

PRESS RELEASE

FOR IMMEDIATE RELEASE

*CONTACT: Forrest E. Mills, Jr., CFO
Guaranty Income Life Insurance Company
Telephone 225.383.0355
Fax 225.388-0022
forrest@gilico.com
www.gilico.com*

March 9, 2011, Baton Rouge, Louisiana – Guaranty Income Life Insurance Company (“Guaranty”) announced 2010 financial results today.

Guaranty had another successful year in 2010 with earnings before income taxes of \$1.1 million on a Generally Accepted Accounting Principles (GAAP) basis. GAAP assets were the highest ever at \$581 million and GAAP equity increased to \$42.4 million.

George Foster, Jr., Chairman, stated, “Guaranty celebrated its 85th Anniversary on January 19, 2011, and we continue a history of providing safe and secure products to our policy owners and producers. Our operating income has been consistently profitable over the last six years by offering consumer oriented products, backed by high quality investments and excellent service to our customers.”

Statutory direct premiums were \$63.8 million for 2010 compared to \$84.2 million for 2009. Statutory assets increased 7% to \$492 million compared to \$458 million at December 31, 2009. Statutory operating income was \$0.12 million for 2010 versus \$1.54 million in 2009. After net realized capital losses, mainly from write downs on mortgage backed bonds, we recorded a statutory net loss of \$0.7 million in 2010 compared to a net loss of \$1.6 million in 2009.

The quality and liquidity of our bond portfolio remains as one of the strongest in the insurance industry. At December 31, 2010, more than 98.4% of Guaranty’s bond portfolio was invested in investment grade securities. Only 1.4% of Guaranty’s assets were invested in real estate and direct mortgages while common and preferred stocks represented 1.8% of invested assets. Guaranty does not have any debt and maintains considerable liquidity with more than 10% of assets in cash and short-term investments at December 31, 2010.

John Lancaster, Guaranty Income Life’s President, said, “Sales of fixed annuity products declined in 2010 due to low interest rates; however, Annuicare[®] sales increased by 43% compared to 2009. Annuicare[®], our trademarked products, are reinsured with Munich American Re, the U.S. life reinsurance subsidiary of Munich Re. Sales were boosted by a tax law change effective January 1, 2010, which allows LTC premiums to be paid from untaxed annuity distributions and the LTC benefits paid remain tax free.”

Annuicare[®], the original Annuity/LTC combination product, was introduced in 1999. Guaranty Income Life was the first company to attach a tax-qualified LTC rider to a traditional annuity. Combination products offer greater flexibility to address multiple needs for annuity values and LTC benefits at a fraction of the premium charged for separate, individual LTC products. Several insurers introduced combo products in 2010. Guaranty Income Life’s 12 years of experience has established Annuicare[®] as the innovative leader in this fast growing Annuity/LTC combo market.

Guaranty Income Life Insurance Company was founded in 1926 and is a Legal Reserve Insurance Company which is required to maintain reserves equal to or greater than guaranteed surrender values. Guaranty is currently licensed in 31 states. In addition to cost-effective life insurance, long-term care and annuity programs, Guaranty Income offers products and services to help families meet their financial needs of wealth protection and wealth creation today and in the future.

###