

# Realizing Dreams

2006 SBLI USA ANNUAL REPORT



SBLI USA Mutual Life Insurance Company, Inc.  
New York, NY

# Realizing Dreams

2006 SBLI USA ANNUAL REPORT

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# Realizing Dreams

## 2006 SBLI USA ANNUAL REPORT

### MISSION STATEMENT

We are a financial empowerment company whose focus is the value-conscious customer. We build long-term relationships with customers and partners by providing quality products and timely, courteous service.

Our business philosophy blends financial strength and innovation with compassion and citizenship.

Our company is rooted in a deep belief in human potential.

### SOCIAL RESPONSIBILITY STATEMENT

#### LEADERSHIP

SBLI USA strives to be a leader in the empowerment of people and communities, and the preservation of a just and sustainable society.

#### COMMITMENT

We are committed to offering America's families greater access to the essential tools of prosperity, with particular attention to underserved communities.

#### ETHICS AND VALUES

We are guided by ethics and our most deeply held values.

#### WORKPLACE

We promote both opportunity and responsibility within the SBLI USA community while maintaining high standards of fairness, diversity, and cooperative achievement.

#### CITIZENSHIP

Our company is a conscientious and constructive citizen of the communities we serve.



# Realizing Opportunity

## MESSAGE FROM THE CHAIRMAN OF THE BOARD



*“There is nothing more important than delivering on the trust and financial success promised to policyholders. In 2006, SBLI USA did both with impressive consistency.”*

For nearly 70 years, SBLI USA has lived its commitment to making financial security a reality for thousands of American families by being “A Name You Can Trust for Life.”

Our customers look to SBLI USA as a trustworthy source because its Associates genuinely care about, and relate to the people they serve. The company received a 97% satisfaction rating from customers and once again earned an A- rating from A.M. Best in 2006.

SBLI USA consistently delivers financial success, remaining profitable at the end of the year. The board of directors and the senior team blend a unique and powerful variety of perspectives and business sensibilities that collectively enable us to ensure the financial strength of the company while maintaining the integrity of its mission and its values.

There is nothing more important than delivering on the trust and the financial success promised to policyholders. In 2006, SBLI USA did both with impressive consistency.

A handwritten signature in black ink that reads "Joseph L. Mancino". The signature is written in a cursive, flowing style.

**JOSEPH L. MANCINO**  
*Chairman, SBLI USA Board of Directors*

# Realizing Opportunity

## MESSAGE FROM THE PRESIDENT



2006 was a remarkable year. We excelled as a corporate entity, as a community leader, and as a family of committed individuals. We furthered our mission of empowerment by reaching out to more value-conscious consumers than ever before. We broadened our scope and extended our reach with national advertising and a new West Coast office. We were involved in community projects, applying our talents and resources to improve the quality of life for people of all ages.

In 2006 our message reached more families than ever before. The establishment of our Business Development Center in California was a milestone. With this new office, our company now maintains a physical presence coast to coast. We also expanded our advertising, with our message reaching out to households across the nation. On the Web, we delivered that same easy-to-access information, and our success is evident by the 14,000 people who registered and logged on to our Online Customer Service Center.

Last year, the SBLI USA family supported dozens of worthy organizations promoting health, hope and education in our local communities and across the country. These works are driven by our abiding faith in human potential, our commitment to improving people's lives and our deep rooted belief in personal empowerment.

Humanity. Simplicity. Knowledge. Prosperity. These terms represent key elements in our ongoing mission to inform and assist our customers. We look forward to the future, to working with more families across America, and helping more people to achieve their dreams.

A handwritten signature in blue ink that reads "Vikki L. Pryor". The signature is fluid and cursive, with a long horizontal stroke at the end.

**VIKKI L. PRYOR**

*President and Chief Executive Officer*

# Realizing Humanity

ACHIEVING STRENGTH THROUGH COMPASSION

*“I cannot tell you how compassionate and wonderful my SBLI USA representative has been during this very difficult time for my family and me. I just wanted to let you know that I truly appreciate all of his assistance. Thank you.”*

**JUDITH MIGDOL**  
*SBLI USA Policyholder*



**TEAMWORK.** SBLI USA Associates and members of the Board of Directors work together to develop new product strategies.

# Realizing Humanity

ACHIEVING STRENGTH THROUGH COMPASSION

## CORE VALUES

Since 1939, SBLI USA has been dedicated to providing affordable financial solutions to the people who make America work. After nearly seven decades, the country has changed, and we've changed too, working tirelessly to meet the needs of vibrant new communities in an increasingly dynamic and diverse nation. We have extended our mission of service to provide the essential tools of prosperity to more families across the U.S. And while our reach has expanded, we faithfully subscribe to the company's founding principles that to do good for others is the best way of doing business.

## CULTURE

Widely known as a company that "lives its values," SBLI USA has built a culture of compassionate professionalism. The workplace environment continues to attract and retain some of the industry's

best talent. We remain dedicated to the principles of fairness, diversity and cooperative achievement that have fueled the company's growth.

