

Midland National® Life Insurance Company has
protected families and preserved legacies since 1906.

As part of a privately held company, we are not subject to
the short-term earnings pressures that publicly held
companies often face. Our long history of success and
our responsible investment strategy have earned
us consistently high ratings from third-party
independent reporting companies.

At Midland National, we understand that our future
successes are a reflection of what we do today.

We make decisions for the long term.

While we celebrate our strong and rich heritage, we stay
focused on what matters most—protecting our policyowners
and supporting our distribution partners.



Original Watertown
home office

1906 First Board of Directors Meeting, August 30, 1906

The company that would eventually evolve into Midland National Life Insurance Company was born on a late summer evening in the Black Hills of South Dakota.

Meeting at the Smead Hotel in Lead, South Dakota, a group of six men (John Walsh, Joseph Moore, Charles Turney, Claude Sterling, Daniel Bannister, and Fred Smith) elected officers for a company to be known as Dakota Mutual Life Insurance Company. They also authorized the publishing of “legal notice of the company’s intention to begin business.”

This meeting culminated from months of planning. Records show expenses dating from May 1906. Evidently, the proposed company name was under debate until shortly before the August meeting since a draft of the Articles of Incorporation was submitted to the South Dakota Secretary of State under the name of “Western Mutual Life Insurance Company.” The company was incorporated on August 30, 1906,¹ and commenced business on September 4.

To capitalize the new company, the directors were required to apply for a \$1,000 life insurance policy, and to pay an assessment of \$300.

¹Source: *South Dakota Secretary of State—Entity Detail: Dakota Mutual Life Insurance Company*.

Relocation to Watertown, SD

Less than a month after their first official meeting, the directors of Dakota Mutual Life gathered again to reconsider the company’s home office location. Noting the “necessity of locating the home office of this corporation in a city larger and of more importance,” the board authorized Secretary Fred Smith “to negotiate with the cities of Watertown and Sioux Falls, SD and learn what inducements they are willing to grant to secure the location of the home office...”

Watertown offered more attractive “inducements,” as the next meeting of Dakota Mutual Life was held in Watertown on November 17, 1906. The board scheduled a meeting for December 8, at which time Watertown was named the official home office of the company.

Also of interest at this meeting: The board approved a surety bond through Western Surety Company of Sioux Falls, which eventually grew into the nation’s largest bonding company and remains a prominent part of the Sioux Falls business community.

December 8 meeting were two men who would help shape the company's growth for decades to come.

John B. Hanten was elected president, a position he held for 19 years, relinquishing it only to become chairman of the board. Originally a homesteader and farmer near Kranzburg, SD, Hanten accumulated large landholdings in the area. He moved to Watertown, studied law, and was admitted to the bar in 1892.



John B. Hanten

Hanten's business and community activities were numerous: he was recipient of the United States land office in Watertown, state senator, founder and president of Security National Bank and Hanten Bond company, and organizer of the Watertown Business Men's Union (now known as the Chamber of Commerce). In 1917, he was appointed to the commission that revised the state's laws into what is now known as the 1919 Code of South Dakota. He was the state's Rural Credit Commissioner and South Dakota's delegate to the Democratic National Convention. In his personal life, Hanten was the father of nine children. He raised horses and was a talented musician who directed one of the first bands in the Dakota Territory.

Another prominent individual elected to the board at the December meeting was **Frank L. Bramble**, whose association with the company would eventually span six decades.



Frank L. Bramble

1908

First Death Claim

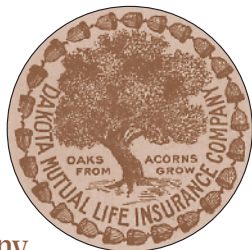
When the first death claim came early in 1908, it was necessary for Bramble and Hanten to borrow the funds needed to pay the claim. Ironically, the company's first recorded death claim was on the life of Nettie Smith, wife of the company's original

secretary-treasurer, Fred Smith. She died of appendicitis at age 38. Compared to today, risk of death was higher in the early 1900s. Many people died from a variety of infections and illnesses that seem minor or unknown to us today.

1909

Reorganized as a "Publicly-Traded" Company

To make it easier to raise capital for continued growth, the company reorganized as a publicly-traded stock company.



Symbolizing the philosophy of its founders, the slogan "Great Oaks from Little Acorns Grow" was adopted in 1906.

