, fixed and indexed annuity products, indexed universal life, and pension products and services.





Markets Served and Distribution Channels	Contact Information
	westernsouthern.com (877) FOR-WSFG
	westernsouthern.com (877) FOR-WSFG
Individuals, families and businesses in the middle-income market. 181 field offices nationwide, plus WSLife.com and Client Relationship Center. Licensed in 43 states and the District of Columbia.	wslife.com (800) 936-1212
Individuals, families and businesses in the middle-income market. 181 field offices nationwide, plus WSLife.com and Client Relationship Center. Licensed in 45 states, the District of Columbia and Guam.	wslife.com (800) 936-1212
Individuals, families and businesses in the middle-income market. 181 field offices, plus WSLife.com and Client Relationship Center.	wslife.com (800) 936-1212
Life insurance beneficiaries and policyholders of Western & Southern Life.	fwsavings.com (866) 819-4263
Insurance brokers selling term insurance through the Internet or direct marketing channels.	(866) 590-0161
Middle-income market through W&S Agency Group registered representatives.	wslife.com (513) 629-1055
Individuals, families and businesses in the middle- and upper-income markets through a nationwide network of independent producers. Licensed in 49 states and the District of Columbia.	columbuslife.com (800) 677-9696
Affluent individuals, families, professionals and closely held corporations. Approximately 375 registered representatives.	capitalanalysts.com (800) 685-7515
Corporations, financial institutions, pension funds, real estate investment trusts, investment funds, individual real estate investors and not-for-profit organizations.	eaglerealtygroup.com (800) 361-7040
Corporate cash management; corporate pension plans; hospitals; insurance companies; mutual fund sub-advisory; public and private institutions, including religious orders, universities, foundations and endowments; and high-net-worth individuals and their businesses.	fortwashington.com (888) 244-8167
Public and private institutions, corporations, Taft-Hartley, mutual funds, broker-sponsored separately managed accounts and high-net-worth individuals.	toddinvestment.com (888) 544-8633
Broker-dealers, financial planners, brokerage firms, wirehouses, independent agents and financial institutions.	(513) 362-8000
Broker-dealers, financial planners, registered investment advisors, consultants, retirement plans, wealth managers and private banks.	touchstoneinvestments.com (800) 638-8194
Broker-dealers, independent agents and financial institutions.	wsfinancialpartners.com (800) 285-2858
Broker-dealers, independent agents and financial institutions. Licensed in all states except Maine, New Hampshire, New York and Vermont.	wsfinancialpartners.com (888) 644-2300
Broker-dealers, independent agents and financial institutions in Maine, New Hampshire, New York and Vermont.	wsfinancialpartners.com (888) 644-2300
Retirement planning markets, individuals and groups, as well as technology-based distribution channels.	(502) 540-7471
Middle- and upper-middle income individuals, and small- and medium-size businesses. Licensed in 48 states and the District of Columbia.	lafayettelife.com (800) 243-6631

1 Member FDIC. 2 Member FINRA and SIPC. 3 Registered Investment Advisor. 4 Sold in early 2009.

## SHARED SERVICES

Western & Southern Financial Group's  
Shared Services teams are the backbone of  
our Enterprise-wide cost efficiency efforts.

By taking a shared approach to several service areas common to most businesses, Western & Southern's member companies avoid redundant operating expenses, enjoy the scale and leverage of a much larger organization, and enhance their focus on delivering effective financial solutions with quality customer service.

**Actuarial** provides risk management to Western & Southern member companies and the Enterprise as a whole. This includes designing and pricing life and annuity products, financial projections and reporting, valuation, and risk analysis.

**Corporate Financial Planning** guides Western & Southern's long-term financial strength through financial planning, asset management and control, and risk management services.

**eBusiness** fulfills Western & Southern's electronic business needs through a wide range of award-winning online services, including strategic planning, project management, digital marketing, user interface design and development, and Web site monitoring and analysis.

**Human Resources** recruits, develops and retains first-class associates, and manages associate benefits programs. On-site food services and security teams also deliver highly valued services under the Human Resources umbrella.

