



growth

service

strength

it all adds up

STANCORP FINANCIAL GROUP, INC.  
2001 ANNUAL REPORT

## mission statement

The people of StanCorp Financial Group meet and exceed customers' needs for financial products and services in growing markets where the application of specialized expertise creates potential for superior shareholder returns.

### *Employee Benefits - Insurance Segment*

A leading provider of group life and disability insurance products, serving more than 33,000 employer groups representing more than 5.6 million employees. The Employee Benefits - Insurance segment also markets group dental insurance and accidental death and dismemberment insurance.

### *Individual Insurance Segment*

A leading provider of disability insurance to individuals nationally. The Individual Insurance segment also markets a full line of immediate and deferred fixed rate annuities.

### *Retirement Plans Segment*

Full-service 401(k), defined benefit, money purchase, profit sharing and deferred compensation plan products and services for small and medium-sized employers.

### *StanCorp Mortgage Investors, LLC*

Recognized experts in originating, underwriting and servicing small commercial mortgage loans.

### *StanCorp Investment Advisers, Inc.*

Registered investment adviser providing performance analysis, fund selection support and model portfolios to Retirement Plans clients.

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### THE STANDARD

The Standard is a service mark of StanCorp Financial Group, Inc., and is used as a brand mark and marketing name by its two insurance subsidiaries: Standard Insurance Company and The Standard Life Insurance Company of New York. The Standard brand reflects our leadership, innovation and quality in the insurance industry.

# financial highlights

INCOME STATEMENT DATA <sup>1</sup> (DOLLARS IN MILLIONS)	2001	2000	CHANGE
Premiums	\$ 1,231.7	\$ 1,102.0	11.8%
Total Operating Revenues	1,585.4	1,464.5	8.3
Operating Income	106.0	97.1	9.2
Special Items, Net of Tax <sup>2</sup>	–	(1.2)	
Net Income	106.0	94.7	11.9
Operating Return on Average Equity	11.4%	10.8%	5.6

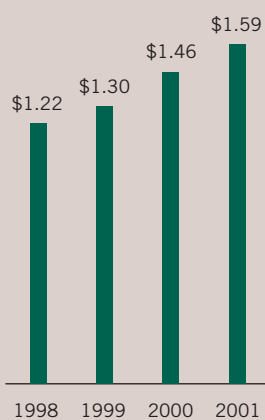
BALANCE SHEET DATA (DOLLARS IN MILLIONS)			
Invested Assets and Cash	\$ 4,993.3	\$ 5,310.4	(6.0%)
Total Assets	7,277.0	6,859.6	6.1
Equity (excludes accumulated other comprehensive income)	940.4	922.5	1.9

PER COMMON SHARE			
Basic Operating Income <sup>1</sup>	\$ 3.47	\$ 3.05	
Diluted Operating Income <sup>1</sup>	3.44	3.02	
Basic Net Income	3.47	2.97	
Diluted Net Income	3.44	2.95	
Book Value at Year End (excludes accumulated other comprehensive income)	31.57	29.23	
Market Value at Year End	47.25	47.75	

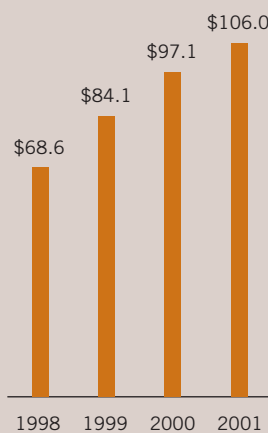
SHARES OUTSTANDING			
Basic Average Shares	30,553,049	31,878,834	
Diluted Average Shares	30,835,722	32,125,596	
At Year End	29,782,966	31,565,486	

<sup>1</sup>Operating income excludes realized investment gains and losses and special items, both net of tax. <sup>2</sup>Special items consisted of severance costs associated with disposition of the individual life insurance product line.

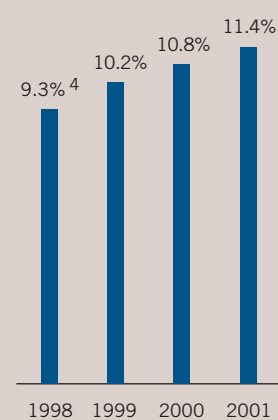
Total Operating Revenues  
(in billions)



Operating Income  
(in millions)



Operating Return On  
Average Equity<sup>3</sup>



<sup>3</sup>Excludes accumulated other comprehensive income. <sup>4</sup>Pro forma.