## CITIZENSHIP

SBLI USA Associates continue to volunteer in the communities in which we live and work. Our focus is consistently on financial empowerment and personal health and wellness. This year we focused on enriching people's minds as well as their bodies. In 2006 we joined forces with First Book, an organization whose dedication to empowering children through literacy echoes SBLI USA's commitment to empowering our customers with the tools they need to help build a secure future.



**REACHING OUT.** Associates in Puerto Rico share the SBLI USA message of financial empowerment at a community trade show.

# Realizing Prosperity

FOR THE PEOPLE WHO MAKE AMERICA WORK

*“My SBLI USA customer service representative was informative, experienced, and very professional. All of my questions were answered completely and concisely. As you know, in today’s extremely rushed world everyday chores can become monumental. It was a delight to work with your representative, and I would like to express my appreciation for her invaluable service.”*

**LAURA EBERT**  
*SBLI USA Policyholder*



## REFLECTING ON OUR PROMISE

“SBLI USA is a company that is exceedingly aware of the importance of customers’ families and lives. Our commitment to people and citizenship is reflected in our promise, in our values, and in our culture. We move forward with the vision that we can help provide products and services for those individuals and families in our communities. Every day, I work with our talented team to ensure that our operations and customer service processes are optimized to give our customers the best possible experience with SBLI USA.”

A handwritten signature in dark ink that reads "David J. Walsh".

**DAVID J. WALSH**  
*Executive Vice President*

# Realizing Prosperity

FOR THE PEOPLE WHO MAKE AMERICA WORK

## AFFORDABILITY

SBLI USA's financial solutions are designed to offer maximum affordability. This is essential to maintaining our goal of providing greater access to the essential tools of prosperity, through products that fit the budgets of value-conscious consumers everywhere.

## COMPETITIVE PRODUCTS

We offer a broad selection of life insurance products with a variety of features and benefits, as well as coverage amounts up to and exceeding \$1 million.\* Families can choose the specific types and levels of coverage that fit their individual needs. Our products are designed to help overcome the traditional barriers to building a secure future at an affordable price, while still offering all of the benefits of competitive products in the industry today.

## PLANNING GUIDES

SBLI USA offers a series of learning guides created to help current and prospective clients plan for their financial futures. This series provides advice on financial planning for every stage of life. These free planning guides are available in our Customer Centers and on our Web site.

## FINANCIAL TOOLS

Our Web site carries a variety of financial tools, including online seminars and insurance needs calculators.

Here, interested customers can take advantage of these tools to help answer some of their bigger questions regarding decisions about their financial futures.

## FINANCIAL SEMINARS

SBLI USA frequently holds seminars to educate customers and consumers on a variety of financial and health awareness topics. For example, we hosted a Financial Fitness Fair in celebration of Chicago's Fifth Annual Money Smart Week, where we combined our efforts in insurance education and health awareness by offering blood pressure and weight checks, insurance needs analysis, and educational handouts.

## HEALTH AND WELL BEING

SBLI USA hosted a number of health fairs at our Customer Center locations over the summer of 2006. Topics included "Love Your Heart," "Asthma Awareness," "Finding Your Way to a Healthier You," and "HIV and AIDS Awareness." Highlights included complimentary height and weight checks, and blood pressure screenings by a registered health professional.

\* Subject to underwriting requirements and reinsurance ability



**LEARNING.** By offering free Financial Planning and Health and Wellness Seminars, SBLI USA is helping to create a stronger community.

# Realizing Simplicity

THE POSSIBILITIES ARE ENDLESS

## SUCCESS THROUGH SIMPLICITY

*Financial security is a treasured but often unfamiliar entity to many working Americans. We seek to make their experience with us as simple and straightforward as possible. SBLI USA ensures that our efforts are inclusive of all people, that we provide customers easy access to our products in a variety of ways, and that we are consistent and pleasant in our interactions with them.*



## SIMPLE ACCESS TO THE TOOLS OF PROSPERITY

SBLI USA helps provide the resources and educational materials families need to plan for a more prosperous future. A complete selection of product brochures and planning guides in English and Spanish help individuals and families make smart decisions about their financial future.

By making these materials available, along with online seminars and access to a team of dedicated insurance professionals, SBLI USA is following through on its mission to provide financial empowerment *for the people who make America work.*<sup>TM</sup>

# Realizing Simplicity

THE POSSIBILITIES ARE ENDLESS

## WHO WE SERVE ACROSS THE COUNTRY

### MODERATE INCOME

While many financial service providers concentrate on the “upper income” bracket of American households, SBLI USA is unique in that it provides products and services to the 72.5 percent\* that fall into the “moderate income” bracket. This group of consumers is in great need of easy access to valuable and affordable financial empowerment services.

### WOMEN

Almost 60 percent of women are in the nation’s workforce right now, the highest percentage in our nation’s history.\*\* Simplicity becomes an important factor when seeking financial solutions in their busy lifestyles. By offering competitive products through our state-of-the-art internet site, call centers and other means, SBLI USA is helping to bring security, value and convenience to American families.