**Information Services** leverages technology with a focus on efficiency and adaptability for increased profitability and sustainable competitive advantage. This includes

development of innovative business processes, such as electronic applications and automated underwriting, voice signatures for call center sales, and online insurance fulfillment services. Information Services also delivers regulatory expertise across the Enterprise through product and state filing services.

**Insurance Operations** positively impacts policyholder and contract holder satisfaction, and sales force productivity and profitability by providing the highest quality back-office services for insurance and annuity products.

**Internal Audit** provides independent, objective assurance and consulting services to Western & Southern, and brings a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

**Law** provides and obtains expert legal counsel and representation for a wide range of legal disciplines required by the Western & Southern family of companies.

**Public Relations and Corporate Communications** delivers Enterprise-wide meeting planning, travel and event management; purchasing, contract and vendor relationship management; document development and administration; and printing and mail services. It also provides corporate reputation management, media relations and internal/external communications; audio-visual multimedia and photography; and advertising, branding and creative services.

## MANAGING EXPENSES

Western & Southern's Shared Services teams played an important role in controlling expenses through the following actions.

- Supported implementation of new field compensation program for Western & Southern Life career agents.
- Developed and implemented new actuarial pricing and projection system with grid computing



Left to right: **Michael J. Laatsch**, Vice President of Public Relations and Corporate Communications; **Nora E. Moushey**, Senior Vice President and Chief Actuary; **Constance M. Maccarone**, Senior Vice President of Insurance Operations; **Phillip E. King**, Vice President and Auditor; **Donald J. Wuebbeling**, Senior Vice President and General Counsel; **Clint D. Gibler**, Senior Vice President and Chief Information Officer; and **Noreen J. Hayes**, Senior Vice President of Human Resources, all of Western & Southern Financial Group.

infrastructure, reducing product pricing runs from 30 hours to 20 minutes and allowing actuaries to conduct pricing estimates in-house to reduce outsourcing costs.

- Reduced hardware/software expenses by \$800,000 through contract renegotiations and system retirements, permitting purchase of several new systems without large budget increases.
- Leveraged proprietary Claims Life Underwriting Experience (CLUE) data warehouse to confirm or modify underwriting requirements, achieving \$2 million in annual savings and increasing premiums by \$1 million.
- Acquired a new document composition and delivery system to consolidate policy and annuity contracts,

statements and customer correspondence into one system, eliminating maintenance expenses on legacy systems, automating document creation, inserting and archiving, and dramatically reducing annual postage expenses.

- Developed proprietary online application and underwriting system to make new business process faster and easier for Western & Southern Life's career agents and customers and to increase automation of underwriting decisions, resulting in 30 percent of applications processed same day and 25 percent of policies issued without manual intervention.
- Leveraged in-house printing capabilities to cut outside printing expenses to 8 percent of total and consolidated print and mail services for improved efficiency and quality.

## CORPORATE CITIZENSHIP

With the economic downturn exerting pressure on our communities,  
Western & Southern Financial Group continues to take its role  
as a corporate citizen very seriously.

One pillar of our corporate giving is our leadership-level participation in Cincinnati's United Way and Fine Arts Fund campaigns. In 2008, our associates and our corporate foundation, Western & Southern Financial Fund, contributed \$1,163,024 to United Way and \$213,000 to the Fine Arts Fund. Both contributions were our largest ever, with the United Way donation ranking as the region's seventh highest.

We continue our commitment to education as a partner with Hoffman Elementary School and Withrow University High School of Cincinnati Public Schools (CPS). We also sponsor the Dr. Lawrence C. Hawkins Educator of the Year Award, a

\$10,000 honorarium presented annually to a CPS educator who has demonstrated leadership by taking affirmative steps to upgrade the quality of education in the school district.

Western & Southern gives strategically to support the health and wellness of our community. Our MS Walk team and sponsorship raised nearly \$59,000 in 2008. Our foundation awarded \$2 million for renovation and upgrades to the University of Cincinnati's Dr. Charles M. Barrett Cancer Center. We also supported the expansion of Cincinnati's Ronald McDonald House.

Support for higher education is another tradition with a multiyear commitment toward the construction of Xavier University's state-of-the-art Williams College of Business building, named for two early Western & Southern leaders.