1915

Dropped Mutual from Name – Dakota Life Insurance Company

After operating for six years as a publicly-traded company, Dakota Life Insurance Company officially dropped "Mutual" from its name.

1918-1919

Spanish Flu Outbreak Dramatically Increased Claims

Dakota Life's death claim register illustrates the local impact of the worst epidemic to strike the world during the 20th century: The Spanish Flu outbreak of 1918-1919.

Claims register shows dramatic increase in death claims due to influenza and pneumonia in 1918-1919.

First appearing in crowded U.S. Army training camps in the spring of 1918, the influenza virus soon spread to Europe and the rest of the world as American troops were shipped to the World War I battlefields of France.

Named the Spanish Flu because it claimed the lives of eight million Spaniards, this strain of flu eventually killed between 20 and 30 million people worldwide - far more than the number of people who died in battle in World War I.

In the United States, the dead numbered 500,000. Two-thirds of Dakota Life's death claims received during 1918 were attributed to influenza and pneumonia.

1925

Name Changed to Midland National Life Insurance Company

In 1925, the stockholders voted unanimously to change the name to Midland National Life Insurance Company. The new name reflected the company's efforts of expanding nationally.

1930s Pig Policies

Perhaps nothing illustrates Midland National's ability to innovate better than the steps the company took during the major depression of the 1930s. The company furnished pigs on loan to farmers, on the condition that each

farmer renew or take out a life insurance policy. When the pigs were bred and sold, the farmer repaid the loan and began paying premiums. The agreement signed was called a "Hog Contract". This plan did more than make it possible for farmers to buy insurance - it helped rehabilitate a depleted swine industry in South Dakota, Minnesota and Iowa. At one time, the company had \$90,000 invested in pigs. That's more than \$1 million in today's dollars.



Many farmers were able to get back on their feet during the economic hardship of the '30s because of Midland National's pig program.

1934

Midland National Survives Depression and Dust Bowl

The Depression and the Dust Bowl of 1933 and 1934 plummeted the nation into a financial crisis. Not surprisingly, insurance sales showed a dramatic decline. Midland National, however, weathered the adverse conditions and remained optimistic about the future: "...Old 1933 with its depression, its 'hard times,' its sorrows and its tragedies, is now gone forever. In its stead we have a brand new year..." (Acorns, January 1934, E.E. Kneedy, sales manager)

1947

Bramble Named President

Frank L. Bramble, a native of South Dakota, was one of the founders of the company and remained a part of Midland National until his death in 1966 at age 94. He was

the secretary-treasurer until 1947. He then served as president for four years. Thereafter, Bramble served as chairman of the board. His dedication and steady influence contributed greatly to the success of the company.



Frank L. Bramble

1951

New Home Office in Watertown

The ground breaking ceremony for a new home office was held on August 9, 1949, and the building was dedicated on January 11, 1951. With an exterior of polished granite, buff colored brick and Indiana limestone, the building consisted of three floors and a full basement. Initially, the company occupied the basement, first floor, and most of the second floor. The third floor was leased to professional tenants. The building still stands in Watertown and is now known as "Midland Plaza."



Secretarial pool in the new home office building in Watertown.

1956

Fiftieth Anniversary

The company's 50th Anniversary was celebrated with a banquet in Watertown on Bramble's birthday, May 23, 1956. As part of the celebration, a "Big Boost for Bramble" sales contest was held. Midland National representatives submitted nearly three times as much business as normal during this seven-day sales contest.



Midland National celebrated its 50th Anniversary in conjunction with Frank Bramble's 85th birthday on May 23, 1956.

1958

Company purchased by Reserve Life Insurance Company, Dallas

In 1958, Reserve Life Insurance Company based in Dallas, Texas, acquired the majority of Midland National stock. Charles A. Sammons, sole shareholder and president of Reserve Life, owned eight other life insurance companies and had been active in the business for 30 years.

In addition to health and life insurance companies, Sammons acquired control or substantial stock interests in diverse industries. These businesses included hotels, travel related companies, equipment, industrial and energy distribution, cable television, bottled water, real estate and manufacturing. Sammons had admired the rapid growth of Midland National, which had doubled its life insurance in force during the prior five years.

