



the Promise

Our business is built on a promise.

Our passion is to keep that promise.

When we at OneAmerica discuss our business, we often talk about being “at the kitchen table,” because, when you sit in a family’s kitchen, sharing a cup of coffee and discussing life insurance or retirement planning, you feel committed to the promises you make.

We feel that same commitment whether we’re in that home, a small business’ conference room or a corporate boardroom.

This is nothing new for OneAmerica. We’ve been guided by a promise for more than 125 years – a promise that we’ll be there when you need us.



the Promise

**At OneAmerica, making promises isn't just part of what we do.
It *is* what we do.**

We can point to a number of financial measures to demonstrate our commitment to those promises: We maintain a strong balance sheet, manage our resources carefully and invest wisely. And we pay out more than \$1 billion per year in policyholder benefits.

As proud as we are of those measures, however, we take even greater pride in the stories behind those numbers – the stories of people who came to us with needs that have been fulfilled by our promises.

Because when we make promises, they're not about numbers. They're about people – people like those on the following pages.



“The marketing and communications they came up with were tailored to us and our team. That’s what we were hoping for, and we got it.”

Michelle Shannon, *Kitty Hawk Cargo*, Dallas, TX,
pictured here with teammate Bob Sallaz




the Promise

We'll listen.

Kitty Hawk Cargo wanted to boost 401(k) participation among its employees, but the Dallas-based firm knew it faced some hurdles. The overnight freight transporter employs a wide range of workers, from pilots to freight handlers, and most of them work late-night schedules. Many of those workers had little retirement planning information, and some were concerned about working with an outside provider. The American United Life Insurance Company (AUL) team listened to these concerns and addressed them with customized employee communications, and our enrollment staff worked around the clock to meet Kitty Hawk employees at their workplace, explain the plan and sign them up. The result? Enrollment increased by 45 percent over the previous year, and these employees are now on their way to saving for retirement.

Pictured above: By listening first, AUL Regional Sales Director Corey Pride (left) and Broker Kyle Moss were able to help develop a retirement package and communications program tailored to the unique needs of Kitty Hawk Cargo and its employees.



“I wanted to make sure that if something happens to me, my wife doesn’t have to worry about finances in the middle of raising two children.”

Torey McCormick, *Chick-fil-A franchisee*, Atlanta, GA,
whose son Torbin is pictured here and on cover



the Promise

We'll ease your mind.

When Torey McCormick first saw TV images from the September 11, 2001, attacks, he found himself wondering whether the families had provided for their futures. He had been lukewarm to the idea of life insurance before that; now he describes himself as a “major proponent” of life insurance, thanks to guidance from a lifelong friend, AUL agent David Johnson. An entrepreneur who owns a Chick-fil-A franchise in the Atlanta area, McCormick says he can sleep at night because Johnson helped him understand what kind of insurance is appropriate for him to protect his family, and how much is needed to secure their future.

Pictured above: AUL Associate General Agent David Johnson (left) has helped childhood friend Torey McCormick provide for his family's security by understanding not just Torey's net worth, but also his real value to his wife and children.



“As an employer, it makes you feel good to know you’ve made the right decision.”

A. John Rose, *Textillery Weavers*, Bloomington, IN,
pictured here with employee Lisa Owens



the Promise

We'll be there when you need us.

As a small-business owner in a tight-knit community, John Rose had heard too many horror stories about insurance companies that refused to pay disability claims, or that made the claims process difficult and intimidating. So he took great care in choosing an insurance provider for his 35-employee firm. He says it didn't take long for him to know he had made the right choice. Shortly after he offered his employees short-term disability coverage through AUL, one of them, Lisa Owens, needed surgery. Coverage came through without a hitch, filling an essential gap for Lisa and her family. Said Rose, "Without it, they might have been devastated."

Pictured above: AUL Field VP Brian Case (left) and General Agent Ron Remak say they feel comfortable standing behind the promises OneAmerica makes to businesses like the Textillery, because they've seen the insurer keep its promises.

Last year, the OneAmerica family
paid out more than \$1 billion in
policyholder benefits.

That's more than \$1 billion worth
of promises kept.

Letter from the President and Chief Executive Officer

Dayton H. Molendorp

When we at OneAmerica discuss our business, we often talk about being “at the kitchen table.”

