

NEWS RELEASE



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SECURITY BENEFIT'S SE2 TO PROVIDE BUSINESS PROCESSING SERVICES

TOPEKA, Kansas, August 25, 2005 – Security Benefit announced today it has entered into a long-term agreement to provide business processing services to Allmerica Financial Life Insurance and Annuity Company (AFLIAC).

Under this agreement, **se²**, which is Security Benefit's business processing division, will provide business processing outsourcing (BPO) services for more than 200,000 clients who own variable annuities and/or variable universal life contracts.

In 2004, **se²** was formed as a new division of Security Benefit Corporation to leverage prior capital investments made to upgrade the company's information technology (IT) infrastructure. Coupled with Security Benefit's nationally-recognized expertise in customer service delivery, **se²** combines a state-of-the-art IT platform and the business acumen of regulatory proficiency for processing retirement products and services.

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The Security Benefit IT infrastructure has been recognized nationally by CIO Magazine as one of the top 100 organizations around the world exemplifying the highest level of operational and strategic excellence with an ability to adapt quickly to changing business environments. Security Benefit's IT infrastructure also has been recognized by Forrester Group as one of the five most innovative within all industries nationwide.

The fee-for-service BPO unit broadens the range of full-service customer opportunities offered by Security Benefit, which includes its traditional and nationally-recognized financial planning and retirement services business. **se²** leverages Security Benefit's financial services industry knowledge including risk management, financial accounting, compliance/regulatory issues and IT expertise.

"We are pleased to offer a unique value proposition: life and annuity acumen coupled with excellent customer service delivery; a modern, efficient operating platform; and low cost, rapid, low-risk conversion/implementation capabilities," said Kris Robbins, Security Benefit Corporation President and Chief Executive Officer. "We believe that **se²**'s integrated solution – streamlined business processing, engaged customer service, a technologically advanced platform and the ability to leverage strategic partnerships – puts **se²** at the forefront of the BPO arena, and we anticipate continued growth opportunities."

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Initially it is estimated that approximately 75 Topeka-based jobs will be added to the **se²** division during the next 12 months. Subject to regulatory approval, the transition of AFLIAC's contracts to **se²** is scheduled to occur by the end of the year. The financial terms of the transaction were not disclosed.

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About se²

se² provides business processing outsourcing (BPO) for the financial services and retirement planning sector. **se²** offers service end-to-end for life and annuity processing with a state-of-the-art technology platform and an astute understanding of regulatory compliance issues unique and specific to the financial services industry. **se²'s** life and annuity acumen, coupled with its dedicated processing capabilities, places it in the forefront of the BPO industry. **se²** is powered by Security Benefit Corporation, a financial services holding company.

About Security Benefit

Security Benefit has been providing innovative retirement and investment solutions through independent financial planners for more than 100 years. Security Benefit specializes in serving the education, banking, government and health care markets, and also provides responsive financial solutions for individual investors. In addition to its own investment managers, Security Benefit also offers nationally recognized money management through its retirement plans, annuities and mutual funds. For more information about Security Benefit, please visit us at www.securitybenefit.com.

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