1961

Introduction of PPGA System

In 1961, Midland National embraced the Personal Producing General Agent (PPGA) system as the marketing structure to distribute products to consumers. The company began working with regional sales directors to recruit and train independent agents. Midland National stays committed to its independent agents by providing direct access to underwriters and other home office employees, as well as fast, fair, and consistent service. This enabled the company to build its field force and gain agent loyalty. Today, Midland National is licensed to operate in 49 states, Puerto Rico, the Virgin Islands, Guam and military installations both overseas and at home.

Rigsbee Named President

In November 1961, **William A. Rigsbee** was named president of Midland National. For the next 31 years, Rigsbee, as president and chief executive officer, set Midland National on a course of unparalleled growth, stability, and financial strength. He established the Regional Sales Director (RSD) program and set in motion a belief that he carried with him through his entire career with Midland National – give the agent three things:

- 1) Excellent products.
- 2) A contract that rewards the agent for superior performance.
- 3) The company service philosophy that, “The most important person is the one who makes the sale.”

Under his leadership, the company increased life insurance policies in force from \$275 million to \$50 billion; increased assets from \$29 million to \$4.1 billion; and achieved a compound annual growth rate of 15 percent while maintaining superior industry ratings and a high quality investment portfolio.²

²Source: *Midland National internal information, 1961.*

1962

Sammons Enterprises, Inc. is established to hold Charles Sammons' diverse investments

1970

First Billion Dollars of Life Insurance in Force



1977

Midland National Moves to Sioux Falls

Citing concerns that Watertown could no longer support the company's rapid growth, Midland National announced plans to move its home office to Sioux Falls.

Relocating to Sioux Falls offered Midland National several advantages, including a larger population from which to recruit personnel, better air travel connections, and access to a larger postal processing center.

Within a year, all departments had migrated to temporary quarters in Sioux Falls while a new five-story building was under construction.

1978

Sammons Adopts ESOP

In 1978, Charles Sammons established an Employee Stock Ownership Plan (ESOP). The Sammons ESOP was designed to provide more than a retirement benefit. It enabled employees to impact the value of their personal holdings as a result of their contributions to the success of their individual companies.

1979 “Gold Building” Opens

Midland National occupied its new 89,000 square-foot gold-glass home office building in June 1979. The move to a new home office in Sioux Falls would mark the beginning of a new era in Midland National’s history – a period of unprecedented growth.

22,000 square feet of gold-toned glass helped reduce heating and cooling costs, and made optimum use of daylight illumination.



Gillis Named President

Wayne A. Gillis joined Midland National in 1962 as associate actuary, advancing to senior vice president in 1975. In 1981, Gillis was named president. Gillis died November of 1983 and Rigsbee returned as president.



Wayne A. Gillis

1982

10 Billion Dollars of Life Insurance in Force



1981

Midland National Celebrates 75 Years in the Insurance Industry

Midland National’s 75th Anniversary Celebration kicked off with newspaper ads and radio spots proclaiming, “As we look forward to our 75th



Anniversary, we salute our people... more than three hundred reasons why Midland National is a great insurance company. We wish you could meet all of them because these are the people with the talent, the skill, and the ideas that make us a strong, successful, growing company.”

1989

25 Billion Dollars of Life Insurance in Force

1992

Rigsbee Retires. Watson Named President, CEO, and Chairman

Upon his retirement, Rigsbee said, “To survive and prosper, a company must provide an adequate return to its shareholders, good products reasonably priced to its customers and the incentive for growth to its field force and employees. My job as chief executive officer has been to balance all of these sometime conflicting objectives.”

After serving 35 years, John C. “Jack” Watson left his role as president of another insurance company to become president, CEO and chairman of Midland National. His positive message began, “Now is the time to get highly excited about the Midland National opportunity and share it with your clients, business associates, teammates and potential customers.”



William A. Rigsbee and
Jack C. Watson

50 Billion Dollars of Life Insurance in Force

Bronze medallion
commemorating
\$50 billion of life
insurance in force.



1996

Midland National Celebrates 90 Years

1996 marked Midland National's **90th Anniversary** with a year-long celebration that was highlighted by a special birthday party held from September 5-8. As a key part of Midland National's **90th Anniversary**, the historic Rock Island Depot was fully restored to house Midland National's Hall of Fame and provided additional office space for the company. Charter members of the Hall of Fame were inducted at a ribbon-cutting ceremony.