# message from the chairman

*Fellow Shareholders,*

For StanCorp Financial Group, Inc., the year 2001 was a continuation of strong and profitable growth. The year also brought significant challenge to our nation and our industry.

A weakening economy led to rising unemployment and we saw our lives forever altered by the events of September 11. Through it all, the people of StanCorp responded professionally and compassionately to address customer concerns, while giving generously of their own time and resources. During this difficult period, StanCorp's people lived the company's mission.

We succeeded in meeting our targets in 2001 for premium and earnings growth, while carefully managing costs. StanCorp reported operating income for 2001 of \$3.44 per diluted common share, a 13.9% increase over 2000 results, meeting our annual growth goal of 12% to 15%. Operating revenues increased to \$1.6 billion, while premiums grew 11.8%, meeting our annual target of 10% to 12%. Our operating return on average equity increased to 11.4%. Financial results for 2001 included \$5 million in pre-tax charges related to the terrorist events of September 11.

Entering 2002, speculation remains about when the economy will begin to turn around. In the event it takes extended time for economic conditions to improve, our

business may be impacted. Regardless of the cyclical nature of the economy, StanCorp remains true to its mission and commitment to apply specialized expertise in growth markets and create potential for superior shareholder returns. Our company fundamentals — well-paced growth, exceptional service, and financial strength — establish a foundation that allows us to take advantage of market upturns and withstand economic downturns. The people of StanCorp, our greatest asset, continually innovate and demonstrate flexibility in response to changing market conditions.

Fueled by expanded distribution channels, new strategic partnerships, and new products and services,

premium growth in 2001 was 16% in the company's largest segment, Employee Benefits - Insurance. Three of our employee benefits products — long term disability, short term disability and life insurance — rank in the top 10 nationally based on inforce premiums.

Despite a down year in the equity markets, deposits in the Retirement Plans segment increased by 22%. More than a third of our plan sponsors have used StanCorp Investment Advisers' new consulting service to assist in fund selection for their retirement plans. An independent nationwide survey rated The Standard first among managers of 401(k) plans in the \$1 million to \$10 million category, reflecting the excellence of our investment options and customer service.

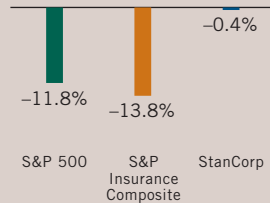
The Individual Insurance segment catapulted into the top 10 providers of individual disability income insurance nationally based on inforce premiums. We successfully integrated 53,000 individual disability policies acquired from Minnesota Life Insurance Company in late 2000, and Minnesota Life agents now market The Standard's individual disability products throughout the United States. This segment of our business is served by the same claims management operation and return-to-work focus that has made us so successful in the employee benefits market.

StanCorp Mortgage Investors completed another successful year,

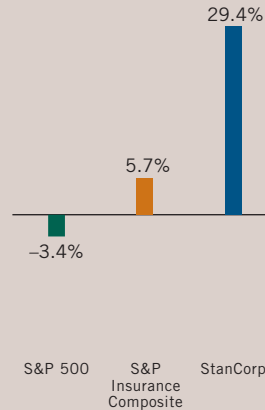


Ronald E. Timpe, Chairman,  
President and Chief Executive Officer

Total Investment Return  
in 2001



Annual Equivalent Return  
Since 4/16/99  
(date the company became publicly traded)



originating \$430 million in loans and finishing the year with a delinquency rate of less than 1% for the 12th consecutive year.

Financial strength, the hallmark of our company history, allows us to continue growing steadily and profitably. We continue to record limited intangible assets, maintain a strong investment portfolio, and exercise disciplined underwriting and reserving practices. Our strong capital position allows us to reinvest in the growth of our business, consider acquisitions that leverage existing expertise, and repurchase StanCorp stock. Our long-standing commitment to financial strength was rewarded in January 2002, when Moody's Investors Service upgraded our financial strength rating from A2 to A1.

