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American Enterprise Group Announces Focus on Senior Market

DES MOINES, Iowa, October 20, 2011— In response to the changing healthcare environment and the growing demand for Medicare supplemental products and advisory services in the senior healthcare market, Des Moines-based American Enterprise Group, Inc. has announced the company is focusing its sales and product development resources on the rapidly expanding senior marketplace. Faced with a number of options to meet their changing healthcare needs, seniors are seeking a trusted advisor who can help them navigate through the decision-making process in a manner they understand, and who can offer a full range of product solutions. The company believes it is well-suited to deliver these products and services as a result of its experience in this market.

The company's view of the opportunities in the senior market, coupled with the changes in the major medical insurance marketplace and the resulting uncertainty brought on by the regulatory environment, has led the company to discontinue issuing individually underwritten comprehensive major medical products through its subsidiary insurance companies. Instead, the company will continue to provide its agents with high quality major medical products underwritten by other insurance carriers to serve the needs of its customers in this market. American Enterprise is among a growing number of companies who are exiting this market.

The company believes its resources are better used to serve the senior marketplace. "We need to focus on a marketplace and products where we can make a difference, and the senior market is where we add great value," said Michael E. Abbott, American Enterprise chairman, president and chief executive officer. However, when exiting a product line, our first concern is taking care of our customers."

When major medical policyholders receive notice their policy will not be continued, a substantial majority will be offered guaranteed replacement coverage from a national carrier without undergoing a new underwriting process or providing evidence of insurability. The entire process will begin immediately and be completed within 36 months, subject to applicable federal and state regulation; and it will impact about 35,000 policies across more than 20 states.

Employees will be needed to serve customers throughout the transition period. Unfortunately, positions will be eliminated as the business transfers. Approximately 40 positions in Des Moines and 70 positions in Omaha will be impacted. Some of these employees will have the opportunity to transition to open positions in the company's senior market operations. Employees who are unable to transition will be provided with severance packages and career counseling assistance.

Abbott said, "Although the decision to exit the major medical market was not easy because of the impact on our customers, agents and employees, the decision to focus on the senior market is right for the company and our customers in the senior market."

This decision is strictly limited to the company's individually underwritten comprehensive major medical insurance. It does not in any way impact the company's other group and individual products and services, including but not limited to accident, annuities, basic medical expense, critical illness, dental, limited benefit, long-term care, home healthcare, Medicare supplemental, short-term care, short-term medical, supplemental medical/hospital indemnity, term life, universal life, and whole life.

About American Enterprise

American Enterprise Group, Inc., through its affiliated companies, American Republic Insurance Company (founded in 1929) and World Insurance Company (founded in 1903), provides customers with financial security through affordable health care and related services while preserving freedom of choice. American Republic Insurance Company and World Insurance Company are rated A- (Excellent) by A.M. Best Company (February 2011).