Western & Southern also continues to raise Southern Ohio's profile as a destination for visitors. We joined community, government and business leaders to bring 35,000 visitors and an estimated \$7.5 million to the region through the 99th annual NAACP Convention and the National Baptist Convention.

With the Western & Southern Financial Group Women's Open joining the Western & Southern Financial Group Masters in the top tier of international professional tennis in 2009, the estimated regional economic impact of the tournaments should exceed \$25 million annually. They will also further raise our corporate profile, increase charitable donations and attract more TV viewers and fans.

In addition to our support in Cincinnati, associates of member company Lafayette Life and its foundation raised more than \$130,000 for the United Way in Lafayette, Ind., making the company one of Lafayette's top 10 employers in 2008 giving. Lafayette associates also donated more than 975 pounds of food to a local food bank and more than \$10,000 to the city's Heart Walk, the top gift in the Lafayette community.



Western & Southern Financial Group Chairman, President and Chief Executive Officer **John F. Barrett** congratulates 2008 Western & Southern Financial Group Masters champion **Andy Murray** of Scotland.



## CULTURE

Western & Southern Financial Group's unique values-based culture stands out in today's business environment.

The critical importance Western & Southern places on caring for clients, the community and associates drives how we do business. It also motivates the company's commitment to grow and maintain the financial strength required to meet client obligations today and tomorrow.

Western & Southern's instinct for meeting the needs of others begins deep inside the organization. Our associates regularly go above and beyond to provide superior customer service in an atmosphere of hard work, collaboration, transparency and mutual respect.

This level of service extends into the electronic world of the Internet, where two independent industry experts,

the Customer Respect Group and DALBAR, have honored Western & Southern Life for its customer-facing Web site, WSLife.com.

Whether our associates are interacting with clients online or face to face, our strong emphasis on doing the right thing and putting customer needs first inspires pride in the organization and helps make Western & Southern an outstanding place to work.

Our culture of caring has created a family of client-centered companies with the financial strength and spirit to prevail in challenging times. Ours is one company that believes the best is yet to come.

## ANNIVERSARY INSIGHTS

2008 marked the 120th anniversary of the founding of The Western and Southern Life Insurance Company, the regional insurer that became Western & Southern Financial Group. Throughout those years, Western & Southern has cultivated a tradition of caring for customers, associates and the community.

- Western & Southern's heritage of protecting the financial security of policyholders began on May 7, 1888. Founder William J. Williams sold the original company's first life insurance policy to William Cholmondeley of Cincinnati. It had a \$500 face amount and a weekly premium of 31 cents.
- Western & Southern has a history of caring for its associates with first-rate benefits, including a tuition reimbursement program since 1931, pension and medical plans, cafeteria, fitness center and wellness programs.
- Western & Southern's passion for downtown Cincinnati is legendary and includes changes to the skyline with the tallest skyscraper when completed in 2011; title sponsorship of the Western & Southern Financial Group Masters and Women's Open tennis tournaments; restoration and renovation of historic Guilford School for business use in Cincinnati's central business district; and creation of Brackett Village, an affordable housing community in Over-the-Rhine.
- Western & Southern's management team is recognized as a leader in the financial industry and nation. Our contributions have ranged from chairing industry, civic and charitable organizations and providing expert testimony before Congressional committees to championing governmental initiatives such as Ohio's 2005 comprehensive tax reform legislation.

## FINANCIAL HIGHLIGHTS

Western & Southern Financial Group achieved  
excellent operating gain and record sales  
amid the challenging economic environment.

The year of 2008 was one of incredible challenges for the financial services industry, and yet, Western & Southern Financial Group maintained its strong industry standing despite the unprecedented turmoil in the national and global economies, which negatively impacted investment values and returns in record proportions.