Approaching our third anniversary as a publicly traded company, we re-examined our mission, strategic plan and financial targets. Even with industry uncertainty following September 11 and a weak economy, we confirmed that we are pursuing the right course. We possess the resources necessary to execute our strategy successfully. As a result, in 2002, we are forging ahead with expanding distribution channels for our products nationally, enhancing our e-business capabilities, and introducing new products, including improved group dental and voluntary insurance product offerings. To support these objectives, we will continue to listen attentively to customers, invest in our people, and seek further improvements in fundamental operating processes.

Growth, service and financial strength — made possible by the expertise and dedication of our people — produced yet another successful year and add up to a very promising future.

RONALD E. TIMPE, FSA, CLU  
Chairman, President and Chief Executive Officer



growth

service

strength

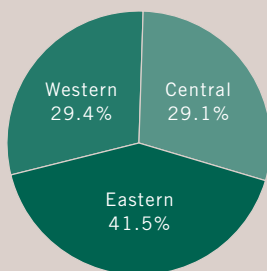
Steady. Strong. Focused.  
Characteristics of our company and our growth.

# growth

After accelerated national expansion in 2000, the company focused in 2001 on continued profitable growth. To that end, we refined product offerings, strengthened distribution channels, and entered into strategic partnerships with organizations that share our customer service values.

Employee Benefits - Insurance continued its growth with strong new sales divided among the Eastern, Western and Central regions of the United States. We now have 151 sales representatives marketing The Standard's employee benefits products, an increase of 50% since the company went public in April 1999. New partnerships with M Financial Group and NFP Benefits augment marketing and distribution

Employee Benefits - Insurance  
Geographic Distribution of New Sales  
2001



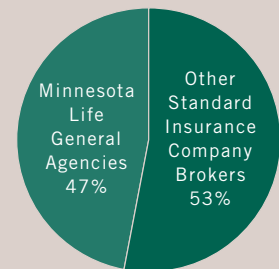
for group insurance and executive benefits products nationwide through more than 175 brokerage, advisory and consulting firms. The Standard Life Insurance Company of New York received approval for disability products in New York, and began sales, marketing and claim operations in 2001.

We introduced several new products and services to bolster growth. For executives and highly compensated professionals, we introduced Executive Benefits Income Protection<sup>SM</sup>, offering a unique combination of enhanced coverage and claims efficiency that can not be obtained through group or individual income disability products separately. Through our partnership with MEDEX<sup>®</sup> Travel Assist, we also added an increasingly popular medical emergency service benefit for traveling employees. And, to enhance employee assistance options for group policyholders, we entered an agreement with Horizon Behavioral Services, the 10th largest employee assistance program vendor in the United States.

In Individual Insurance, success marked the first year of our new marketing agreement with Minnesota Life, which maintains a national network of 1,700 agents well versed in financial planning for professionals and small business owners. During 2001, we were awarded preferred status with over 60 of their general agencies, greatly expediting national distribution of The Standard's disability insurance products. We also successfully integrated 53,000 individual disability insurance policies acquired from Minnesota Life while maintaining timely claims processing and limiting policy lapses. Individual life insurance contracts sold to Protective Life were successfully transferred as scheduled at mid-year. Meanwhile, we expanded fixed rate annuity distribution channels and added new products, generating a significant increase in first-year deposits.

Driven by another year of strong deposit growth, assets under management in Retirement Plans increased to \$1.77 billion, even with

Individual Disability Income Sales  
2001



the overall decline in equity markets. Efforts to attract larger customers resulted in a 58% increase in average funds transferred in for new customers.

In 2002, we will broaden distribution capabilities in our product lines by increasing the size of our sales force and selectively opening new offices. In Employee Benefits - Insurance, we will expand expertise in group dental products to create a national offering, and update the voluntary insurance product line so employers can offer greater coverage to employees purchasing insurance at group discount rates. Despite economic uncertainties, we anticipate steady improvement in many measures of growth across business lines in 2002.



growth

service

strength

Responsive. Caring. Respectful.

Core values we demonstrate during hundreds of customer interactions each day.

# customer service

Our commitment to high-quality service is reflected in personal interactions with customers, expedited online services and effective back office systems. In the aftermath of September 11, our teams showed remarkable service, extending themselves to customers with both compassion and competence. This is the standard we aspire to every day.

