

AMERUS GROUP CO/IA  
Form DEF 14A  
March 22, 2005

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement.  
 CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2)).  
 Definitive Proxy Statement.  
 Definitive Additional Materials.  
 Soliciting Material Pursuant to Section 240.14a-12

**AMER US GROUP CO.**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- No fee required.  
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1) Title of each class of securities to which transaction applies:

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1) Amount Previously Paid:

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**AmerUs Group Co.**  
**699 Walnut Street**  
**Des Moines, IA 50309-3948**

**Roger K. Brooks**  
**Chairman and**  
**Chief Executive Officer**

March 22, 2005

Dear Shareholder:

I am pleased to invite you to attend the annual meeting of shareholders of AmerUs Group Co. to be held on Thursday, April 28, 2005, at 2:00 p.m., Des Moines local time, at the AmerUs Conference Center, Hub Tower, 3rd Floor, 699 Walnut Street, Des Moines, Iowa.

Details regarding the meeting and the business to be conducted are more fully described in the accompanying notice of annual meeting and proxy statement. The meeting will also feature a report on company operations, followed by a question and discussion period.

Enclosed in this package is the 2004 annual report and AmerUs Group's annual report on Form 10-K. Also enclosed is a proxy card for you to record your vote and a return envelope for mailing your completed proxy card back to the company.

I hope that you will be able to attend the meeting—your vote is important. Whether or not you plan to attend in person, you may vote on the Internet, by telephone or by completing and mailing the enclosed proxy card. Voting over the Internet, by telephone or by written proxy will ensure your representation at the annual meeting, if you do not attend in person. Please review the instructions on the proxy card regarding each of these voting options.

Thank you for your ongoing support of and continued interest in AmerUs Group. I look forward to seeing you at the annual meeting.

Sincerely,

Roger K. Brooks  
*Chairman and*  
*Chief Executive Officer*

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**699 Walnut Street  
Des Moines, Iowa 50309-3948  
NOTICE OF ANNUAL MEETING OF  
SHAREHOLDERS  
To Be Held April 28, 2005**

To the Shareholders:

The annual meeting of shareholders of AmerUs Group Co. (the Company) will be held on Thursday, April 28, 2005, at 2:00 p.m., Des Moines local time, at the AmerUs Conference Center, Hub Tower, 3rd Floor, 699 Walnut Street, Des Moines, Iowa, for the following purposes:

1. to elect: one director to serve for a one-year term; one director to serve for a two-year term; and four directors to serve for three-year terms;
2. to approve an amendment to the 2003 Stock Incentive Plan to increase the number of shares of restricted stock that can be issued by the Company under its plan from 225,000 to 450,000, but without increasing the total number of stock related awards that can be granted under the Plan;
3. to approve performance-based compensation procedures to be followed by the Company in granting incentive compensation awards to certain senior executives under the management incentive plan and long-term incentive plan to ensure the deductibility of such compensation in compliance with Section 162(m) of the Internal Revenue Code;
4. to ratify the audit committee's appointment of Ernst & Young LLP as independent auditors of the Company for the 2005 fiscal year; and
5. to transact such other business as may properly come before the meeting or any adjournment thereof.

The foregoing items of business are more fully described in the proxy statement accompanying this notice.

The board of directors has fixed the close of business on March 1, 2005, as the record date for the determination of shareholders entitled to notice of and to vote at the annual meeting. Accordingly, only shareholders of record on that date are entitled to vote at the annual meeting or any adjournments thereof.

All shareholders are invited to attend the meeting in person. Whether you plan to attend or not, it is important that you read the proxy statement and follow the instructions on your proxy card to vote by mail, telephone or Internet. This ensures that your shares are represented at the meeting. If you choose to submit your proxy by mail, we have enclosed an envelope addressed to our transfer agent, Mellon Investor Services, for which no postage is required if mailed in the United States.

By order of the board of directors

James A. Smallenberger  
*Senior Vice President and Secretary*

Des Moines, Iowa  
March 22, 2005

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**2005 ANNUAL MEETING OF SHAREHOLDERS  
PROXY STATEMENT  
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**699 Walnut Street  
Des Moines, Iowa 50309-3948**

**PROXY STATEMENT FOR 2005**

This proxy statement is furnished to shareholders by the board of directors of AmerUs Group Co. (the Company) in connection with the solicitation of proxies for use at the annual meeting of shareholders of the Company to be held at the AmerUs Conference Center, Hub Tower, 3rd Floor, 699 Walnut Street, Des Moines, Iowa, on Thursday, April 28, 2005, at 2:00 p.m., Des Moines local time, and at any adjournments thereof.

