

## NEWS RELEASE

### **IA American Announces Acquisition of Texas-based American-Amicable Life Insurance Company**

**Scottsdale, Arizona, April 28, 2010** – IA American Life Insurance Company announced today the signing of an agreement to acquire all the outstanding shares of American-Amicable Holding, Inc. (“American-Amicable”) for a cash consideration of approximately \$145 million.

“Strategically and operationally, this is an excellent fit for both American-Amicable and Industrial Alliance,” said Mike Stickney, President of IA American. “It brings together two organizations with long track records of profitable growth that share philosophies of prudent risk management and cost efficiency. We look forward to working with Lanny Peavy and his senior management team as we continue to expand our footprint in the U.S.”

“This agreement with American-Amicable is an important milestone in our U.S. growth strategy,” added Yvon Charest, President and Chief Executive Officer of Industrial Alliance. “Building on our local operations in Scottsdale, Arizona, it provides us with the scale and presence to accelerate our U.S. growth plan. With 100 years in the business, American-Amicable brings a stable stream of revenues and profits, a low-risk investment portfolio, a well-developed distribution network and an experienced management team. Its life insurance products target the middle-income market which is under-served and offers significant growth opportunities.”

#### **Broader Platform for IA Growth in the U.S.**

Upon completion, the acquisition of American-Amicable by Industrial Alliance will significantly increase IA American’s scale and presence in the U.S. Founded in 1910, American-Amicable is based in Waco, Texas and employs about 115 persons. It operates through four Texas-domiciled subsidiaries: Pioneer Security Life Insurance Company, American-Amicable Life Insurance Company of Texas, Pioneer American Insurance Company and Occidental Life Insurance Company of North Carolina.

The transaction, which will be carried out through the Company’s wholly-owned U.S. subsidiary IA American Life Insurance Company (“IA American”), will be financed from cash on hand. The acquisition is expected to be immediately accretive to earnings by \$0.05 per share on an annual basis. Post-transaction the Company’s solvency ratio will be 217% compared with 226% on a pro forma basis as at December 31, 2009 following share issues in February 2010. The agreement with American-Amicable is subject to the usual regulatory approvals and expected to close in the summer of 2010.

American-Amicable markets primarily traditional life insurance products to mid-market customers in the individual and final expense markets. It is licensed to sell life insurance in 49 states and territories, and its products are marketed through a national distribution network of more than 6000 independent agents. American-Amicable has a strong presence in the South, Southwest and Southeast portions of the U.S., with its primary markets being Texas, Puerto Rico, California, Illinois, Alabama and North Carolina.

American-Amicable currently has \$7.1 billion of life insurance in force covering a policy base of more than 211,500. For the year ended December 31, 2009, total premiums amounted to \$86 million and total assets were \$687 million. New business written over the last five years has averaged almost \$24 million, representing a compound annual growth rate of 13% in their current markets. American-Amicable's balance sheet is debt-free and its portfolio is invested in primarily low-risk, fixed income securities. On March 2, 2010, its financial strength ratings were upgraded to A- (Excellent) by A.M. Best.

Subsequent to closing, American-Amicable will become a wholly-owned subsidiary of IA American. IA American intends to maintain the American-Amicable platform in Waco, Texas as well as the existing IA American presence in Scottsdale, Arizona.

#### **About IA American**

IA American is a subsidiary of Industrial Alliance Insurance and Financial Services Inc. (IA), a North American life and health insurance company serving over 3 million customers since 1892. IA employs more than 3,400 people and manages and administers over \$58 billion in assets. IA American benefits from the strength, diversity and experience of IA.

– 30 –

**Information:** Michael Lewis, Marketing Director  
IA American Life Insurance Company  
Office: 480-473-5550  
Email: michael.lewis@iaamerican.com  
www.iaamerican.com