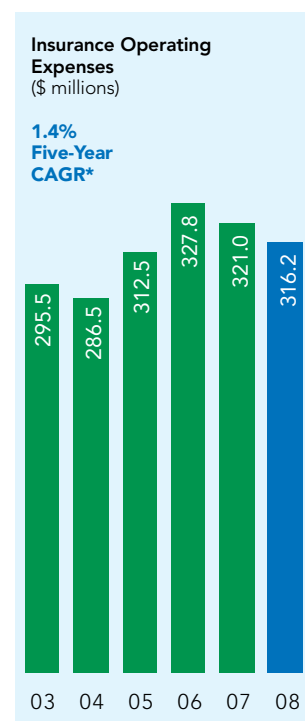
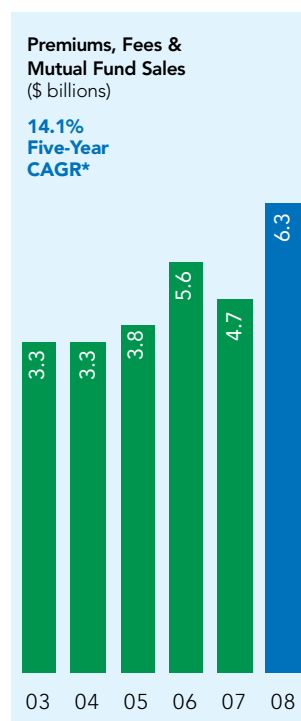
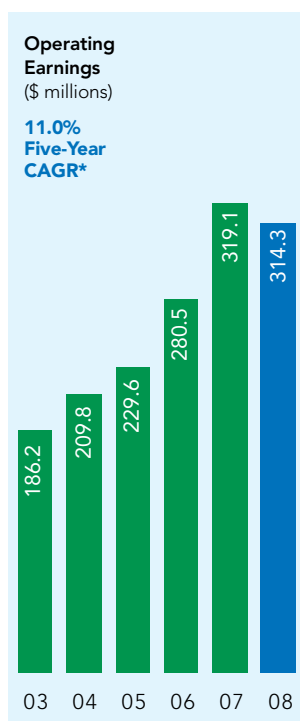
In fact, 2008 was an excellent year for operating gain; a record year for premiums, mutual fund sales and fee revenue; and another year of disciplined expense control.

Western & Southern believes operating gain provides a relevant and useful measure because it represents the basis on which management assesses the performance of our business units. Western & Southern achieved a GAAP operating gain of \$314.3 million in 2008 — our second best year ever and just \$5 million less than the record of \$319.1 million in 2007.

During 2008, premiums, mutual fund sales and fee revenue grew to \$6.3 billion, an increase of 35 percent over 2007 and a five-year compound annual growth rate of 14.1 percent.

Western & Southern continued its tradition of strong expense control. Insurance operating expenses declined for a second year in a row to \$316.2 million, down nearly \$5 million from 2007. The five-year compound annual growth rate of insurance expenses was 1.4 percent — a remarkable achievement considering that total insurance company expenses include the addition of The Lafayette Life Insurance Company into our family of companies in mid-2005.

Western & Southern was not entirely immune to the difficult financial environment and this did impact our investment returns.



\*Compound Annual Growth Rate





Certain accounting rules required that some investments be written down or impaired to distressed market prices even though the company still owns the securities and, for the most part, expects to hold them to maturity for a higher value.

Even though gains of \$105.4 million were realized on investments that were sold in 2008, because of accounting requirements, the company recorded investment losses or impairments of \$547.7 million on securities that it still owns. This loss, when subtracted from the operating gain, ultimately caused our after-tax GAAP net income to be a loss of \$49.2 million for 2008.

Mark-to-market accounting rules also impacted our net worth, causing a decrease from 2007. At year-end, our net worth was \$3.22 billion. Western & Southern's assets owned, managed and under our care decreased from \$48.5 billion at the end of 2007 to \$42.7 billion at year-end 2008.