This proxy statement, notice of annual meeting of shareholders and the accompanying proxy card are being mailed to shareholders beginning on or about March 22, 2005. The Company's 2004 annual report and annual report on Form 10-K are being mailed to shareholders with this proxy statement.

**General Information about the Annual Meeting and Voting**

The board of directors has fixed the close of business on March 1, 2005, as the record date (the Record Date) for the determination of shareholders entitled to notice of and to vote at the annual meeting or any adjournments thereof. On the Record Date, 39,433,147 shares of the Company's common stock were outstanding and entitled to vote at the meeting. Each share of common stock entitles the holder thereof to one vote on each matter to be voted on at the annual meeting. There were no shares of voting preferred stock outstanding as of the Record Date. Set forth below are questions and answers about the proxy materials and the annual meeting.

**1. *Why am I receiving these materials?***

The Company's board of directors is providing these proxy materials for you in connection with the Company's annual meeting of shareholders, which will take place on April 28, 2005. Shareholders are invited to attend the annual meeting and are requested to vote on the proposals described in this proxy statement.

**2. *What information is contained in these materials?***

The information included in this proxy statement relates to the proposals to be voted on at the annual meeting, the voting process, the structure of the board and the compensation of directors and our most highly-paid officers and certain other required information. The Company's 2004 Annual Report including Form 10-K, proxy card and return envelope are also enclosed.

**3. *What proposals will be voted on at the annual meeting?***

There are four proposals scheduled to be voted on at the annual meeting:

the election of one director to serve for a one-year term, one director to serve for a two-year term and four directors to serve for three-year terms;

the approval of an amendment of the Company's 2003 Stock Incentive Plan to increase the number of shares of restricted shares or units issuable under the Plan from 225,000 to 450,000;

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the approval of certain performance-based procedures to be followed by the Company in granting incentive compensation awards to certain senior executives in compliance with Section 162(m) of the Internal Revenue Code; and

the ratification of the audit committee's appointment of Ernst & Young LLP as independent auditors of the Company for the 2005 fiscal year.

**4. *What are the Company's voting recommendations?***

The Company's board of directors recommends that you vote your shares FOR each of the nominees to the board of directors; FOR the proposal to amend the Company's 2003 Stock Incentive Plan; FOR the proposal to approve certain performance-based procedures to comply with Section 162(m) of the Internal Revenue Code; and FOR the ratification of the audit committee's appointment of Ernst & Young LLP as the Company's independent auditors for the 2005 fiscal year.

**5. *What shares owned by me can be voted?***

All shares owned by you as of the close of business on March 1, 2005 (the Record Date) may be voted by you. You may cast one vote per share of common stock that you held on the Record Date. These shares include all shares that you may own in any of the following ways: (1) held directly in your name as the shareholder of record; (2) held for you as the beneficial owner through a stockbroker, bank or other nominee; or (3) shares held through the Company's 401(k) Plan, which is also called the All\*AmerUs Savings and Retirement Plan.

**6. *What is the difference between holding shares as a shareholder of record and as a beneficial owner?***

As summarized below, there are some distinctions between shares held of record and those owned beneficially.

**Shareholder of Record**

If your shares are registered directly in your name with the Company's transfer agent, Mellon Investor Services, you are considered, with respect to those shares, the shareholder of record, and these proxy materials are being sent directly to you by the Company. As the shareholder of record, you have the right to grant your voting proxy directly to the Company or to vote in person at the annual meeting. The Company has enclosed a proxy card for you to use. You may also vote by Internet or by telephone as described under question 8 below, How can I vote my shares without attending the annual meeting?

**Beneficial Owner**

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you by your broker or nominee who is considered, with respect to those shares, the shareholder of record. As the beneficial owner, you have the right to direct your broker on how to vote and you are also invited to attend the annual meeting. However, since you are not the shareholder of record, you may not vote these shares in person at the annual meeting. Your broker or nominee has enclosed a voting instruction card for you to use in directing the broker or nominee regarding how to vote your shares. You may also vote by Internet or by telephone as described under question 8 below, How can I vote my shares without attending the annual meeting?

**7. *How can I vote my shares in person at the annual meeting?***

Shares held directly in your name as the shareholder of record may be voted in person at the annual meeting. If you choose to vote your shares in person at the annual meeting, please bring the enclosed proxy card or proof of identification. Even if you plan to attend the annual meeting, the Company recommends that you also submit your proxy as described under question 8 below so that your vote will be counted if you later



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decide not to attend the annual meeting. Shares held in street name may be voted in person by you only if you obtain a signed proxy from the record holder giving you the right to vote the shares.