## MATURE MARKET

As our company continues to mature, SBLI USA has made increasing efforts to make it easier for all consumers to access financial security. We offer our customers the convenience of doing business by mail, over the phone, through their employers, on the Web, and in person. We also offer financial solutions that provide family security at an affordable cost. There are specially designed products with mature consumers in mind.

## KEY COMMUNITIES

Among communities experiencing significant growth in the United States are the Latino, Asian, and African American communities, with 58 percent, 48 percent, and 16 percent population increases respectively between 1990 and 2000.† This is expected to increase further. Nearly one-third of Americans do not own life insurance. To help reach more communities we make all of our products and services available in both English and Spanish.

\* Baer, David. “State Handbook of Economic, Demographic, and Fiscal Indicators 2006. United States.” Public Policy Institute AARP.

\*\* U.S. Department of Labor, Women in Labor Force: A Databook. February 2004. Based on Female Population 16 and Older.

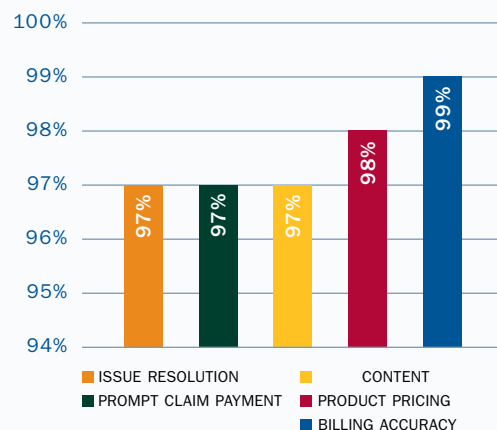
† 1990 and 2000 U.S. Census

*“You aren’t kidding when you use the term customer care! Your team answered my questions, helped me with future inquiries, and put my mind at ease. It’s very hard to impress a New Yorker, but you’ve managed. Thank you so much!”*