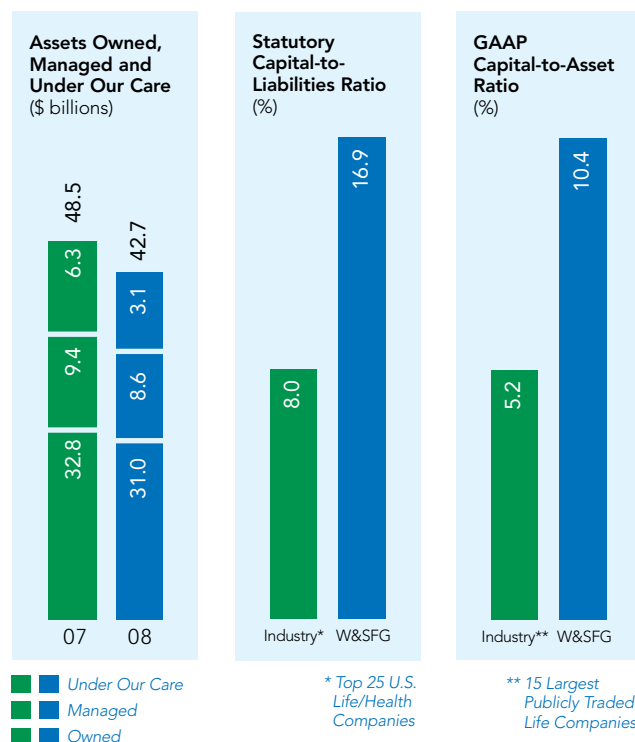
Left to right: **Edward S. Heenan**, Senior Vice President of Corporate Financial Planning; **Bradley J. Hunkler**, Vice President and Controller; **James J. Vance**, Vice President and Treasurer; and **Robert L. Walker**, Senior Vice President and Chief Financial Officer, all of Western & Southern Financial Group.

## FINANCIAL HIGHLIGHTS

Given all of this, Western & Southern is still one of the financially strongest life insurance groups using either statutory accounting principles or generally accepted accounting principles (GAAP).

As of year-end 2008, the adjusted capital and surplus-to-adjusted liability ratio (statutory capital-to-liabilities ratio) of our life insurance business was 16.9 percent, more than twice the ratio of 8.0 percent reported by A.M. Best as the average for the top 25 U.S. life/health companies. Western & Southern also has one of the strongest GAAP capital-to-asset ratios at 10.4 percent, which is twice the average of the 15 largest publicly traded life companies.

Our financial strength is at the top of the industry, and the disciplined way we approach our business continues to help us weather the challenges of any economic climate.



Western & Southern Financial Group, with six life and health insurance subsidiaries, is one of the nine highest-rated life insurance groups in the world based on our Standard & Poor's rating.

INDUSTRY RATINGS	A.M. Best Superior ability to meet ongoing insurance obligations	Standard & Poor's Very strong financial security characteristics	Fitch Very strong capacity to meet policyholder & contract obligations on a timely basis	Moody's Excellent financial security	Comdex Composite of all ratings a company receives
The Western and Southern Life Insurance Company Western-Southern Life Assurance Company	<b>A++ Superior</b> (highest of 16 ratings; held since May 1991)	<b>AA+</b> (second highest of 21 ratings; held since August 2005)	<b>AA+</b> (second highest of 21 ratings; held since September 2002)	<b>Aa3 Excellent</b> (fourth highest of 21 ratings; held since February 2009)	97 out of 100
Columbus Life Insurance Company Integrity Life Insurance Company National Integrity Life Insurance Company	<b>A++ Superior</b> (highest of 16 ratings; held since June 2005)	<b>AA+</b> (second highest of 21 ratings; held since August 2005)	<b>AA+</b> (second highest of 21 ratings; held since September 2002)	<b>Aa3 Excellent</b> (fourth highest of 21 ratings; held since February 2009)	97 out of 100
The Lafayette Life Insurance Company	<b>A++ Superior</b> (highest of 16 ratings; held since June 2006)	<b>AA+</b> (second highest of 21 ratings; held since August 2005)	<b>AA+</b> (second highest of 21 ratings; held since June 2005)	Not Rated	98 out of 100

The ratings published in this report are correct as of May 8, 2009, and are subject to change.

Ratings refer to the financial strength of the insurance company and do not refer to the performance or safety of any product or its investment options.

The rating agencies listed above are independent of each other and use proprietary evaluation criteria and rating scales.

