



January 2012

RE: Update of CFG in the financial markets

We all continue to be aware of the economy as it struggles with a historically low interest rate environment and a stubborn high unemployment rate.

First and foremost, our company remains in a very sound financial position. Our A.M. Best rating remains at "A-" (Excellent)*, with a Stable outlook. Our Surplus continues to grow, sales continue to outpace expectations, and our balance sheet is as strong as ever.

I am confident that, due to our prudent investment philosophies and the continued execution of our strategic plan, CFG will remain the strong financial institution you can trust.

Following are some highlights of our investment portfolio as of December 31, 2011, which emphasizes the high quality and diversified nature of the portfolio.

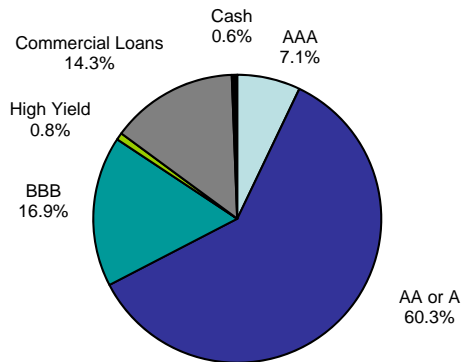
Sincerely,

Thomas E. Rattmann, President and CEO

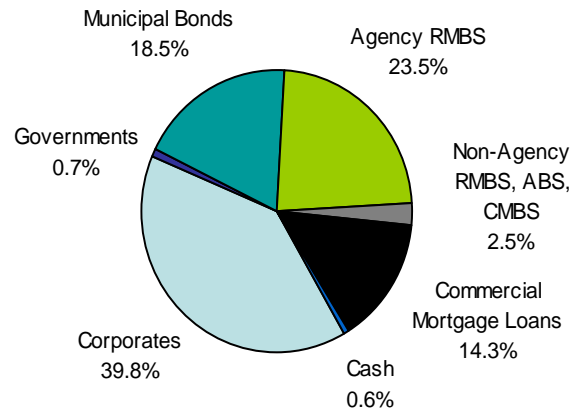
*Columbian's current rating is based on A.M. Best's opinion of the consolidated financial strength of the life/health members of the Columbian Financial Group, which operate under a group structure. This group member is assigned a Best's Rating of A- (Excellent), the fourth-highest of sixteen possible ratings on A.M. Best's scale. Rating based on information from 1/31/12.

Columbian Financial Group Investment Holdings December 31, 2011

Asset Quality



Sector Diversification



Portfolio Highlights

- 99.2% of investment portfolio is rated investment grade
- Residential Mortgage Backed Securities (RMBS):
 - U.S. Government Agency collateralized – 99.2% (AA+)
 - 99.6% A or better
 - Minimal investment in Sub-Prime Mortgage Securities
- 2.2% Asset Backed Securities (ABS)
- 0.1% Commercial Mortgage Backed Securities (CMBS)
- 99.5% of all Municipal bonds are rated investment grade:
 - 22% AAA
 - 94% A or better
- All Commercial Loans are performing; no delinquencies, foreclosures, or REO
- Cash is made up of MMFs, US Treasury Bills, and Agency Discount Notes
 - All money market fund assets invested in US Government securities