**8. *How can I vote my shares without attending the annual meeting?***

You may vote by any one of three different methods:

*In writing:* You can vote by signing and dating the enclosed proxy card and returning it in the enclosed envelope.

*By telephone or the Internet:* You can vote your proxies by touchtone telephone from within the U.S., using the toll-free telephone number on the proxy card, or by the Internet using the instructions described on the proxy card. Shareholders who own their common stock through a broker, also known as street name holders, may vote by telephone or the Internet if their bank or broker makes those methods available, in which case the bank or broker will enclose the instructions with the proxy statement. The telephone and Internet voting procedures are designed to authenticate shareholders' identities, to allow shareholders to vote their shares of common stock and to confirm that their instructions have been properly recorded.

Shareholders voting via the Internet should understand that there may be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies, which must be paid by the shareholder.

*In person:* You may vote in person at the annual meeting. Shares held beneficially may be voted in person by you only if you obtain a signed proxy from the record holder giving you the right to vote the shares.

**9. *Can I change my vote?***

You may change your proxy instructions at any time prior to the vote at the annual meeting. You may accomplish this by entering a new vote by Internet or telephone or by granting a new proxy card bearing a later date (which automatically revokes the earlier proxy) or by attending the annual meeting and voting in person. Attendance at the annual meeting will not cause your previously granted proxy to be revoked unless you specifically so request. For shares held beneficially by you, you may accomplish this by submitting new voting instructions to your broker or nominee.

**10. *How are votes counted?***

In the election of directors, you may vote FOR all of the nominees or your vote may be WITHHELD with respect to one or more of the nominees. For the proposals regarding the amendment of the Company's 2003 Stock Incentive Plan, the performance-based procedures to be followed in making compensation awards to senior executives in compliance with Section 162(m) of the Internal Revenue Code and the ratification of Ernst & Young LLP, you may vote FOR, AGAINST or ABSTAIN. If you sign your proxy card or broker voting instruction card with no further instructions, your shares will be voted in accordance with the recommendations of the board of directors. Any undirected shares that you hold in the All\*AmerUs Savings and Retirement Plan will be voted in proportion to the way the other All\*AmerUs Savings and Retirement Plan shareholders vote their All\*AmerUs Savings and Retirement Plan shares.

**11. *What is the quorum requirement for the annual meeting?***

A quorum is necessary to hold a valid meeting. The quorum requirement for holding the annual meeting and transacting business is the presence at the meeting of a majority of the shares of common stock outstanding entitled to be voted. The shares may be present in person or represented by proxy at the annual meeting. The inspector of election will treat shares represented by proxies that reflect abstentions or include broker non-votes as shares present for the purpose of determining the presence of a quorum. Broker non-votes, however, are not counted as shares present and entitled to be voted with respect to a proposal on which the broker has not expressly voted. Thus, broker non-votes will not affect the outcome of any of the matters being

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voted on at the annual meeting. Generally, broker non-votes occur when shares held by a broker for a beneficial owner are not voted with respect to a particular proposal because the broker has not received voting instructions from the beneficial owner and the broker lacks discretionary voting power to vote such shares.

***12. What is the voting requirement to approve each of the proposals?***

In the election of directors at the annual meeting, the persons receiving the highest number of FOR votes to fill the indicated vacancies will be elected. All other proposals require more votes favoring the proposal than votes opposing the proposal. If you hold shares beneficially in street name and do not provide your broker with voting instructions, your shares may constitute broker non-votes. Generally, broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given. In tabulating the voting result for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote on that proposal. Thus, broker non-votes will not affect the outcome of any matter being voted on at the meeting, assuming that a quorum is obtained.

***13. What happens if additional proposals are presented at the annual meeting?***

Other than the four proposals described in this proxy statement, the Company does not expect any matters to be presented for a vote at the annual meeting. If you grant a proxy, the persons named as proxy holders (Roger K. Brooks, the Company's chairman and chief executive officer and James A. Smallenberger, the Company's senior vice president and secretary) will have the discretion to vote your shares on any additional matters properly presented for a vote at the annual meeting. If for any unforeseen reason any of the Company's nominees is not available as a candidate for director, the persons named as proxy holders will vote your proxy for such other candidate or candidates as may be nominated by the board.