## GAAP BALANCE SHEET

### Consolidated and Condensed Financial Statements

Amounts in thousands

	December 31, 2008	December 31, 2007
<b>Assets</b>		
Debt securities	\$ 19,728,219	\$ 20,758,894
Equity securities	1,381,616	2,795,848
Other invested assets	4,492,320	4,287,553
Total investments	25,602,155	27,842,295
Other general account assets	3,885,359	2,296,383
Total general account assets	29,487,514	30,138,678
Assets held in separate accounts	1,552,521	2,408,628
Total assets	\$ 31,040,035	\$ 32,547,306
<b>Liabilities and equity</b>		
Future policy benefits and claims	\$ 23,697,860	\$ 21,850,155
Long-term debt	515,498	516,111
Other general account liabilities	1,796,028	2,543,698
Total general account liabilities	26,009,386	24,909,964
Liabilities related to separate accounts	1,552,521	2,408,628
Total liabilities	27,561,907	27,318,592
Minority interest in net assets of consolidated partnerships	257,333	274,771
Total equity	3,220,795	4,953,943
Total liabilities and equity	\$ 31,040,035	\$ 32,547,306

# FINANCIAL HIGHLIGHTS

## GAAP STATEMENT OF INCOME

### Consolidated and Condensed Financial Statements

Amounts in thousands

	Year Ended December 31, 2008	Year Ended December 31, 2007
Revenue		
Insurance premiums, product charges and other considerations	\$ 902,126	\$ 928,242
Net investment income	1,507,786	1,449,182
Net realized investment gains (losses)	(473,824)	101,916
Net other income	237,204	299,844
Total revenue	2,173,292	2,779,184
Benefits and expenses		
Policy benefits	652,068	668,866
Interest credited	782,406	697,103
Dividends to policyholders	105,802	100,653
Minority interest in net gains (losses) of consolidated partnerships	(29,118)	25,323
Other operating expenses	790,127	887,696
Total benefits and expenses	2,301,285	2,379,641
Income (loss) before income tax expense (benefit) and discontinued operations	(127,993)	399,543
Income tax expense (benefit)	(78,768)	66,336
Income (loss) from continuing operations	(49,225)	333,207
Discontinued operations, net of related income taxes	—	32,128
Net income (loss)	\$ (49,225)	\$ 365,335
Additional statements of income performance measures		
Operating earnings*	\$ 314,287	\$ 319,142

\* Operating earnings are defined as net income excluding federal income tax, net realized investment gains or losses, minority interest relating to capital gains, and one-time restructuring charges.

## SENIOR MANAGEMENT

### Western & Southern Financial Group

(Senior officers may serve within one or more member companies.)