Service to our disability customers is driven by a return-to-work philosophy. Disabled employees demonstrate time and again that they want to get back to work when given the proper support and guidance. More than 50 doctors, nurse case managers and vocational rehabilitation specialists coordinate with customers and claims analysts to design treatment programs for effective reentry into established work activities. We also work with employers and employees to define return-to-work goals and identify alternative occupations if needed.

#### 401KEXCHANGE.COM

Standard Insurance Company was rated #1 fund manager and #2 plan administrator overall in the \$1 million to \$10 million category.

And placed in the top 10 in the following categories:

- 1st in plan administrator customer service
- 2nd in fund manager fees
- 3rd in fund management
- 3rd as fund manager of investment options
- 5th in plan administration

In 2001, our Retirement Plans business received favorable recognition for its commitment to service. We earned top rankings among

companies managing plan assets of \$1 million to \$10 million, based on a survey of 95,000 plan sponsors by 401kExchange.com — an independent Web-based exchange providing objective research and information. The survey took special note of The Standard's investment options and customer service, validating high marks received on our own customer surveys. A new service option, provided through StanCorp Investment Advisers, offers professional consultation for 401(k) plan sponsors in the fund selection process. One third of our retirement plan sponsors have enrolled.

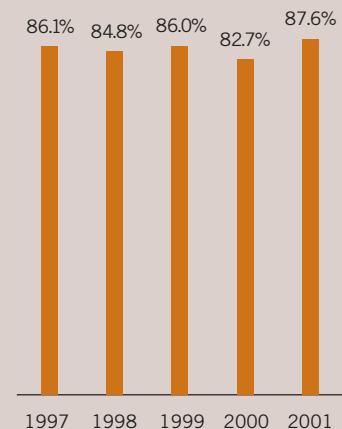
Improvements to our secure Web site, The Standard Connection<sup>SM</sup>, address emerging demands of customers and brokers. Benefit administrators generate online reports and conduct electronic billing administration and account management. Retirement plan sponsors download expanded transactional information, and plan participants access fund balances, transfer money online between funds and access fund performance history. Brokers obtain information on new product enhancements, and receive critical information on product components and applications. Additional Web upgrades are under way to give brokers better access to information about commissions, products and training, and to support benefit managers with simplified access, reporting and administration.

The greatest testament to our service differentiation is our premium retention. In 2001, premium persistency (the retention of business

that occurs when a policy remains inforce) was 88% for Employee Benefits - Insurance and 92% for Individual Disability.

During 2002, we will continue to pursue improvements in all facets of customer service. Our focus on service ensures responsiveness and adaptability in the face of changing market forces.

Employee Benefits - Insurance Premium Persistency (Retention)





growth

service

strength

Solid. Disciplined. Prepared.

A strong foundation to help us meet our obligations and grow.

# financial strength

Financial strength and discipline are critical components of the foundation that enables us to reinvest in our business and protects us in periods of economic uncertainty. Financial strength starts with growing earnings and a strong balance sheet. We currently do not have long-term debt. Intangible assets, primarily deferred acquisition costs, represent less than 2% of our total assets.

We are disciplined in our underwriting and reserving practices. Our discipline extends to pricing, where we have consistently demonstrated our willingness to compete only if pricing is profitable. We seek the greatest possible pricing stability for our customers combined with profitability for all of our product lines.

## INVESTMENT PORTFOLIO

### Fixed Maturity Securities

- Approximately 57% of portfolio
- Less than 1% realized losses in 2001
- Average investment grade of A+

### Commercial Mortgage Loans

- Approximately 42% of portfolio
- Less than 1% delinquency rate for 12 consecutive years
- Average loan-to-value less than 60%

Another key to financial strength and one of the fundamentals of being successful in insurance is a broad spread of risk. The Employee Benefits - Insurance segment, which represents approximately 92% of our premiums, is diversified across customer size, industry, occupation, salary range and geography. Similar principles of broad spread of risk are applied in our other business segments.