***14. Who will count the vote?***

A representative of Mellon Investor Services LLC, the Company's transfer agent, will tabulate the votes and act as the inspector of election.

***15. Is my vote confidential?***

Proxy instructions, ballots and voting tabulations that identify individual shareholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed to the Company or to third parties except: (1) as necessary to meet applicable legal requirements, (2) to allow for the tabulation of votes and certification of the vote, or (3) to facilitate a successful proxy solicitation by the board of directors. Occasionally, shareholders provide written comments or questions on their proxy card, which are then forwarded to the Company's management.

***16. Who will bear the cost of soliciting votes for the annual meeting?***

The Company will pay the entire cost of preparing, assembling, printing, mailing and distributing these proxy materials. In addition to the mailing of these proxy materials, the solicitation of proxies or votes may be made in person, by telephone or by electronic communication by the Company's board of directors, officers and employees, who will not receive any additional compensation for such solicitation activities. The Company has retained the services of Georgeson Shareholder Communications Inc. (Georgeson) to aid in the solicitation of your proxy. The Company estimates that it will pay Georgeson a fee of \$8,000 plus reimbursement for out-of-pocket expenses for its services. In addition, the Company may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation material to such beneficial owners.

***17. What does it mean if I receive more than one proxy or voting instruction card?***

It means you own shares with two or more different registrations or types of ownership, or in more than one account. Please provide voting instructions for all proxy and voting instruction cards you receive.

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***18. Where can I find the voting results of the annual meeting?***

The Company will announce preliminary voting results at the annual meeting and publish final results in the Company's quarterly report on Form 10-Q for the second quarter of fiscal 2005.

***19. How can I view the shareholder list?***

A complete list of shareholders entitled to vote at the annual meeting will be available at the AmerUs Conference Center, Hub Tower, 3rd Floor, 699 Walnut Street, Des Moines, Iowa. You may access this list at the Company's offices at 699 Walnut Street, Des Moines, Iowa, during ordinary business hours for a period of ten days before the annual meeting.

**Multiple Shareholders Sharing the Same Address.**

The Securities and Exchange Commission's rules regarding delivery of proxy statements and annual reports permit us to deliver a single proxy statement and annual report to one address shared by two or more of our shareholders. This practice, known as householding, is designed to reduce our printing and postage costs. In order to take advantage of this opportunity, we have delivered only one proxy statement and annual report to multiple shareholders who share an address, unless we received instructions to the contrary from any shareholder at that address. If any shareholder residing at such an address wishes to receive a separate annual report or proxy statement for this meeting or in the future, they must contact our transfer agent, Mellon Investor Services, by phone (toll-free) at 1-800-304-9709 or by mail at PO Box 3315, South Hackensack, NJ 07606, attention Shareholder Correspondence. If you are receiving multiple copies of our annual report and proxy statement and would prefer to receive only one, you can request householding by contacting Mellon Investor Services in the same manner.

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**PROPOSAL 1**  
**ELECTION OF DIRECTORS**

The Company's board of directors is presently composed of 14 members, divided into three classes. Each class serves for three years on a staggered-term basis, unless a shorter term is necessary to make each class approximately equal in size. There are six nominees for election to the Company's board of directors this year.

The terms of the following directors expire at the annual meeting to be held on April 28, 2005: Alecia A. DeCoudreaux, Thomas F. Gaffney, Louis A. Holland, Ward M. Klein, Andrew J. Paine Jr., Jack C. Pester and Heidi L. Steiger. Ms. DeCoudreaux elected not to stand for re-election. The board of directors' nominees to positions on the board expiring in 2006 is Andrew J. Paine Jr., in 2007 is Heidi L. Steiger and in 2008 are Thomas F. Gaffney, Louis A. Holland, Ward M. Klein and Jack C. Pester.

The following paragraphs set forth the principal occupation of, and certain other information relating to, each director and nominee for director for the last five years. Directors who are nominees for election at the 2005 annual meeting are listed first. Ages shown for all directors are as of February 28, 2005. The board has determined that each of its directors, except Messrs. Brooks and Godlasky, has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) and is independent within the meaning of the Company's independence standards which reflect exactly New York Stock Exchange ( NYSE ) director independence standards.

**THOMAS F. GAFFNEY NOMINEE Tierra Verde, Florida.**

Principal, The Anderson Group, Inc., a private equity investment firm, Bloomfield Hills, Michigan, since January 2002. From July 1997 to January 2002, he was managing director of Raymond James Capital, Inc. From 1990 to 1997, Mr. Gaffney was a private investor. Mr. Gaffney has been a director of the Company since its formation in July 1996, and previously served as a director of predecessor or affiliated companies since 1983. His current term expires on April 28, 2005. He is 59 years of age.