**John F. Barrett**, Chairman, President & Chief Executive Officer

#### Senior Vice Presidents:

**Clint D. Gibler**, Chief Information Officer

**Noreen J. Hayes**, Human Resources

**Edward S. Heenan**, Corporate Financial Planning

**Carroll R. Hutchinson**, Special Projects

**Constance M. Maccarone**, Insurance Operations

**Nora E. Moushey**, Chief Actuary

**Nicholas P. Sargen**, Chief Investment Officer

**Robert L. Walker**, Chief Financial Officer

**Donald J. Wuebbeling**, General Counsel

#### Vice Presidents:

**Keith W. Brown**, Chief Underwriter

**Keith T. Clark, M.D.**, Medical Director

**David T. Henderson**, Chief Risk Officer

**Bradley J. Hunkler**, Controller

**Phillip E. King**, Auditor

**Michael J. Laatsch**, Public Relations

**Michael R. Moser**, Chief Compliance Officer

**Douglas Ross**, Chief Technology Officer

**James J. Vance**, Treasurer

### W&S Agency Group

**Bryan C. Dunn**, President & Chief Marketing Officer

### Fort Washington Savings Company Insurance Profillment Solutions, LLC

**Robert J. DalSanto**, President

### W&S Brokerage Services, Inc.

**Bryan C. Dunn**, President

### Columbus Life Insurance Company

**J. J. Miller**, President & Chief Executive Officer

**Charles W. Wood, Jr.**, Chief Marketing Officer

### Capital Analysts Incorporated

**Robert S. Cogan**, Vice Chairman

**Matthew E. Lynch**, President & Chief Executive Officer

### Eagle Realty Group, LLC

**Mario J. San Marco**, President

### Fort Washington Investment Advisors, Inc.

**Maribeth S. Rahe**, President & Chief Executive Officer

**Nicholas P. Sargen**, Chief Investment Officer

### Todd Investment Advisors, Inc.\*

**Bosworth M. Todd**, Chairman Emeritus

**Robert P. Bordogna**, Chairman

**Curtiss M. Scott**, President & Chief Executive Officer

### IFS Financial Services, Inc.

**Jill T. McGruder**, President & Chief Executive Officer

### Touchstone Investments

**Jill T. McGruder**, Chief Executive Officer

### W&S Financial Group Distributors, Inc.

**Mark E. Caner**, President

### Integrity Life Insurance Company

### National Integrity Life Insurance Company

**Jill T. McGruder**, President & Chief Executive Officer

### Lifetime Income Solutions Group

**John R. Lindholm**, President & Chief Executive Officer

**Dennis L. Carr**, Chief Actuary

### The Lafayette Life Insurance Company

**Jerry B. Stillwell**, President & Chief Executive Officer

\* Sold in early 2009.

## BOARD OF DIRECTORS



**John F. Barrett**

Chairman of the Board;  
President and Chief Executive  
Officer, Western & Southern  
Financial Group



**Donald A. Bliss**

Former Vice President,  
U.S. West Communications;  
Former Chief Executive  
Officer, Northwestern Bell



**Herbert R. Brown**

Former Senior Vice President,  
Western & Southern  
Financial Group



**James N. Clark**

Secretary; Former Executive  
Vice President and Chief  
Financial Officer, Western &  
Southern Financial Group



**Jo Ann Davidson**

Former Speaker, Ohio  
House of Representatives



**J. Harold Kotte, M.D.**

Cardiologist; Former Medical  
Director, Western & Southern  
Financial Group; Former  
President, Good Samaritan  
Hospital Medical Staff



**Eugene P. Ruehlmann, Esq.**

Of Counsel, Vorys, Sater,  
Seymour and Pease (Cincinnati);  
Former Mayor of Cincinnati



**Elizabeth A. Smith, Esq.**

Director of Philanthropy, The  
Nature Conservancy (Indiana  
Chapter); Former Partner, Ice,  
Miller (Indianapolis, Ind.)



**Jack Twyman**

Former Chief Executive Officer,  
Super Food Services, Inc.



**The Honorable  
George H. Walker, III**

Former United States  
Ambassador to Hungary; Former  
Chairman of Stifel Financial  
Corp. and Stifel Nicolaus and  
Company, Inc. (St. Louis)



**Thomas L. Williams, Esq.**

President, North American  
Management and  
Development Company



**William J. Williams**

Chairman of the Executive  
Committee; Former Chief  
Executive Officer, Western &  
Southern Financial Group

*All board members serve on one or more of the boards of Western & Southern Mutual Holding Company, Western & Southern Financial Group, Inc., and The Western and Southern Life Insurance Company.*





## **In Memoriam**

***Dr. Lawrence C. Hawkins** retired as a Western & Southern board member on Dec. 31, 2008, and passed away on April 4, 2009, after serving on the board for more than 19 years. He brought keen insights, intelligent questions and mature wisdom to the Western & Southern family of companies.*

*Dr. Hawkins was a member of the elite Tuskegee Airmen, a group of African-American fighter pilots who fought valiantly in World War II without ever losing a plane.*

*Dr. Hawkins was a renowned educator and advocate for excellence in Cincinnati Public Schools (CPS).*

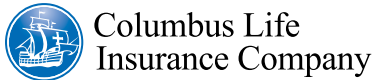
*He earned undergraduate degrees from the University of Cincinnati (UC) in history and education. Additionally, he earned a master's degree in psychology and administration as well as a doctorate in education from UC.*

*In 1945, Dr. Hawkins began teaching in and went on to serve as principal of Samuel Ach Junior High School. In 1967, he became assistant superintendent of CPS.*

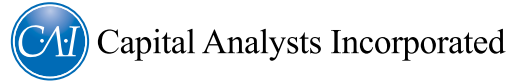
*Dr. Hawkins was named a Great Living Cincinnati in 1989 by the Cincinnati USA Regional Chamber.*

## FAMILY OF COMPANIES

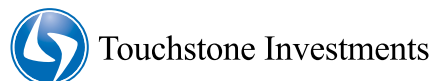
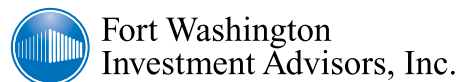
### *Insurance & Annuities*



### *Financial Services*



### *Investments*



\* Sold in early 2009.



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