Organized for Future Growth

Sammons Financial Holdings, Inc. was established to hold Sammons Enterprises' investments in insurance companies and other financial entities. Jack Watson served as the first chairman and CEO of the company.

Masterson Named President and CEO



Michael M. Masterson

After coming to Midland National as executive vice president and chief marketing officer in 1995, **Michael M. Masterson** became president and CEO of Midland National in 1996. He would later become chairman and CEO of Sammons® Financial Group, Inc.

1999 Sammons Annuity Group Founded

Sammons Annuity Group was born in West Des Moines, Iowa. Focusing on product development, marketing, licensing/contracting, new business and policy administration of fixed annuities, a team of seven employees got the upstart off the ground. Among them was Esfand Dinshaw, then vice president of operations, who would one day become Sammons Financial Group chairman and CEO.

2001 Company Grows in Size and Complexity

From 1997-2001, Midland National grew in both size and complexity through its own efforts and those of its parent company, Sammons Enterprises, Inc. A number of support functions were combined with other Sammons-owned financial companies. Midland National acquired several businesses and distribution systems. Combined assets grew from \$5.4 billion to \$9.2 billion.³

The entities forming Sammons Financial Holdings reached more than \$196 billion of individual insurance in force on more than 1.2 million policies, making it one of the industry's top-30 groups in terms of individual insurance in force.⁴

³Source: Midland National internal information, 1997-2001.

⁴Source: Midland National internal information, 2001.

Breaking the Billion Dollar Barrier

In just its third year of existence, annual annuity premium for Sammons Annuity Group eclipsed the \$1 billion mark.

2002

Sammons Financial Holdings renamed Sammons Financial Group

Masterson Leads Sammons Financial Group

Mike Masterson was named president and CEO of Sammons Financial Group.

Under Masterson's leadership, Sammons Financial Group concentrated on sharing resources and services for the optimal strength and growth of its member companies and for the ultimate benefit of policyowners.



John J. Craig

Craig Named as President and CEO

On January 1, 2002, **John J. Craig** became the CEO and twelfth president of Midland National.

Sammons Financial Group Forms Sammons Securities Company®, LLC

Sammons Financial Group launched its broker/dealer - Sammons Securities Company, LLC, based in Ann Arbor, Michigan. **Steven C. Palmitier** was named president of Sammons Securities Company.

2003

Palmitier Named President and COO of Midland National



Steven C. Palmitier

Steven C. Palmitier, CLU, LLIF was named president and COO of Midland National in 2003. Palmitier joined Midland National as senior vice president of marketing and chief marketing officer in August 1996. He also maintained his role as president of Sammons Securities Company, LLC after being named president and COO of Midland National.

Sammons Financial Group Announces New Structure

In a continuing effort to contribute to growth and expansion, Sammons Financial Group underwent structural reorganization in 2003.

Masterson became chairman and CEO of Sammons Financial Group. **Craig** was promoted to president and COO of Sammons Financial Group.

New location added to Sammons Financial Group

Midland National acquired a new location in Fargo, North Dakota, adding bank owned life insurance to its existing product offerings.

2004

Midland National Exceeds 100 Billion Dollars of Life Insurance in Force

Annuity Business Booms

It was anticipated that the annuity division would grow to include 40 to 50 employees during its first five years of operation. Instead, the staff grew to 200 in that time.

2006

Midland National Celebrates 100 Years



Midland National celebrated its **100th Anniversary** with a series of events, showing its gratitude to the city and citizens of Sioux Falls. The company looked back at its first slogan "Great Oaks from Little Acorns Grow," and donated 100 trees to the city. Through a radio and print campaign, titled "Sioux Falls at its Best," Midland National recognized achievements in the community from the last century. To top off the anniversary, Midland National's top agents from across the country and employees were invited to the celebration in Sioux Falls during the fall of 2006.



Advertisements from the "Sioux Falls at its Best" Campaign.

2009

Midland National Moves

After 30 years in the downtown location, Midland National's administrative office moved into a new environmentally-friendly Sammons Financial Group building in February 2009. The 120,000 square-foot building was designed to accommodate the growing company by housing more than 500 employees and providing room for expansion.

