

C H O O S I N G
SHENANDOAH
LIFE

Protecting

your family,

your business or

your employees

financially is

one of your most

important obligations.

Shenandoah Life is

the right choice.



Industry Ratings

A.M. Best Company

Shenandoah Life is rated A- (Excellent) by A.M. Best Company. This category is defined by A.M. Best as:

“Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing obligations to policyholders.”

A.M. Best's opinion is based on a comprehensive quantitative and qualitative evaluation of Shenandoah Life's balance sheet strength, operating performance, and business profile.

A.M. Best's rating rationale, effective April 8, 2004, states:

“The rating of Shenandoah Life Insurance Company reflects its more than adequate level of risk-adjusted capitalization, its successful execution of strategic business initiatives surrounding marketing and the product portfolio, its enhanced premium growth in its core lines of business, its strong distribution niche through independent marketing organizations (IMOs), and its favorable recovery in statutory earnings.”

For the latest rating, access www.ambest.com

Industry ratings are one tool you can use to evaluate insurance companies. Shenandoah Life is committed to your financial well-being and security, and we want you to feel comfortable placing your trust in us. If you have any questions regarding Shenandoah Life's financial performance, rating, or any other aspect of our operations, please feel free to call us at 1-800-848-5433, ext. 2001.

Protecting your family, your business or your employees financially is one of your most important obligations, and you want to make sure you do the right thing. There are lots of insurance companies out there, and the choices can be confusing. Product features, financial results, investment portfolios, and ratings can all seem overwhelming.

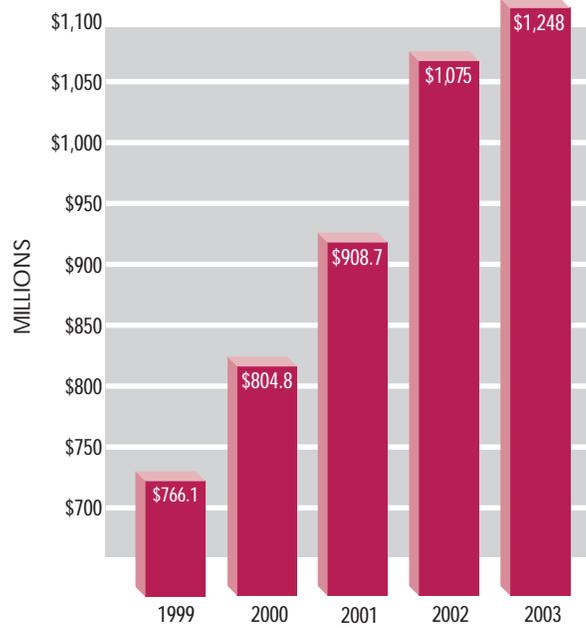
We want to make sure you understand clear, basic facts about Shenandoah Life. About our yearly financial performance and the careful way in which our assets are invested. And about the ethical way we promise to deal with you regarding products and service.

Financial Strength

Our commitment to financial strength and our caring approach to policyholders has remained steadfast throughout our history. Our mission is to provide financial security and a sense of well-being for our policyholders, and again in 2003, we were true to that mission. During 2003, we paid \$132.5 million in benefits to policyholders, including \$4.9 million in dividends.

Highlights of our 2003 performance* include:

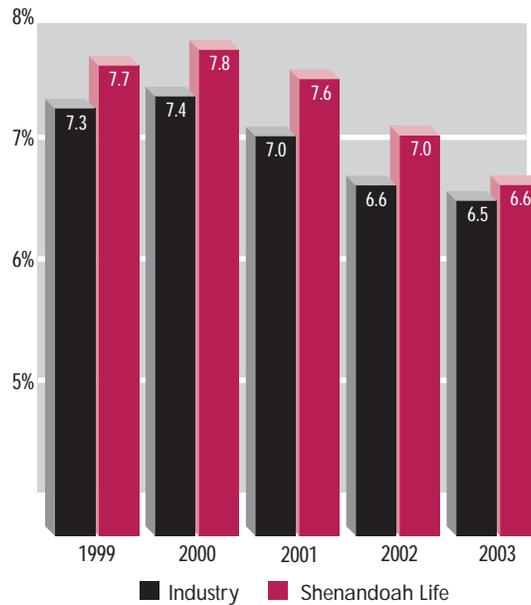
Net Admitted Assets



Net admitted assets increased 16.1 percent over 2002 to \$1.2 billion.

And our 2003 investment portfolio results were outstanding as well:

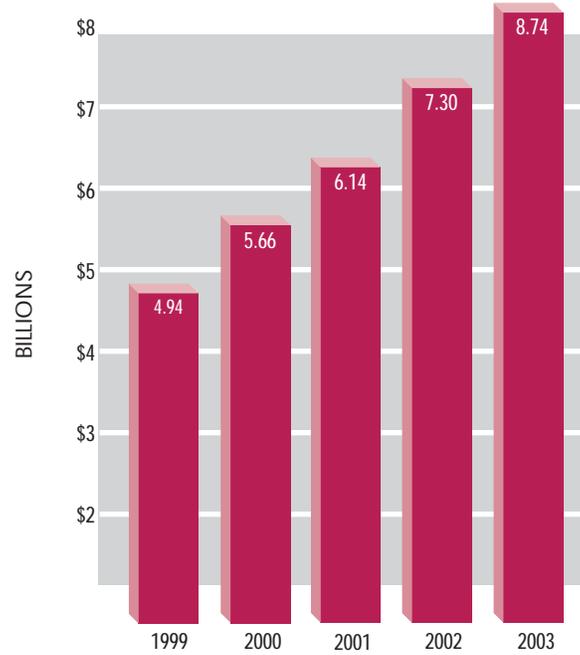
Net Investment Yield vs. Industry Average**



Outperformed the 2003 industry average by 10 basis points.

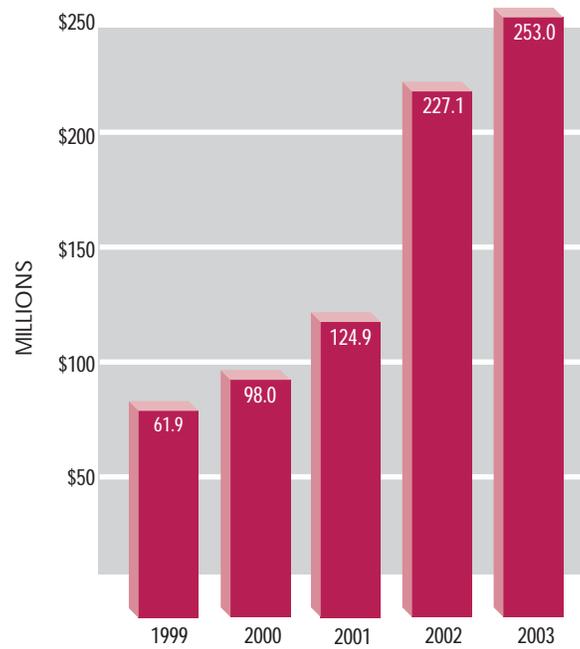
** Source: A.M. Best Company estimate for 2003 from its January 2004 "Life/Health Review/Preview."

Individual Life Insurance In Force



Individual Life Insurance in Force increased 19.7 percent to \$8.74 billion.

Individual Life and Annuity Premiums



*Source 2003 Annual Financial Statement.



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