**MAUREEN FLEMMING**  
SBLI USA Policyholder

## CUSTOMER SATISFACTION

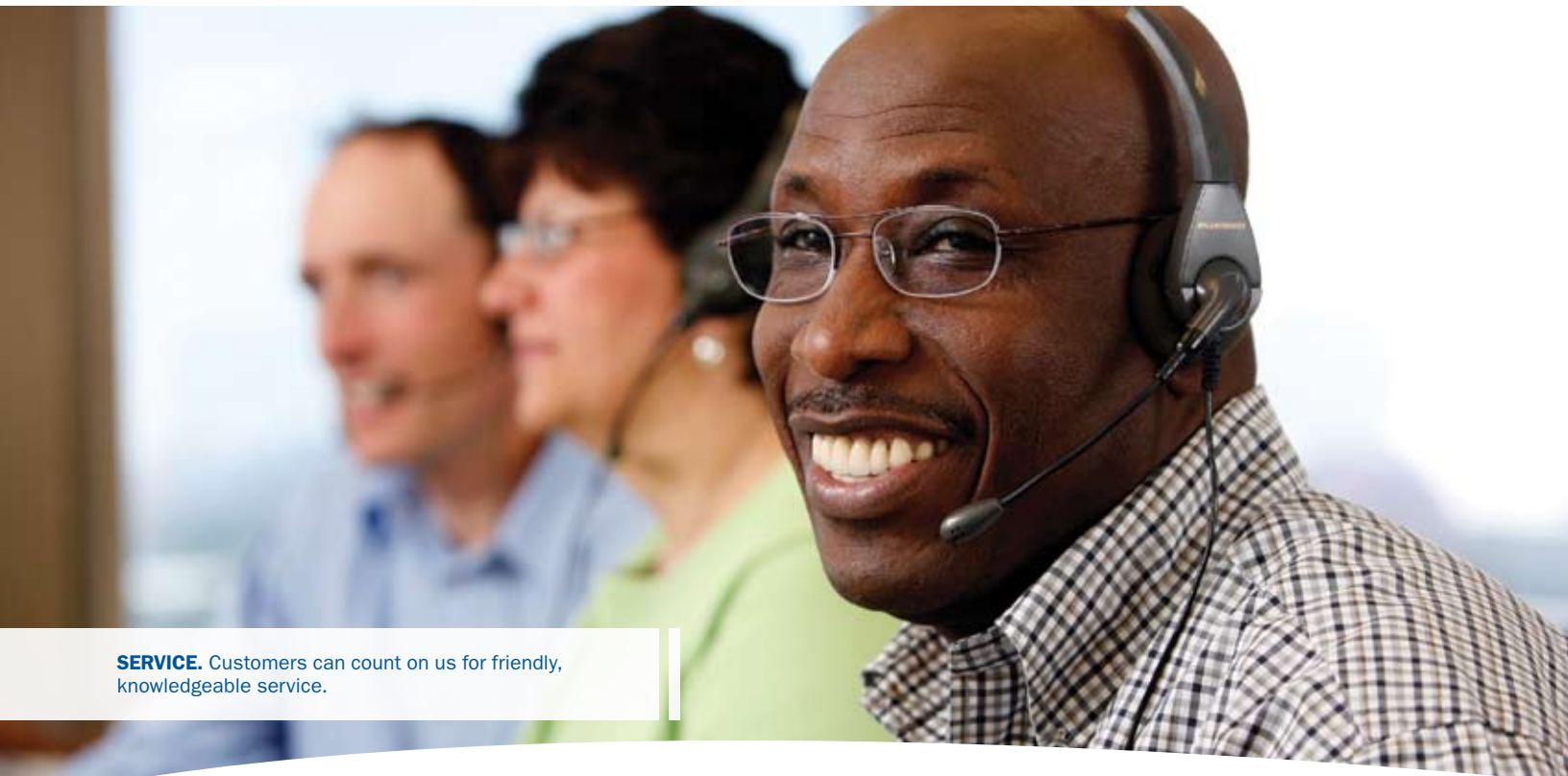
LEVELS BY CATEGORY



Source: Development II SBLI USA Customer Satisfaction Survey, December 2006.

# Realizing Simplicity

THE POSSIBILITIES ARE ENDLESS



**SERVICE.** Customers can count on us for friendly, knowledgeable service.

## CUSTOMER CENTERS

We work diligently to maintain our company with a family-oriented mind-set that puts customers first. This is made possible in part by our Customer Centers or “Centers of Influence” where trained licensed agents offer a personalized touch in building relationships with customers by phone and in face-to-face interactions. Interactions both within the Customer Center and over the phone are regulated by our advanced sales management technology to ensure that we efficiently and effectively handle all inquiries, while still offering an enjoyable experience.

## E-COMMERCE

The Web serves as both a communication medium and a delivery channel. We have improved our Web site over the past year, making our products and services even easier to access with expanded customer outreach and consumer education. Over

14,000 customers have joined our online customer center for easy access to their policy information. This convenient feature allows our customers to manage their policies online, make payments, and obtain a quote. They can also access financial tools and download planning guides to help them learn about life insurance and make smart financial decisions.

## EMPLOYEE GROUP

Our Employee Group channel was a key generator of new business in 2006. We carried out our plan to target smaller companies, adopting the mantra “Big Business Benefits for your Small Business.” Using Direct Mail, we reached out to companies through carefully orchestrated work site presentations, community relationships, and Bank Partner co-marketing efforts.

# Realizing Simplicity

THE POSSIBILITIES ARE ENDLESS

## BANK PARTNERS

In 2006 our Bank Partners provided over 20 percent of total sales. Not only do our relationships with these banks generate leads for our business, but they are crucial in contributing to our community service efforts.

## CUSTOMER SERVICE

The future of the insurance industry depends upon the wants, needs, and expectations of the consumer. Part of our mission at SBLI USA is to build long-term relationships with our consumers by providing quality products and timely, courteous service in every interaction. SBLI USA's success is apparent in the 97 percent customer satisfaction rating the company received from policyholders in 2006.

Our satisfaction rating is the result of countless hours of training, a comprehensive and integrated telecommunications system and more importantly, dedicated Associates who treat our customers like family.

Listed below are just some of the partners with whom SBLI USA has developed successful relationships, providing financial services to value-conscious consumers.

## CONSUMER METRICS

To aid SBLI USA in maintaining the highest possible satisfaction levels, regular customer satisfaction surveys are conducted to determine whether our customers are satisfied with our business. We take survey feedback to heart and use it to improve our services on a regular basis.

## TECHNOLOGY

Our new Sales Management System (SMS) ensures that agent/consumer interactions are monitored and that all leads are efficiently and effectively addressed. New automation was also introduced to provide more efficient turnaround on our customer service letters. As a result, an increasing number of customer payments, up to 46 percent, are now being made through electronic transfers.

## SBLI USA BANK PARTNERS

Apple Bank for Savings

Astoria Federal Savings Bank

Banco Popular

The Bank of Greene County

Brooklyn Federal Savings Bank

Carver Federal Savings Bank

Citibank in Puerto Rico

City & Suburban Federal Savings Bank

Dime Savings Bank of Williamsburgh

Emigrant Savings Bank

Evans National Bank

First Niagara Savings Bank

Flushing Savings Bank

Glen Falls National Bank & Trust Co.

KeyBank, N.A.

National City Bank

New York Community Bank

North Fork Bank

Northfield Savings Bank

Pioneer Savings Bank

Ulster Savings Bank

# Realizing Knowledge

EMPOWERING A COMMUNITY

## KNOWLEDGE IS POWERFUL

*Knowledge is a large part of financial empowerment. The wealth of knowledge we offer our customers is evident through our Web site, through our innovative technology, and through our educational resources. Helping those within the communities we serve realize their potential for knowledge goes hand-in-hand with our desire to help them realize their potential for financial security. We achieve this through our community service initiatives, as well as through our day-to-day work.*



## ACCESSIBILITY

The SBLI USA Web site is a complete online resource center where customers can get answers, information, and life insurance quotes at their convenience.

Created as a virtual customer service center, **sbliusa.com** provides easy to use calculators, online financial seminars, and a full library of comprehensive insurance information. Constantly updated and improved, customers can instantly access information on life insurance, get a policy quote or use a host of educational tools and resources 24 hours a day.