**LOUIS A. HOLLAND NOMINEE Chicago, Illinois.**

Managing partner and chief investment officer, Holland Capital Management, an investment advisory firm, Chicago, Illinois since March 1991. From May 1982 to May 1991, Mr. Holland was founding partner at Hahn Holland & Grossman. Previously, he was vice president at A.G. Becker Paribas Inc. from July 1974 to April 1982. Mr. Holland is a director of Northwestern Mutual Series Fund, Inc. and Mason Street Funds, Inc.; Packaging Corporation of America; and Northwestern Memorial Healthcare Corporation. Mr. Holland has been a director of the Company since February 2005. His current term expires on April 28, 2005. He is 63 years of age.

**WARD M. KLEIN NOMINEE St. Louis, Missouri.**

Chief executive officer, Energizer Holdings, Inc., dry cell battery and razor and blade manufacturer, St. Louis, Missouri, since January 2005. Previously, president and chief operating officer from January 2004 to January 2005. Mr. Klein served as president, International for Energizer Holdings, Inc. from June 2002 to January 2004, as vice president, Asia Pacific from December 2000 to June 2002, and as vice president and area chairman, Asia Pacific, Africa and Middle East for Ralston Purina Company's Eveready Battery division from August 1998 to December 2000. Mr. Klein has been a director of the Company since November 2004. His current term expires on April 28, 2005. He is 49 years of age.

**ANDREW J. PAINE Jr. NOMINEE Indianapolis, Indiana.**

Private investor since October 1998. Prior to his retirement in October 1998, Mr. Paine was president and chief executive officer of NBD Bank, N.A. and executive vice president of First Chicago NBD Corporation, Indianapolis, Indiana, from December 1995 to October 1998. Since 1979, Mr. Paine served in various executive positions with NBD Indiana, Inc. and NBD Bancorp and predecessor companies. Mr. Paine joined the Company's board of directors in 2001. Previously, he served as a director of Indianapolis Life Insurance

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Company ( ILICO ), which was acquired by the Company in 2001, from 1982 to 2001. His current term expires on April 28, 2005. He is 67 years of age.

**JACK C. PESTER NOMINEE Houston, Texas.**

Chairman and chief executive officer of Pester Marketing Company, a retail chain marketer of petroleum products, Houston, Texas, since July 1995. Mr. Pester is also chairman of the Executive Committee of KFx, Inc., an energy conversion and technology processing company, Denver, Colorado, since May 1999. From March 1987 to May 1999, Mr. Pester was senior vice president of The Coastal Corporation. He is a director of KFx, Inc. and AMAL Corporation ( AMAL ), a joint venture between Ameritas Life Insurance Corp. and AmerUs Life Insurance Company ( AmerUs Life ). AmerUs Life is one of the Company s principal subsidiaries and it owns 34 percent of AMAL. Mr. Pester has been a director of the Company since its formation in July 1996, and previously served as a director of predecessor or affiliated companies since 1981. His current term expires on April 28, 2005. He is 69 years of age.

**HEIDI L. STEIGER NOMINEE Tuxedo Park, New York.**

Contributing editor of Worth Magazine Group, a monthly wealth management publication, New York, New York, since January 2005. Previously, Ms. Steiger was president of Worth Magazine Group from May 2004 to January 2005. From October 1999 to March 2004, she was executive vice president and global head of asset management of Neuberger Berman Inc., as well, as President, Neuberger Berman Agency, Inc. Ms. Steiger is a director of Lehman Trust Company and has been a director of the Company since November 2004. Her current term expires on April 28, 2005. She is 51 years of age.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR EACH OF THE NOMINEES LISTED ABOVE.**

**The following directors, except for Ms. DeCoudreaux, serve for terms that expire after 2005:**

**DAVID A. ARLEDGE Naples, Florida.**

Director, Realty Group of Naples, LLC, a real estate investment firm, Naples, Florida, since January 2002. Following his retirement from The Coastal Corporation, an energy holding company, Houston, Texas, upon its acquisition by El Paso Corporation, an integrated energy company, Houston, Texas, in January 2001, Mr. Arledge was the non-executive vice chairman of the board of directors of El Paso Corporation from January 2001 to November 2001. While at The Coastal Corporation, Mr. Arledge served as chairman, president and/or chief executive officer from July 1993 to January 2001 and from 1983 to July 1993, he served in various executive positions in finance, including vice president, senior vice president and executive vice president and chief financial officer. Mr. Arledge is a director of Enbridge, Inc. and has been a director of the Company since October 2002. His current term expires in 2006. He is 60 years of age.