As part of risk management, we maintain a prudent level of reinsurance and catastrophe coverage. In anticipation

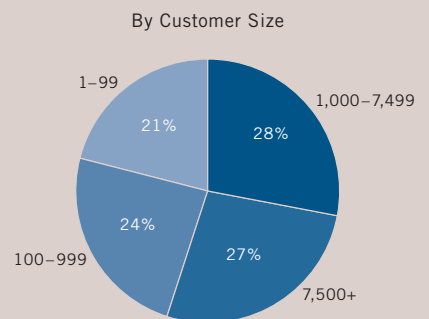
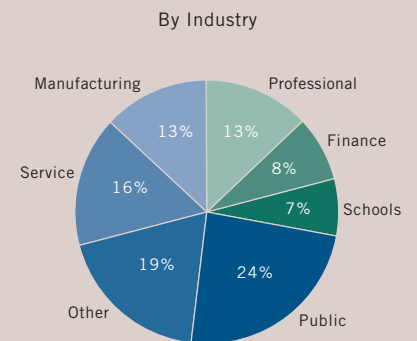
of potential changes in reinsurance and catastrophe coverage availability following the September 11 terrorist attacks, we entered a catastrophe reinsurance pool for group life and accidental death and dismemberment. The catastrophe reinsurance pool introduces exposure to potential losses experienced by other participating members of the pool, but substantially increases our coverage to approximately \$200 million per event.

Our investment portfolio — primarily a mix of bonds and commercial mortgages — remains solid and provides an effective match to our liabilities while producing a good return. The bond portfolio is well diversified across industries and maturities and has an average credit quality of A+. At year-end, 97% of the bonds were investment grade.

Because a substantial portion of our insurance products don't allow for immediate cash withdrawals by customers, our match of long-term assets to long-term liabilities, coupled with our expertise in small commercial mortgage loans, affords us a unique opportunity for substantial investment in mortgages, which have higher yields than other investment opportunities. We hold nearly 3,000 commercial mortgage loans, averaging approximately \$700,000 each. Our delinquencies were less than 0.03% at December 31, 2001, well below industry averages.

StanCorp's balance sheet has no long-term debt. This gives us the capacity to borrow money to support growth opportunities. Excess capital generated by the business supports three priorities: expansion of product and service offerings, acquisitions consistent with our mission and

## Employee Benefits - Insurance Risk Spread <sup>1</sup>



<sup>1</sup> Inforce premiums as of 12/31/01.

financial objectives, and share repurchases. In 2001, we repurchased 1.9 million shares at an average price of \$43.65 and authorized a new program to repurchase 1.6 million shares.

We plan to add debt to our capital structure in the future to meet business objectives, and independent rating agencies have incorporated an expectation of moderate financial leverage in our current financial strength ratings.

We have not strayed from our commitment to financial strength. Ours is a long-term view. We do not compromise long-term value for short-term gain. Our financial practices are fundamental elements of prudent risk management. We view them as keys to future stability and continued growth.



growth

service

strength

Growth. Service. Financial strength.

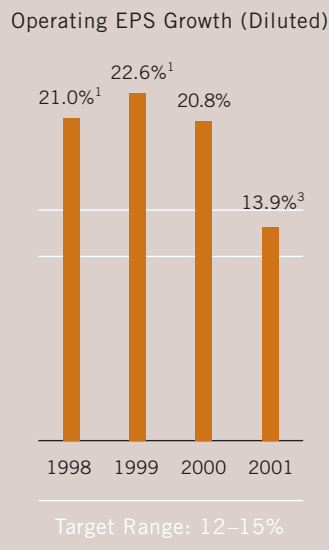
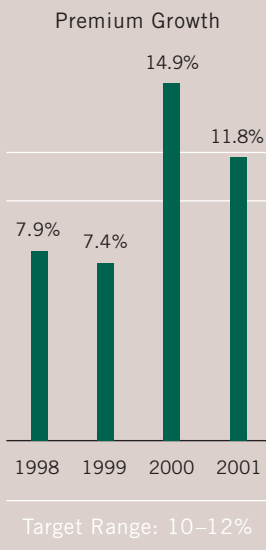
The people of StanCorp deliver to customers and shareholders.

# it all adds up

Our results suggest we are achieving our mission to meet and exceed customer needs in growing markets where the application of specialized expertise creates potential for superior shareholder returns. We believe customer satisfaction and shareholder value are inseparable.

Strong focused growth, responsive caring service, and disciplined financial practices all add up to a sound investment...for today and for the future.