# Realizing Knowledge

## EMPOWERING A COMMUNITY

### EDUCATIONAL RESOURCES

The following resources are available online:

**Seminars** – Easy-to-follow interactive presentations that focus on key areas of financial planning.

**Calculators** – Powerful interactive tools to help consumers make informed planning decisions.

**Articles** – A collection of informative essays on a variety of financial planning topics.

**Planning Guides** – PDF versions of our popular SBLI USA Learning Series, which includes basic intermediate, and advanced levels.

### PRODUCT INFORMATION

The Web site gives visitors easy access to our knowledge-base of products and services, with interactive conveniences that allow interested consumers to “Get A Quote” and receive immediate information about purchasing a policy. We also offer detailed product descriptions and comparisons, and the option to have a licensed insurance

agent call at a convenient time identified specifically by the customer.

### ONLINE ACCOUNT MANAGEMENT

Our Web site not only allows consumers to read about our products online, but also offers the convenience of managing their accounts and even paying their premiums online.

### INTERACTIVE KIOSKS

Our Customer Centers in Bayamón, Puerto Rico, Buffalo, New York and Chicago, Illinois, have specially designed interactive customer service kiosks available to walk-in shoppers. These easy-to-use computer workstations help consumers access Web-based information about SBLI USA’s products and services, get instant quotes on a broad range of solutions, and utilize online customer service resources. The kiosks provide a low-pressure, self-directed learning and shopping experience, with expert support available from knowledgeable SBLI USA Associates on-site.



**INNOVATION.** SBLI USA’s Customer Centers provide a valuable local resource for consultation, product information, and customer service.

# Realizing Knowledge

## EMPOWERING A COMMUNITY

**FAMILY.** SB LI USA Associates and their families celebrate and work together to help build a better future for the community.



### EMPLOYEE TRAINING

In 2006, each Associate trained an average of 54.1 hours, exceeding the goal by 40 percent. Our employees continue to feel engaged in their work and learning, and maintain a clear idea of their goals and objectives. We make it part of our mission to ensure that everyone at SB LI USA is afforded the opportunity to grow both personally and professionally.

### COMMITTED TO THE COMMUNITY

#### FIRST BOOK

Our 2006 Community Service Award was presented to First Book, the national non-profit organization whose core mission is providing new books to disadvantaged children. We raised more than \$100,000 for First Book and its national literacy efforts, including a book relief initiative to supply books and educational materials to the victims of hurricanes Katrina and Rita.

### EMPOWERING WOMEN

Women make up a significant part of our target market both in number and importance, and SB LI USA participates in a number of community support initiatives to help empower them. Associates are involved in organizations such as Women Employed and Women Work, which have made a significant impact in advancing women in the workforce. In September 2006, SB LI USA hosted its second annual Women's Financial Empowerment Networking Event for New York area women.

#### HABITAT FOR HUMANITY

In 2006, SB LI USA Associates joined Habitat for Humanity and spent a productive day together assisting in the construction of affordable housing for families in need.

# Realizing Knowledge

## EMPOWERING A COMMUNITY

### COMMUNITY PARTNERSHIPS

#### CORPORATE SUPPORT

As a company, we supported programs sponsored by the following:

American Cancer Society  
 American Diabetes Association  
 American Red Cross  
 America's Second Harvest  
 Banco de Alimentos de Puerto Rico  
 Buffalo Reads  
 Chicago Literacy Organization  
 Community Food Bank of New Jersey  
 Earth Day Network  
 Family Start Learning Centers  
 First Book  
 Girls Inc.  
 March of Dimes  
 Newark Now  
 The Asian American Heritage Foundation  
 The Greater Chicago Food Depository  
 The Children's Foundation of Puerto Rico  
 The Food Bank of Western New York  
 United Way  
 Women Work!  
 YMCA of Newark

#### INDIVIDUAL SUPPORT

Our Associates also contribute time and resources to a range of worthy causes:

American Cancer Society  
 American Diabetes Association  
 American Heart Association  
 American Red Cross  
 Children's Medical Fund  
 Community Food Bank of New Jersey  
 Community Word Project  
 Disabled American Veterans  
 Habitat for Humanity  
 Housing Works  
 Make-a-Wish Foundation  
 Miracle Flights for Kids  
 Muscular Dystrophy Association  
 New Jersey Ride Against AIDS  
 New Jersey Food Bank  
 Ronald McDonald House/Philadelphia  
 Salvation Army  
 Sloan-Kettering Cancer Center  
 Staten Island Children's Museum  
 Susan G. Komen Breast Cancer Foundation  
 United Way of New Rochelle

*“My SBLI USA representative was so helpful and courteous. She pointed out a solution that suited my needs perfectly. I can't tell you how much I appreciate her assistance. She is that perfect customer service person that everyone hopes to reach one day. Thank you, SBLI USA – you were great.”*

**MARY ALICE DEMATTEO**

*SBLI USA Policyholder*

# Delivering Trust

## 2006 FINANCIAL REVIEW

*“SBLI USA representatives are always kind and knowledgeable. When my husband passed away, you handled everything quickly and smoothly. I always tell friends about your insurance, but most importantly, about your people.”*

**EMMA BERNICE FAHEY**

*SBLI USA Policyholder*



### FINANCIAL SECURITY

“With a strong financial performance background, SBLI USA is in a position to help realize prosperity for our consumers by offering them products that are affordable, valuable, and competitive. Our financial security as a company also enables us to give our customers advice about how they can achieve these goals for themselves. This advice is afforded to them through our planning guides, our financial tools and seminars, and our health and well-being initiatives.”