It’s not that we conduct all of our business at a kitchen table, but that image embodies so much about the way we operate. When you sit in a family’s kitchen, sharing a cup of coffee and discussing life insurance or retirement planning, you form a bond with the people across the table. You become invested in their stories, their successes and their future.

And you feel committed to the promises you make.

This is nothing new for OneAmerica. Whether we’re in someone’s home, a small business’ conference room or a corporate boardroom, we’ve been guided by a promise for more than 125 years – a promise we make to policyholders, employees and producers: We’ll be there when you need us.

This promise guides every decision we make. When choosing products to offer, for example, the OneAmerica family of companies focuses on solutions that help clients create and protect wealth for their unique needs.

ONE AMERICAN SQUARE



“As a mutual organization we are solely focused on fulfilling our promises.”

We are a mutual organization, owned by and accountable to our policyholders rather than Wall Street. As a mutual organization we are solely focused on fulfilling our promises.

At the same time, we manage our company with great discipline and a long-term focus so that we can continue to make and fulfill promises in the years to come.

In 2005, OneAmerica's promise guided the company through an exciting year. We saw considerable growth, both through strong sales and acquisition, and we reached new financial milestones.

In July we announced the acquisition of Golden Rule's Financial Services division. With its mix of life and annuity products that respond to the risk of long-term care, the Golden Rule Financial Services acquisition fits well with our existing offerings and brings to our organization the combined talents of nearly 100 outstanding professionals.

We complemented this acquisition with profitable growth in our existing operations, increasing GAAP pre-tax operating income by 28 percent. We grew our assets to more than \$17.6 billion, and saw statutory premium income rise to more than \$2 billion. All of this was done while maintaining one of the strongest balance sheets in the industry with capital described as "Extremely Strong" by

Standard & Poor's and a very high-quality investment portfolio.

In the coming year, we will continue to strengthen OneAmerica. We'll integrate the Golden Rule Financial Services business and continue to grow by making the most of the assets entrusted to us by policyholders. We will continue to remain open to all external growth opportunities which could strategically add value to the enterprise. And the people of OneAmerica will work continually to improve our products, services, strength and security.

We take these operational commitments seriously because good management demands it. But also because, when we sit in that kitchen, conference room or boardroom, our strength and success assure the people on the other side of that table that we will indeed be there when they need us.

Of course, the real proof of that lies in one more piece of financial data: Last year, the OneAmerica family paid out more than \$1 billion in policyholder benefits.

In some industries, payouts like that would be a point of concern. At OneAmerica, they're a point of pride. They represent more than \$1 billion worth of promises kept.

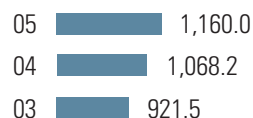
A handwritten signature in white ink, reading "Clayton D. Moberley". The signature is written in a cursive style with a large initial 'C' and 'M'.

Fullfilling our Passion to Serve Families and Businesses

We take great pride in providing critical financial resources when our clients need it most. As a mutual company, owned by our policyholders, our commitment to pay is what we do.

In our industry, what we pay out is every bit as important as what we bring in.

POLICYHOLDER BENEFITS *(millions of \$)*



Growing with Our Clients

As our clients grow and prosper, so does the enterprise that serves them. With statutory premiums now exceeding \$2 billion and asset growth of 17 percent, OneAmerica is clearly meeting the needs of our policyholders and distribution partners.

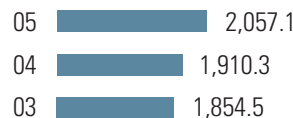
Assets grew 17 percent in 2005 as OneAmerica welcomed the Financial Services Division of Golden Rule to the enterprise.

GAAP ASSETS *(millions of \$)*



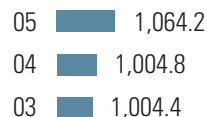
OneAmerica clients found more than two billion reasons to trust their future with us in 2005.

STATUTORY PREMIUMS *(millions of \$)*



GAAP revenues grew 5 percent in 2005.

GAAP REVENUE *(millions of \$)*



Financial Strength

With a high-performing, conservatively managed investment portfolio, solid earnings and a capital position described as “Extremely Strong” by Standard & Poor’s, you can depend on OneAmerica to fulfill its promises now and in the future.

OneAmerica has one of the strongest balance sheets in the industry.