## financial targets



<sup>1</sup> Reflects operating earnings, as no shares were outstanding. <sup>2</sup> Excludes accumulated other comprehensive income. <sup>3</sup> Includes \$5 million in pre-tax charges related to the terrorist events of September 11. <sup>4</sup> Target range: 14–15% by the end of 2005. <sup>5</sup> Pro forma.

## STANDARD INSURANCE COMPANY

### financial strength ratings

- A (Excellent) by A.M. Best – 3rd of 13 rankings
- AA- (Very High Claims Paying Ability) by Fitch – 4th of 16 rankings
- A+ (Strong) by Standard & Poor's – 5th of 16 rankings
- A1 (Good) by Moody's – 5th of 16 rankings

As of January 2002

## officers, board of directors and management committee

### STANCORP FINANCIAL GROUP, INC. OFFICERS

*Scott A. Hibbs*  
Assistant Vice President,  
Investor Relations

*Cindy J. McPike, CPA*  
Vice President, Controller  
and Treasurer

*Eric E. Parsons, FLMI*  
Senior Vice President and  
Chief Financial Officer

*Ronald E. Timpe, FSA, CLU*  
Chairman, President and  
Chief Executive Officer

*Michael T. Winslow, JD*  
Vice President, General Counsel  
and Corporate Secretary

### BOARD OF DIRECTORS

*Virginia L. Anderson*<sup>2,5</sup>  
Director  
Seattle Center

*Frederick W. Buckman*<sup>2,3</sup>  
Chairman and  
Chief Executive Officer  
Trans-Elect, Inc.

*John E. Chapoton*<sup>2</sup>  
Partner  
Brown Investment Advisory  
Incorporated

*Barry J. Galt*<sup>3,4</sup>  
Retired Chairman and  
Chief Executive Officer  
Ocean Energy, Inc.

*Richard Geary*<sup>1,3</sup>  
President, Retired  
Kiewit Pacific Company

*Peter T. Johnson*<sup>1,2</sup>  
Former Administrator  
Bonneville Power  
Administration

*Peter O. Kohler, MD*<sup>1,5</sup>  
President  
Oregon Health & Science  
University

*Jerome J. Meyer*<sup>3,4</sup>  
Retired Chairman and  
Chief Executive Officer  
Tektronix, Inc.

*Ralph R. Peterson*<sup>4,5</sup>  
Chairman, President and  
Chief Executive Officer  
CH2M Hill Companies LTD

*E. Kay Stepp*<sup>4,5</sup>  
Principal and Owner  
Executive Solutions

*Mike Thorne*<sup>1,3</sup>  
Director and  
Chief Executive Officer  
Washington State Ferry System

*Ronald E. Timpe*<sup>1</sup>  
Chairman, President and  
Chief Executive Officer  
StanCorp Financial Group, Inc.

*Franklin E. Ulf*<sup>1,3</sup>  
Chairman  
U.S. Trust Company, N.A.

### MANAGEMENT COMMITTEE

*Ronald E. Timpe, FSA, CLU*  
Chairman, President and  
Chief Executive Officer

*Patricia J. Brown, CPA, FLMI*  
Vice President,  
Information Technology  
Standard Insurance Company

*Kim W. Ledbetter, FSA, CLU*  
Senior Vice President,  
Individual Insurance and  
Retirement Plans  
Standard Insurance Company

*Douglas T. Maines*  
Senior Vice President,  
Employee Benefits - Insurance  
Standard Insurance Company

*J. Gregory Ness, LLIF*  
Senior Vice President,  
Investments  
Standard Insurance Company

*Eric E. Parsons, FLMI*  
Senior Vice President and  
Chief Financial Officer

*Michael T. Winslow, JD*  
Vice President, General Counsel  
and Corporate Secretary

Board Committees: <sup>1</sup>Executive. <sup>2</sup>Audit. <sup>3</sup>Finance and Operations. <sup>4</sup>Organization and Compensation. <sup>5</sup>Nominating and Corporate Governance.