A handwritten signature in black ink, appearing to read 'Dennis M. W. McIntosh'.

**DENNIS M. W. MCINTOSH**

*Executive Vice President & CFO*

# Delivering Trust

## 2006 FINANCIAL REVIEW

### FINANCIAL STRENGTH

SBLI USA continued its strong record of financial performance in 2006, improving its net income to \$6.8 million, an increase of \$1.8 million over 2005. Total revenues increased \$12.0 million, from \$185.7 to \$197.7, mainly as a result of increased annuity sales and investment income.

Investment income in 2006 increased by \$5.4 million over 2005, mainly due to increased reinvestment rates (2005 investment income of \$82.7 million vs. 2006 investment income of \$88.1 million). Total assets increased from \$1.517 million in 2005 to \$1.528 million in 2006, or \$11.0 million.

Total premiums and considerations came in at \$109.7 million, an increase of \$6.6 million over 2005. Direct Marketing accounted for 36% of total sales, followed by Bank Platform at 23%, Group Insurance sales at 22%, and Customer Centers at 19%. Overall, we increased our capital and surplus by \$4.5 million, from \$119.2 million in 2005 to \$123.7 million in 2006.

We will continue to emphasize enhanced earnings and asset performance through improved operational efficiencies, consistent sales growth, and

strong diversification of our integrated marketing platform. We are confident of continued earnings quality and strong asset performance in the coming years, meeting and exceeding our goals as we continue our growth as a nation-wide provider of financial services.

### CORPORATE GOVERNANCE AND COMPLIANCE

As a company dedicated to “living its values,” SBLI USA commits substantial resources to workforce training in order to foster a culture of compliance and ensure an enterprise-wide commitment to follow the letter and spirit of the law. Our legal, ethical, and performance standards have not wavered and have earned us the appreciation and trust of our customers year after year.

In 2006, SBLI USA once again received an A- (excellent) rating from A.M. Best, an independent firm that specializes in evaluating and rating insurance companies. We deliver on the promise of compliant and trustworthy financial service.

### 2006 FINANCIAL HIGHLIGHTS

(\$ in Millions)

Premiums & Other Considerations	\$ 109.7
Net Investment Income	\$ 88.1
Benefits Paid to Policyholders	\$ 92.1
Dividends Paid to Policyholders	\$ 9.5

*Aggregate Reserves Increased by More Than \$1.8 Million to \$1.30 Billion*

SB LI USA MUTUAL LIFE INSURANCE COMPANY, INC.

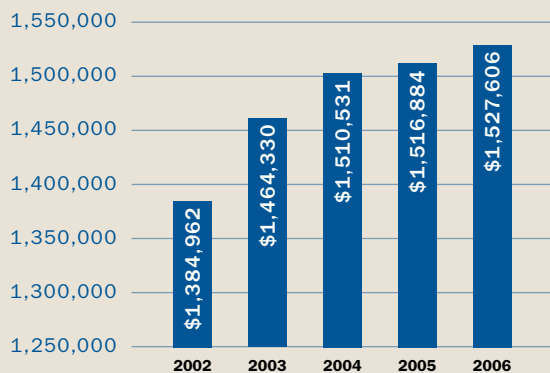
# Consolidated Balance Sheet and Summary of Operations

<i>As of December 31 (\$ in 000's)</i>	2006	2005
<b>BALANCE SHEET</b>		
<b>Assets</b>		
Invested Assets	1,497,569	1,482,071
Other Assets	30,037	34,813
<b>Total Assets</b>	<b>1,527,606</b>	<b>1,516,884</b>
<b>Liabilities and Capital &amp; Surplus</b>		
Aggregate Reserves	1,296,994	1,295,172
Other Liabilities	106,874	102,487
Capital & Surplus	123,738	119,225
<b>Total Liabilities and Capital &amp; Surplus</b>	<b>1,527,606</b>	<b>1,516,884</b>
<b>SUMMARY OF OPERATIONS</b>		
Total Revenues	197,736	185,750
Total Operating Expenses	191,246	181,456
<b>Operating Income Gain (Loss)</b>	<b>6,490</b>	<b>4,294</b>
Taxes & Net Realized Gains (Losses) on Security Transactions	347	774
<b>NET INCOME</b>	<b>6,837</b>	<b>5,068</b>

Financial Statements are prepared on a consolidated life insurance company basis.