2010

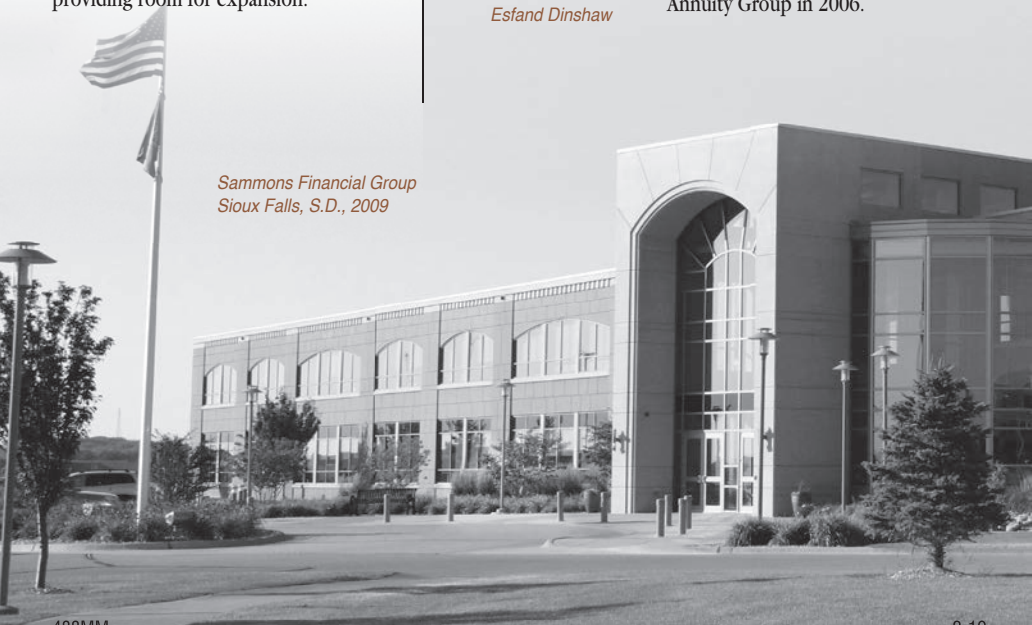
Dinshaw Named CEO of Sammons Financial Group



Esfand Dinshaw

Esfand Dinshaw was named chief executive officer of Sammons Financial Group in January 2010. He joined Sammons Annuity Group in 1999 as vice president of operations, serving as one of the principal leaders building Sammons Financial Group's annuity business. He became president of Sammons Annuity Group in 2006.

*Sammons Financial Group
Sioux Falls, S.D., 2009*



ESOP Trust is Formed

Charles Sammons' company stock was transferred to the ESOP Trust after the death of his wife, Elaine. The transfer of stock to the ESOP Trust furthered Charles Sammons' vision of continued growth and perpetuity of his company, while ensuring that employees would benefit from their efforts.

2011

Masterson Retires

After a successful career within Sammons Enterprises, Inc., Mike Masterson retired from his position of chairman of Sammons Financial Group at the end of 2011.

Sammons Retirement Solutions® Founded

Headquartered in West Des Moines, Iowa, Sammons Retirement Solutions (SRS) was created in 2011 and began actively selling in 2012. Under the leadership of President Bill Lowe, the company specializes in developing and distributing individual retirement solutions through banks and broker/dealers.

2012

Dinshaw Named Chairman of Sammons Financial Group

Esfand Dinshaw was named chairman of Sammons Financial Group in early 2012, also maintaining his position as CEO of Sammons Financial Group.

2014

Outpaced Life Insurance Industry

Midland National continued to grow, and 2014 marked its sixth straight record sales year. Also in 2014, Midland National was noted as the #1 company in Personal Producing General Agent (PPGA) distribution by sales.⁵

Sammons Securities Company, LLC® is sold

Sammons Financial Group sold its ownership interest in Sammons Securities Company, LLC and Sammons Financial Network®, LLC became the distributor for Midland National's securities products.



2015

Committed to Strong Networks

Sammons Retirement Solutions works with a network which has grown to over 240 broker/dealers representing approximately 90,000 financial advisers. Nearly 100 SRS employees help provide retirement solutions like mutual fund IRAs and annuities to help meet the needs of clients nationwide.

2016

Midland National Life Division Shatters Sales Record

Midland National capped off its 110th anniversary by shattering its life insurance sales record with over \$117 million⁸ in sales, and once again received A+ marks from both A.M. Best and Standard & Poor's.⁷

Annuity Sales Continue to Soar

Having doubled to more than 400 employees in just eight years, Sammons Annuity Group put more than \$6 billion⁹ in new business on the books in 2016. It was another record year and one that far exceeded the sales total from 2015.