## management committee



### MANAGEMENT COMMITTEE

Left to right:  
Doug Maines, Eric Parsons, Ron Timpe,  
Pat Brown, Kim Ledbetter, Mike Winslow,  
Greg Ness

## statement of responsibility

Management is responsible for the preparation of the accompanying consolidated financial statements and for all information in the annual report. The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, and include amounts based on management's informed judgments and estimates. Management believes that the financial statements fairly present the financial position, results of operations, and cash flows and that the other information contained in the annual report is consistent with the financial statements.

In meeting its responsibility for the integrity of the consolidated financial

statements, the Company maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded and that transactions are properly authorized, executed and recorded. The system of internal controls is supported by an appropriate division of responsibilities and the careful selection and training of qualified personnel, and is documented by written policies and procedures that are communicated to employees. Management continually monitors the system of internal controls for compliance, and the Company's internal auditors independently assess the effectiveness of the controls and make recommendations for improvement. The financial statements have been

audited by the independent accounting firm of Deloitte & Touche, LLP in accordance with auditing standards generally accepted in the United States of America. Their audit included consideration of the Company's system of internal controls in determining the nature, timing, and extent of audit tests.

The Audit Committee of the Board of Directors, comprised of four outside directors, meets periodically with both the internal and independent auditors to discuss the results of their audits and the adequacy of the internal controls. The internal and independent auditors have access to the Audit Committee to discuss any matter they believe should be brought before the Committee.

RONALD E. TIMPE, FSA, CLU  
*Chairman, President and Chief Executive Officer*

ERIC E. PARSONS, FLMI  
*Senior Vice President and Chief Financial Officer*

# financial retrospective

SEGMENT DATA <sup>1</sup> (DOLLARS IN MILLIONS)		2001	2000	1999	1998	1997
Operating Revenues	Employee Benefits - Insurance	\$1,321.2	\$1,142.9	\$1,010.3	\$ 930.6	\$ 850.9
	Individual Insurance	180.8	232.7	208.5	219.3	219.5
	Retirement Plans	73.1	74.4	67.2	68.0	65.1
	Other	10.3	14.5	12.9	1.2	(2.8)
	Total	\$1,585.4	\$1,464.5	\$1,298.9	\$1,219.1	\$1,132.7
Benefit Ratio	Employee Benefits - Insurance (% of premiums) <sup>2</sup>	82.1%	82.1%	83.3%	85.4%	88.0%
	Individual Insurance (% of premiums) <sup>3</sup>	104.5	n/a	n/a	n/a	n/a
	Retirement Plans (interest credited as % net inv inc)	67.5	67.5	66.2	66.7	70.6
Operating Expense Ratio	Employee Benefits - Insurance (% of premiums)	13.2%	13.6%	13.5%	13.6%	12.7%
	Individual Insurance (% of operating revenues)	12.6	11.1	12.3	12.2	11.8
	Retirement Plans (% of average assets under management)	1.3	1.3	1.5	1.6	1.5
Pre-tax Operating Income (Loss)	Employee Benefits - Insurance	\$ 133.3	\$ 116.9	\$ 104.5	\$ 82.7	\$ 64.6
	Individual Insurance	27.2	17.4	11.9	17.9	22.9
	Retirement Plans	(0.2)	-	(1.7)	(0.4)	0.4
	Other	4.2	10.5	10.4	(0.8)	(2.7)
	Total	\$ 164.5	\$ 144.8	\$ 125.1	\$ 99.4	\$ 85.2

## INVESTMENT DATA AT DECEMBER 31 (DOLLARS IN MILLIONS)

Percent of Investments	Fixed Maturities	56.5%	52.5%	50.9%	52.7%	51.9%
	Mortgage Loans	41.9	42.6	42.9	40.7	40.9
Portfolio Yields	Fixed Maturities (excluding convertibles)	6.79%	7.01%	6.94%	7.05%	7.21%
	Mortgage Loans	8.22	8.34	8.37	8.70	9.13
Quality	Fixed Maturities Rating					
	A or higher	69.0%	79.5%	81.0%	85.1%	86.9%
	BBB/Baa	28.0	19.4	18.3	14.4	12.6
	BB/Ba	2.4	0.9	0.7	0.5	0.5
	B or lower	0.6	0.2	-	-	-
	Mortgage Loans					
	Net Balance of Restructured Loans	\$ 5.9	\$ 6.1	\$ 5.5	\$ 7.7	\$ 8.7