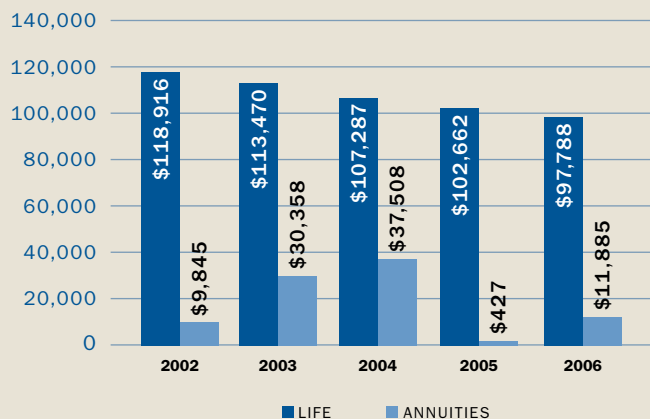
## CONSOLIDATED ASSETS

(\$ in 000's)



## CONSOLIDATED PREMIUMS & CONSIDERATIONS

(\$ in 000's)



## SBLI USA MUTUAL LIFE INSURANCE COMPANY, INC.

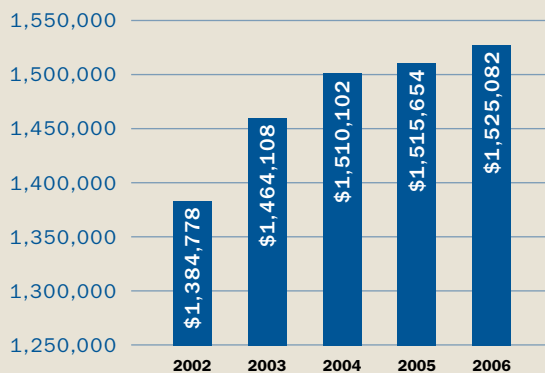
# Balance Sheet and Summary of Operations

As of December 31 (\$ in 000's)

	2006	2005
<b>BALANCE SHEET</b>		
<b>Assets</b>		
Invested Assets	1,495,523	1,479,621
Other Assets	29,559	36,033
<b>Total Assets</b>	<b>1,525,082</b>	<b>1,515,654</b>
<b>Liabilities and Capital &amp; Surplus</b>		
Aggregate Reserves	1,295,281	1,294,210
Other Liabilities	106,063	102,219
Capital & Surplus	123,738	119,225
<b>Total Liabilities and Capital &amp; Surplus</b>	<b>1,525,082</b>	<b>1,515,654</b>
<b>SUMMARY OF OPERATIONS</b>		
Total Revenues	195,385	183,680
Total Operating Expenses	184,269	176,238
<b>Operating Income Gain (Loss)</b>	<b>11,116</b>	<b>7,442</b>
Taxes & Net Realized Gains (Losses) on Security Transactions	347	774
<b>NET INCOME</b>	<b>11,463</b>	<b>8,216</b>

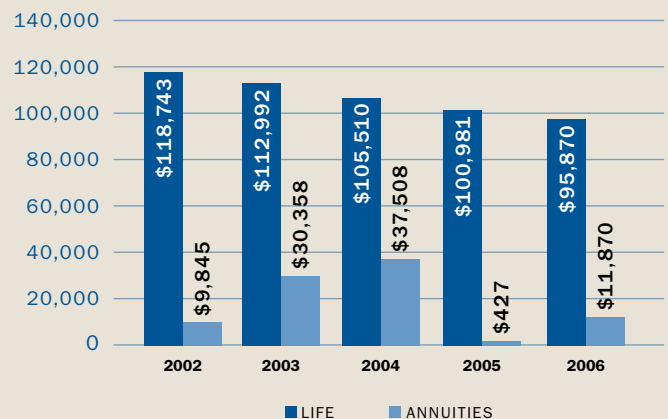
## MUTUAL ASSETS

(\$ in 000's)



## MUTUAL PREMIUMS & CONSIDERATIONS

(\$ in 000's)



# Delivering Leadership

## SB LI USA SENIOR TEAM



**Vikki L. Pryor**  
President & CEO



**Dennis M. W. McIntosh**  
Executive Vice  
President & CFO



**David J. Walsh**  
Executive Vice  
President



**Michael Akker**  
Senior Vice  
President  
Strategic Planning  
& Investments



**Eric J. Bulis**  
Senior Vice  
President  
Information  
Technology



**Robert Damante**  
Senior Vice  
President  
Finance



**Mariam Eisenberg**  
Senior Vice  
President  
Operations &  
Underwriting



**Debra E. Klugman**  
Senior Vice  
President  
General Counsel



**Ralph Meola**  
Senior Vice  
President  
Chief Actuary



**Russell Johnson**  
Vice President  
Chief Auditor

**NOT PICTURED:**

**Harold Leff**  
Senior Vice President  
Strategic Actuary

# Delivering Leadership

## SBLI USA BOARD OF DIRECTORS



**(STANDING LEFT TO RIGHT)** Albert J. Regen, David L. Hinds, Harry P. Doherty, Joseph L. Mancino, Vikki L. Pryor, David Jefferson, G. Thomas Rogers, Samuel M. Bemiss, Dennis M. W. McIntosh. **(SEATED LEFT TO RIGHT)** Ellen E. Thrower, Evelyn F. Murphy, Carol L. Coffman, Deborah Aguiar-Vélez

### CHAIRMAN

#### Joseph L. Mancino

Chairman & CEO – Retired  
The Roslyn Savings Bank

### VICE CHAIR

#### Evelyn F. Murphy

President  
The Wage Project, Inc.