SRS Breaks the \$5 Billion Dollar Barrier

Sammons Retirement Solutions exceeded \$5 billion⁹ in total sales in about four years, with more than \$2 billion⁹ in total sales in 2016 alone.

Sammons Financial Group Financial Standing

As of December 31, 2016, the entities forming Sammons Financial Group have more than \$73.3 billion in assets and over \$266.9 billion of life insurance in force.⁶

2017

Sammons Institutional Group Created

As part of the Sammons Financial Group long-term strategy, the company reorganized the retirement businesses by distribution. Headquartered in West Des Moines, Iowa, Sammons Institutional GroupSM was created to offer individual retirement products through a nationwide network of broker/dealers and banks via two divisions and brands - Sammons Retirement Solutions and Midland Retirement DistributorsSM. Sammons Retirement Solutions offers a growing set of retirement products¹⁰ ranging from mutual fund IRAs to variable annuities, as well as a limited fixed annuity product series, while Midland Retirement Distributors distributes a broad lineup of fixed rate and index annuities¹⁰ that offer extensive options regarding crediting methods and indexes.

Midland National Life Division Shatters Sales Record, Again

For the second year in a row, Midland National shattered its life insurance sales record with over \$118 million⁸ in sales, and topped it off with A+ marks from both A.M. Best and Standard & Poor's.⁷

Variable products are distributed by Sammons Financial Network® LLC, member FINRA. Midland National® Life Insurance Company and Sammons Financial Network® LLC, member FINRA, are affiliated companies.

"Employees" of the member companies of Sammons® Financial Group, Inc. and Sammons Enterprises, Inc. do not include independent insurance producers, agents, writing agents, general agents, distributors, registered representatives, regional sales directors, managing general agents or broker-dealers appointed with North American Company for Life and Health Insurance®, Midland National® Life Insurance Company or Sammons Financial Network®, LLC.

⁵LIMRA International, U.S. Retail Individual Life Insurance Sales, fourth quarter 2014 results. Sales based on annualized premium plus excess.

⁶Sammons® Financial Group, Inc., Internal information, 2016.

⁷A.M. Best is a large third party independent reporting and rating company that rates an insurance company on the basis of the company's financial strength, operating performance, and ability to meet its obligations to contract holders. A+ (Superior) is the second highest rating out of 15 categories, and was affirmed for Midland National Life Insurance Company as part of Sammons Financial Group on August 2, 2018 (the current affirmation date).

Standard and Poor's awarded its "A+" (Strong) rating for insurer financial strength on February 26, 2009 and affirmed on September 10, 2018 (the current affirmation date) to Midland National Life Insurance Company as part of Sammons Financial Group. The A+ (Strong) rating, which is the fifth highest out of twenty-two, reflects the financial strength of Midland National Life Insurance Company, member of Sammons Financial Group.

The above ratings apply to Midland National's financial strength and claims paying ability. These ratings do not apply to the safety or performance of the variable accounts, which will fluctuate in value.

⁸Midland National Internal information, 2016-2017.

⁹Sammons Financial Group, Inc., Internal information, 2012-2016. Figure represents a combined total of sales between North American and Midland National Annuity Groups.

¹⁰Securities distributed by Sammons Financial Network® LLC, member FINRA. Insurance products are issued by Midland National® Life Insurance Company (West Des Moines, IA). Sammons Institutional GroupSM, Inc. provides administrative services. Sammons Financial Network® LLC, Midland National® Life Insurance Company, and Sammons Retirement Solutions® (a division of Sammons Institutional Group) are wholly owned subsidiaries of Sammons® Financial Group, Inc.

Sammons® Financial Group, Inc. is comprised of Midland National® Life Insurance Company, North American Company for Life and Health Insurance®, Sammons Institutional GroupSM, Inc., Sammons Retirement Solutions® (a division of Sammons Institutional Group), Midland Retirement DistributorsSM (a division of Sammons Institutional Group), and Sammons Financial Network® LLC, member FINRA.

Sammons Annuity Group is not an insurance company, insurance agency, or any other type of legal entity; rather it is an informal name used to describe collectively the personnel that design, market, sell and administer fixed annuity products issued by Midland National Life Insurance Company and North American Company for Life and Health Insurance.