



Financial Integrity

AS OF JUNE 30, 2004

The following information is an in-depth analysis of our financial strength. Old Mutual Financial Network has the experience and expertise in investment management, operating efficiency, asset/liability control and liquidity to ensure the safe and solid return of your money.

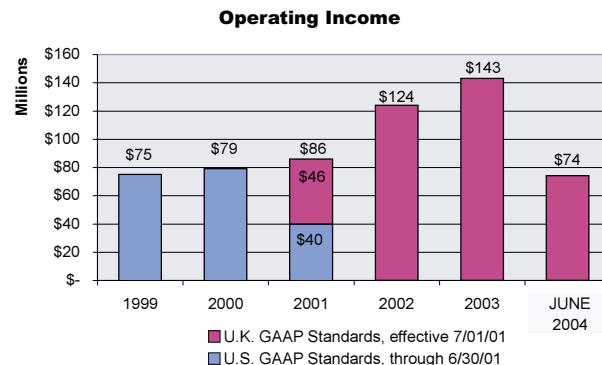
FINANCIAL RATINGS		
	Rating Agency	
Fidelity and Guaranty Life	A.M. Best	Fitch
Americom Life and Annuity*	A	A-

*Rated by A.M. Best only.

ABOUT OLD MUTUAL FINANCIAL NETWORK

Old Mutual Financial Network (OMFN) is a member of the Old Mutual group of companies. Founded in 1845, Old Mutual plc maintains its primary listing on the London Stock Exchange (LSE: OML) and ranks as the world's 12th largest Life/Health stock insurer, is a Fortune Global 500 (#304) company and a FTSE 100 financial services group. Working through established U.S. life insurance companies (Fidelity and Guaranty Life Insurance Company and Americom Life and Annuity Insurance Company), OMFN is committed to delivering innovative and balanced financial solutions.

As of June 30, 2004, Old Mutual's U.S. life group of companies had \$15.1 billion of GAAP-basis funds under management and \$66.8 billion of in-force life insurance. On a statutory basis, OMFN's consolidated group of U.S. life insurance companies had \$10.4 billion of invested assets and \$11.7 billion of total assets.



ABOUT OLD MUTUAL'S U.S. LIFE INSURANCE COMPANIES

As the leading company in the Old Mutual Financial Network, Fidelity and Guaranty Life Insurance Company of Baltimore, MD has been providing a diverse portfolio of annuities and life insurance products since 1959. Working with an established group of master general agents, our products are distributed in 49 states, and the District of Columbia. In New York, products are available through its wholly owned subsidiary, Fidelity and Guaranty Life Insurance Company of New York.

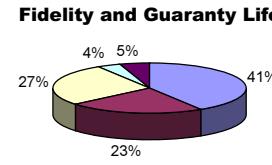
Americom Life and Annuity Insurance Company of Houston, TX is well positioned to introduce an extended product platform to the growing middle market. Americom Life has the annuity and term life products that can help families and business achieve secure financial futures at any stage of life. As the sister company to Fidelity and Guaranty Life, Americom Life has a commitment to providing products with high value to both the consumer and their producers.

ASSET/LIABILITY MANAGEMENT

When assessing the financial strength of any company that manages assets, one of the most important areas to examine is its asset/liability management program. Our Actuarial Department regularly performs detailed projections of our portfolios under numerous economic scenarios. These projections consistently demonstrate the success of our program to favorably manage the effects on the portfolio of unexpected changes in interest rates and liquidity demands. We believe our program is one of the best in the industry and helps ensure that the companies will deliver on their promises.

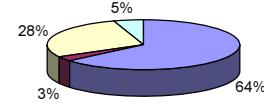
Security is further enhanced by ensuring that the Companies' liabilities are diversified as to the type of risk underwritten and the distribution channel used. Fidelity and Guaranty Life and Americom Life effectively use a variety of distribution channels which allow them to limit the risk of increased surrender activity due to any single event. In short, the insurance companies prudently limit risk exposure and consistently maintain a conservative level of safety in their businesses.