#### Deborah Aguiar-Vélez

President & CEO  
Sistemas Corporation

#### Samuel M. Bemiss

Managing Director  
Ewing Bemiss & Company

#### Carol L. Coffman

Principal, FFN Advisors

#### Harry P. Doherty

Vice Chairman - Retired  
Independence Community Bank

#### David L. Hinds

Managing Director - Retired  
Deutsche Bank AG

#### David Jefferson

President & CEO  
JNET Communications, LLC

#### Dennis M. W. McIntosh

Executive Vice President & CFO  
SBLI USA Mutual Life Insurance  
Company, Inc.

#### Vikki L. Pryor

President & CEO  
SBLI USA Mutual Life Insurance  
Company, Inc.

#### Albert J. Regen

President - Retired  
Northfield Savings Bank

#### G. Thomas Rogers

Audit Committee Chair  
SBLI USA Board of Directors

#### Ellen E. Thrower

Executive Director  
School of Risk Management  
St. John's University

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CFO - Retired  
TIAA-CREF

**David Lizárraga**

Chairman, President & CEO  
of TELACU

**Robert D. Mercurio**

Partner  
Windels Marx Lane  
& Mittendorf, LLP

**June Rokoff**

Vice Chair  
Commonwealth Institute

**Wesley D. Stisser**

Chairman & CEO – Retired  
Cortland Savings Bank

**Timothy J. Trainor**

President & Chief Creative Officer  
Trainor Associates, Inc.

**Roslyn M. Watson**

President & Founder  
Watson Ventures, Inc.

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## SBLI USA OFFICERS

### **Vikki L. Pryor**

President & CEO

### **Dennis M. W. McIntosh**

Executive Vice President  
CFO

### **David J. Walsh**

Executive Vice President

### **Michael Akker**

Senior Vice President  
Strategic Planning &  
Investments

### **Eric J. Bulis**

Senior Vice President  
Information Technology

### **Robert Damante**

Senior Vice President  
Finance

### **Mariam Eisenberg**

Senior Vice President  
Operations & Underwriting

### **Debra E. Klugman**

Senior Vice President  
General Counsel

### **Harold Leff**

Senior Vice President  
Strategic Actuary

### **Ralph Meola**

Senior Vice President  
Chief Actuary

### **Paul Capizzi**

Vice President  
Technology Infrastructure

### **Anthony Carbone**

Vice President  
Finance

### **Judy Elliott-Pugh**

Vice President  
Board Relations &  
Corporate Events

### **Robert Hanebuth**

Vice President  
Customer Centers

### **Russell Johnson**

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Chief Auditor

### **Marina Kotlyar**

Vice President  
Strategic Planning

### **Kevin Lamasney**

Vice President  
Legal

### **James Machovsky**

Vice President  
Marketing Operations

### **Brian Rooney**

Vice President  
Financial Reporting

### **Susan Rutman**

Vice President  
Claims & Policy Administration

### **Michal Ryduchowski**

Vice President  
Actuary

### **Jeanne Scotto**

Vice President  
Customer Services

### **Nanci Tolk**

Vice President  
Corporate Communications

### **John F. Vernaleken**

Vice President  
Information Technology

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## POLICYHOLDER INFORMATION

**SBLI USA Policyholders seeking general information or who have specific inquiries regarding policyholder communications may contact the SBLI USA Customer Service Center at 1-877-SBLI-USA (877-725-4872), or write to us at P.O. Box 1050, Newark, NJ 07101-9697. For additional policy and marketing information, please visit our Web site at [www.sbliusa.com](http://www.sbliusa.com).**



**[www.sbliusa.com](http://www.sbliusa.com)  
877-SBLI-USA**

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2006 SBLI USA ANNUAL REPORT



# Realizing Dreams

## LOCATIONS



### HEADQUARTERS

#### NEW YORK

460 West 34th Street  
New York, NY 10001  
212-356-0300

### OPERATIONS

#### NEW JERSEY

550 Broad Street  
Newark, NJ 07102  
973-776-3367

### SALES

#### CALIFORNIA

400 North Brand Blvd.  
9th Floor, Suite 920  
Glendale, CA 91203  
818-254-1070

### CUSTOMER CENTERS

#### NEW YORK

460 West 34th Street  
New York, NY 10001  
877-SBLI-USA  
(877-725-4872)

#### PUERTO RICO

Plaza Del Sol Mall  
725 West Main Avenue  
Bayamón, PR 00961  
866-CUIDATE  
(866-284-3283)

#### BUFFALO

Walden Galleria Mall  
One Walden Galleria  
Buffalo, NY 14225  
877-SBLI-USA  
(877-725-4872)

#### CHICAGO

55 East Jackson Blvd.  
Chicago, IL 60604  
866-SUSA-123  
(866-787-2123)



SBLI USA Mutual Life Insurance Company, Inc.

[sbliusa.com](http://sbliusa.com)