TOTAL EQUITY (GAAP, in millions of \$)

| | | |
|----|---|---------|
| 05 |  | 1,194.8 |
| 04 |  | 1,182.3 |
| 03 |  | 1,161.1 |

2005 earnings were solid, driven by strong business growth and disciplined expense management.

PRE-TAX OPERATING INCOME (GAAP, in millions of \$)

| | | |
|----|---|------|
| 05 |  | 90.7 |
| 04 |  | 70.8 |
| 03 |  | 79.8 |

NET INCOME (GAAP, in millions of \$)

| | | |
|----|---|------|
| 05 |  | 62.1 |
| 04 |  | 56.3 |
| 03 |  | 61.5 |

OneAmerica’s portfolio includes a high quality mix of assets designed to maximize the attractiveness and safety of our product offerings.

GENERAL ACCOUNT INVESTED ASSETS

| | Amount | % of Invested Assets |
|-----------------------|----------|----------------------|
| Fixed Maturities | 6,960.4 | 79.4% |
| Mortgages | 1,338.0 | 15.3% |
| Policy Loans | 176.7 | 2.0% |
| Real Estate | 36.2 | 0.4% |
| Cash and Other | 260.1 | 2.9% |
| Total General Account | | |
| Invested Assets | 8,771.4 | 100.0% |
| Other Assets | 2,836.3 | |
| Separate Accounts | 5,999.0 | |
| Total | 17,606.7 | |

Financial Strength

OneAmerica has consistently beaten the industry average for yield on its invested assets.

PORTFOLIO YIELD VS. THE INDUSTRY

| December 31 | OneAmerica | Industry Average* | OneAmerica Advantage vs. the Industry |
|-------------|------------|-------------------|---------------------------------------|
| 1996 | 8.07% | 7.63% | 0.44% |
| 1997 | 7.93 | 7.66 | 0.27% |
| 1998 | 7.82 | 7.40 | 0.42% |
| 1999 | 7.56 | 7.25 | 0.31% |
| 2000 | 7.78 | 7.34 | 0.44% |
| 2001 | 7.71 | 7.01 | 0.70% |
| 2002 | 7.44 | 6.55 | 0.89% |
| 2003 | 6.90 | 6.13 | 0.77% |
| 2004 | 6.40 | 5.82 | 0.58% |
| 2005 | 6.18** | n/a | n/a |

* Source: A.M. Best

** Adjusted to reflect the acquisition of Golden Rule Financial Services

OneAmerica's investment managers achieve strong yields while maintaining a high-quality investment portfolio. Historically, our level of mortgage delinquencies and junk bonds have been significantly below industry averages.

60-DAY MORTGAGE DELINQUENCIES AND FORECLOSURES

| December 31 | OneAmerica | Industry Average* |
|-------------|------------|-------------------|
| 1996 | 0.98% | 2.80% |
| 1997 | 1.02 | 1.74 |
| 1998 | 0.21 | 0.92 |
| 1999 | 0.02 | 0.55 |
| 2000 | 0.13 | 0.50 |
| 2001 | 0.00 | 0.36 |
| 2002 | 0.37 | 0.37 |
| 2003 | 0.03 | 0.23 |
| 2004 | 0.00 | 0.13 |
| 2005 | 0.00 | 0.10 |

* Source: ACLI

NON-INVESTMENT GRADE BONDS (% of portfolio)

| December 31 | OneAmerica | Industry Average* |
|-------------|------------|-------------------|
| 1996 | 1.8% | 5.3% |
| 1997 | 2.4 | 6.1 |
| 1998 | 1.8 | 7.0 |
| 1999 | 2.3 | 7.3 |
| 2000 | 3.8 | 7.4 |
| 2001 | 3.1 | 7.5 |
| 2002 | 4.2 | 8.4 |
| 2003 | 2.8 | 7.4 |
| 2004 | 1.9 | 6.1 |
| 2005 | 1.7 | 6.1** |