## STANCORP MORTGAGE INVESTORS, LLC (DOLLARS IN MILLIONS)

Mortgage Loan Originations		\$ 430.1	\$ 432.8	\$ 519.1	\$ 440.9	\$ 391.8
Mortgage Loans Under Management	Standard Insurance Company	\$2,005.2	\$2,050.9	\$1,909.2	\$1,718.7	\$1,595.9
	Other Investors	532.7	324.9	270.8	239.9	197.6
	Total	\$2,537.9	\$2,375.8	\$2,180.0	\$1,958.6	\$1,793.5

## OTHER

Effective Income Tax Rate	35.6%	32.9%	34.0%	33.7%	34.1%
Number of Employees at Year End	2,255	2,082	1,971	1,849	1,726

<sup>1</sup> Operating income excludes realized investment gains and losses and special items, both net of tax.

<sup>2</sup> Includes interest credited and excludes \$4.3 million in pre-tax charges related to the terrorist events of September 11.

<sup>3</sup> Excludes \$0.7 million in pre-tax charges related to the terrorist events of September 11.

# Form 10-K

We have included our Form 10-K, as filed with the Securities and Exchange Commission, with our annual report to provide more complete information about our company.

The exhibits to Form 10-K have been omitted intentionally. If you would like a copy of the exhibits please write our Investor Relations Department at StanCorp Financial Group, Inc., 1100 Southwest Sixth Avenue, Portland, Oregon 97204.

## corporate information

### FOR INVESTOR INFORMATION, CONTACT

*Scott Hibbs, Assistant Vice President*  
Investor Relations  
(503) 321-7529  
shibbs@standard.com

*Jane Keister, Director*  
Shareholder Services  
(800) 378-8360 or (503) 321-7097  
jkeister@standard.com

### FOR CORPORATE INFORMATION, CONTACT

*Kira Higgs, Assistant Vice President*  
Public Affairs and Communications  
(503) 321-6418  
khiggs@standard.com

### VISIT US ON THE INTERNET

[www.stancorpfinancial.com](http://www.stancorpfinancial.com)  
[www.standard.com](http://www.standard.com)  
[www.standard-ny.com](http://www.standard-ny.com)

### COMMON STOCK LISTING AND TRADING

StanCorp Financial Group, Inc. common stock is listed and traded on the New York Stock Exchange under the ticker symbol SFG.

### CORPORATE HEADQUARTERS

StanCorp Financial Group, Inc.  
1100 SW Sixth Avenue  
Portland, Oregon 97204

### PRINCIPAL SUBSIDIARIES

Standard Insurance Company  
The Standard Life Insurance Company  
of New York  
StanCorp Mortgage Investors, LLC  
StanCorp Investment Advisers, Inc.

### NOTICE OF ANNUAL

#### SHAREHOLDER MEETING

StanCorp Financial Group, Inc.  
11:00 a.m. Monday, May 6, 2002  
Portland Center for the Performing Arts  
1111 SW Broadway  
Portland, Oregon

### TRANSFER AGENT AND REGISTRAR OF COMMON STOCK

Mellon Investor Services LLC  
Shareholder Relations  
PO Box 3315  
South Hackensack, New Jersey 07606  
(800) 303-3963

*TDD for Hearing Impaired*  
(800) 231-5469

*Foreign Shareholders*  
(201) 329-8660

*TDD for Foreign Shareholders*  
(201) 329-8354

*Web Address*  
[www.melloninvestor.com](http://www.melloninvestor.com)

Information in this annual report includes certain statements related to projected growth and future events. These statements are "forward-looking" statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Because such statements are subject to risks and uncertainties, actual results in future periods may differ materially from those expressed or implied by such forward-looking statements. See the Company's 2001 Form 10-K for a description of the types of uncertainties and risks that may affect actual results.

EMPLOYEE BENEFITS - INSURANCE  
SALES AND SERVICE OFFICES  
(800) 521-8780

INDIVIDUAL INSURANCE  
SALES AND MARKETING  
(800) 992-4446

RETIREMENT PLANS  
SALES AND SERVICE OFFICES  
(877) 805-1127

STANCORP MORTGAGE INVESTORS  
(503) 321-7785

STANCORP INVESTMENT ADVISERS  
(800) 378-5742