Fidelity and Guaranty Life



- Single Premium Deferred Annuities
- Structured Settlements & Single Premium Immediate Annuities
- Equity Indexed Annuities
- Life
- Flexible Annuities & Other

Americom Life and Annuity



Company Assets

Fidelity and Guaranty Life	\$10.9 Billion
Americom Life and Annuity	\$267 Million

INVESTMENT PORTFOLIO PERFORMANCE

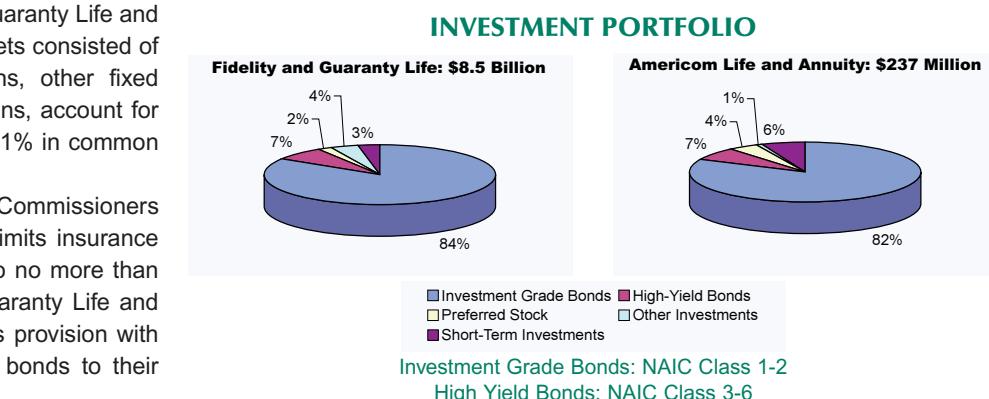
As of June 30, 2004, 94% of Fidelity and Guaranty Life and 94% of Americom Life's statutory invested assets consisted of bonds and cash equivalents. Mortgage loans, other fixed income type investments, as well as policy loans, account for the remainder of the portfolios, with less than 1% in common stock holdings.

The National Association of Insurance Commissioners (NAIC) has adopted a model regulation that limits insurance companies' investment in Class 3 - 6 bonds to no more than 20% of their admitted assets. Fidelity and Guaranty Life and Americom Life are well in compliance with this provision with 6.3% and 6.4%, respectively, of Class 3 - 6 bonds to their admitted assets.

With a team of experienced high-yield investment specialists, Fidelity and Guaranty Life and Americom Life closely manage their high-yield portfolios (Class 3 - 6 bonds). Average sizes are limited, cyclical/speculative products or technologies are avoided and risks of defaults are managed. No defaults have been experienced during the first six months of 2004.

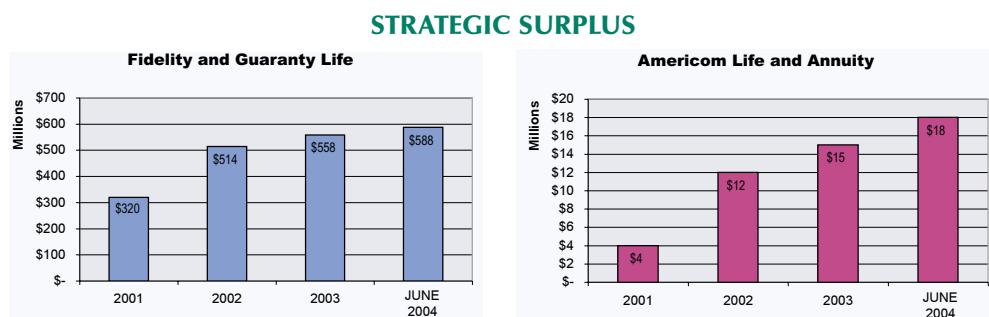
SURPLUS

Surplus, the amount by which assets exceed liabilities, is a key factor in evaluating the financial strength of a life insurance company. This level of contingency funds - held beyond the statutorily required policy reserves - is a key indicator of a company's ability to withstand adverse business or market conditions.



LIQUIDITY

We have sold insurance contracts that are balanced between fixed, non-cancelable contracts and contracts with various degrees of liquidity. We are confident that we can meet all of our policyholder obligations. Operating cash flow was very strong through June 30, 2004 at \$1.2 billion and \$36 million for Fidelity and Guaranty Life and Americom Life, respectively. Our ratio of liquid assets to surrenderable contract liabilities was 137% for Fidelity and Guaranty Life and 118% for Americom Life. Simply stated, for every \$1 of potential surrenders, the companies have \$1.37 and \$1.18, respectively, of assets immediately available to pay for the liability.



SERVICE

We take pride in the quality of service we provide to our producers and policyholders. Our service structure is built around specific products and distribution channels. You can fully expect your network account executives to provide a quick and accurate response to your sales and service needs.

Producers may access **SalesLink**, our agent extranet, for software illustrations, interest rates, product information, underwriting status and commissions, and should call their Master General Agent for advertising requests, advanced sales support and applications. Policyholders may call us at 800-638-2255 for customer assistance.