* Source: ACLI

** As of 9/30/05

ONEAMERICA FINANCIAL PARTNERS, INC.
Consolidated Balance Sheets

| December 31 | 2005 | (in millions) | 2004 |
|---|-------------------|---------------|-------------------|
| ASSETS | | | |
| Investments: | | | |
| Fixed maturities - available for sale, at fair value: (amortized cost: 2005 - \$6,827.4; 2004 - \$5,119.6) | \$ 6,960.4 | | \$ 5,397.0 |
| Equity securities at fair value: (cost: 2005 - \$32.6; 2004 - \$33.2) | 42.1 | | 41.4 |
| Mortgage loans | 1,338.0 | | 1,308.7 |
| Real estate, net | 36.2 | | 37.5 |
| Policy loans | 176.7 | | 166.6 |
| Short-term and other invested assets | 22.8 | | 23.2 |
| Cash and cash equivalents | 195.2 | | 148.2 |
| TOTAL INVESTMENTS | 8,771.4 | | 7,122.6 |
| Accrued investment income | 96.9 | | 75.2 |
| Reinsurance receivables | 1,846.4 | | 1,675.6 |
| Deferred acquisition costs | 583.6 | | 509.3 |
| Value of business acquired | 118.5 | | 4.4 |
| Property and equipment, net | 67.8 | | 71.3 |
| Insurance premiums in course of collection | 31.2 | | 33.5 |
| Other assets | 91.9 | | 76.3 |
| Assets held in separate accounts | 5,999.0 | | 5,459.8 |
| TOTAL ASSETS | \$17,606.7 | | \$15,028.0 |
| LIABILITIES AND SHAREHOLDER'S EQUITY | | | |
| LIABILITIES | | | |
| Policy reserves | \$ 9,228.0 | | \$ 7,151.2 |
| Other policyholder funds | 223.0 | | 225.3 |
| Pending policyholder claims | 283.0 | | 297.4 |
| Surplus notes and notes payable | 275.0 | | 275.0 |
| Other liabilities and accrued expenses | 318.4 | | 343.7 |
| Deferred gain on indemnity reinsurance | 85.5 | | 93.3 |
| Liabilities related to separate accounts | 5,999.0 | | 5,459.8 |
| TOTAL LIABILITIES | 16,411.9 | | 13,845.7 |
| SHAREHOLDER'S EQUITY | | | |
| Common stock, no par value - authorized 1,000 shares; issued and outstanding 100 shares | | | |
| Retained earnings | 1,127.0 | | 1,064.9 |
| Accumulated other comprehensive income: | | | |
| Unrealized appreciation of securities, net of tax | 68.2 | | 127.4 |
| Minimum pension liability, net of tax | (0.4) | | (10.0) |
| Total shareholder's equity | 1,194.8 | | 1,182.3 |
| Total liabilities and shareholder's equity | \$17,606.7 | | \$15,028.0 |

ONEAMERICA FINANCIAL PARTNERS, INC.
Consolidated Statements of Operations

| Year ended December 31 | 2005 | <i>(in millions)</i> | 2004 |
|--|----------------|----------------------|----------------|
| REVENUES: | | | |
| Insurance premiums and other considerations | \$ 445.6 | | \$ 414.0 |
| Policy and contract charges | 142.0 | | 130.5 |
| Net investment income | 451.9 | | 427.5 |
| Realized investment gains (losses) | (3.5) | | 3.7 |
| Other income | 28.2 | | 29.1 |
| TOTAL REVENUES | 1,064.2 | | 1,004.8 |
| BENEFITS AND EXPENSES: | | | |
| Policy benefits | 406.3 | | 368.8 |
| Interest expense on annuities and financial products | 188.6 | | 183.1 |
| General operating expenses | 189.2 | | 192.9 |
| Commissions | 66.1 | | 58.8 |
| Amortization | 79.9 | | 78.7 |
| Dividends to policyholders | 27.1 | | 28.2 |
| Interest expense on surplus notes and notes payable | 19.8 | | 19.8 |
| TOTAL BENEFITS AND EXPENSES | 977.0 | | 930.3 |
| Income before income tax expense | 87.2 | | 74.5 |
| Income tax expense | 25.1 | | 18.2 |
| Net income | \$ 62.1 | | \$ 56.3 |

To download an electronic version of the OneAmerica annual report, including audited financial statements, please visit www.oneamerica.com/financials.

Enterprise Profile

OneAmerica Financial Partners, Inc., is headquartered in Indianapolis, Indiana. The company was formed December 17, 2000, as a part of American United Life Insurance Company's conversion to a mutual holding company structure. OneAmerica Financial Partners, Inc., and its subsidiaries are owned by American United Mutual Insurance Holding Company (AUMIHC).

The companies of OneAmerica trace their history back more than 125 years. This dedication to mutual opportunities and growth is the cornerstone of our business and commitment.

The goal of OneAmerica is to blend the strengths of each company to achieve greater collective results. OneAmerica's nationwide network of companies offers a variety of products to serve the financial needs of its policyholders and other clients, including retirement plan products and services; individual life insurance and annuities; long-term care solutions; and group insurance. These products are distributed through a network of employees, agents, brokers and other distribution sources who are committed to maximizing value to our policyholders by helping them plan to meet their financial goals.

OneAmerica companies

- American United Life Insurance Company[®] (AUL)
A.M. Best rating: A (Excellent)
S & P rating: AA- (Very strong)
Moody's rating: A2 (Good)
www.aul.com
- AUL Reinsurance Management Services, LLC (AUL RMS)
www.aulrms.com
- OneAmerica Securities, Inc.
www.oneamericasecurities.com
- Pioneer Mutual Life Insurance Company (PML)
A.M. Best rating: A (Excellent)
www.pmlife.com
- R.E. Moulton, Inc.
www.remoultoninc.com
- The State Life Insurance Company
Exclusive wholesalers of Golden Rule Care Solutions
A.M. Best rating: A (Excellent)
S & P rating: AA- (Very strong)
www.statelife.com

Senior Officers

David A. Brentlinger, FSA, MAAA
Senior Vice President and Chief Actuary

J. Scott Davison (1, 2)
Chief Financial Officer

James M. Kellett, FSA, MAAA (2)
Vice President, Individual Operations

Brian J. Lauber (2)
*Vice President and
Chief Marketing Officer*

Constance E. Lund, CPA, FLMI
Senior Vice President, Corporate Finance

David A. Meguschar (2)
Vice President, Group Operations

Dayton H. Molendorp, CLU (1, 2)
President and CEO

Mark C. Roller
Senior Vice President, Human Resources

G. David Sapp, CFA, FLMI
Senior Vice President, Investments

Emet C. Talley, FLMI
*Vice President, Systems, and Chief
Information Officer*

Victoria I. Yamasaki, CPA, FLMI
Vice President, Strategic Planning

William F. Yoerger (2)
*Senior Vice President, Retirement
Services*

Thomas M. Zurek, JD (1, 2)
*General Counsel and Corporate
Secretary*

SENIOR COMMITTEES

(1) Office of the CEO

(2) Enterprise Strategy Committee

The next annual meeting of members of American United Mutual Insurance Holding Company, the parent of OneAmerica Financial Partners, Inc., and its subsidiaries and affiliates, will be Thursday, Feb. 15, 2007, at 10 a.m. EST in Indianapolis, IN.

AUMIHC Board of Directors

Jerry D. Semler, CLU (1, 2)
Chairman of the Board

Dayton H. Molendorp, CLU (1, 2)
President and CEO

Gerald L. Bepko (2, 4)
Chancellor Emeritus
Indiana University-Purdue University
at Indianapolis (IUPUI)
Indianapolis, Indiana

Alpha C. Blackburn (2)
President and CEO
Blackburn Architects, Inc.
Indianapolis, Indiana

Christel DeHaan (3, 4)
President and Founder
Christel DeHaan Family Foundation
Retired Chairwoman and CEO
Resort Condominiums International
Indianapolis, Indiana

David W. Goodrich (1, 3)
Retired President and CEO
Central Indiana Corporate Partnership
Indianapolis, Indiana

William P. Johnson (1, 3)
Chairman Emeritus
Goshen Rubber Companies, Inc.
Goshen, Indiana

James T. Morris (1, 4)
Executive Director
The United Nations World Food
Programme, Rome, Italy

Thomas E. Reilly, Jr. (2, 3)
Retired Chairman of the Board
Reilly Industries, Inc.
Indianapolis, Indiana

William R. Riggs (1)
Retired Partner
Ice Miller
Indianapolis, Indiana

Yvonne H. Shaheen (3)
Retired CEO and President
Long Electric Company
Indianapolis, Indiana

James M. Swedback, CLU, FLMI
*Chairman of the Board and
Retired President and CEO*
Pioneer Mutual Life Insurance Company
Fargo, North Dakota

BOARD COMMITTEES

(1) Executive

(2) Investment

(3) Audit

(4) Governance, Nominating and
Compensation



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