**ROGER K. BROOKS Des Moines, Iowa.**

Chairman and chief executive officer of the Company since November 2003, and chairman, president and chief executive officer from May 1997 to November 2003. Previously, Mr. Brooks was the chief executive officer of the Company and predecessor or affiliated companies since 1974. He is a director of AMAL. Mr. Brooks has been a director of the Company since its formation in July 1996, and previously served as a director of predecessor or affiliated companies since 1971. His current term expires in 2007. He is 67 years of age.

**ALECIA A. DeCOUDREAUX Indianapolis, Indiana.**

Secretary and deputy general counsel of Eli Lilly and Company, a pharmaceutical company, Indianapolis, Indiana, since November 1999. Since 1980, Ms. DeCoudreaux has served in various legal and executive positions with Eli Lilly and Company. Ms. DeCoudreaux joined the Company s board of directors in 2001. Previously, she served as a director of ILICO, which was acquired by the Company in May 2001, from 1997 to

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2001. Her current term expires in April 2005, and she has elected not to stand for re-election. She is 50 years of age.

**THOMAS C. GODLASKY Des Moines, Iowa.**

President and chief operating officer of the Company since November 2003 and executive vice president and chief investment officer of the Company and predecessor or affiliated companies from January 1995 to November 2003. Mr. Godlasky had also been president of AmerUs Capital Management from January 1998 to November 2003. From February 1988 to January 1995, he was manager of the Fixed Income and Derivatives Department of Provident Corporation, Louisville, Kentucky. Mr. Godlasky has been a director since November 2003, when he was elected president and chief operating officer of the Company. He is a director of AMAL and its wholly-owned subsidiaries, Ameritas Variable Life Insurance Company and Ameritas Investment Corporation. His current term expires in 2007. He is 49 years of age.

**JOHN W. NORRIS Jr. Dallas, Texas.**

Chairman of Lennox International, Inc. ( Lennox ), a manufacturer of heating and air conditioning equipment, Dallas, Texas, since January 2001, and chairman and chief executive officer of Lennox from January 1991 to January 2001. He has served as a director of Lennox since 1966. Mr. Norris has been a director of the Company since its formation in July 1996, and previously served as a director of predecessor or affiliated companies since 1974. His current term expires in 2006. He is 69 years of age.

**STEPHEN STROME Bloomfield Hills, Michigan.**

Chairman and chief executive officer of Handleman Company ( Handleman ), a category manager and distributor of prerecorded music to mass merchants in the United States, United Kingdom, Canada, Mexico, Brazil and Argentina, Troy, Michigan, since January 2001. From May 1991 through January 2001, he served as president and chief executive officer of Handleman. Mr. Strome has been a director of the Company since February 2004. His current term expires in 2007. He is 59 years of age.

**JOHN A. WING Chicago, Illinois.**

Partner, Dancing Lion Partners, an investment partnership, Chicago, Illinois, since July 2003. From August 2001 through June 2003, he was Professor of Law and Finance for the Center for Law and Financial Markets at the Illinois Institute of Technology (the Center ), Chicago, Illinois, and also served as executive director of the Center from July 1998 to August 2001. Previously, Mr. Wing was chairman and chief executive officer of ABN AMRO Incorporated from January 1997 to July 1998; and prior to that time, chairman and chief executive officer of The Chicago Corp. from January 1981 to January 1997. He is a director of Labe Diversified Financial, Inc., and Columbia Acorn Fund Trust. Mr. Wing has been a director of the Company since September 2000, and previously served as a director of predecessor or affiliated companies since 1991. His current term expires in 2006. He is 69 years of age.

**F.A. WITTERN Jr. Des Moines, Iowa.**

Chairman and chief executive officer of The Wittern Group, Des Moines, Iowa, a conglomerate of private companies involved in manufacturing, financial services, equipment leasing and international trade in the automatic merchandising industry. Mr. Wittern has been a director of the Company since February 1999. His current term expires in 2007. He is 67 years of age.

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**BOARD AND CORPORATE GOVERNANCE MATTERS**

**Board Structure**

The board of directors is divided into three classes serving three-year terms. The board has 14 directors and the following five committees: (1) audit; (2) finance and strategy; (3) human resources and compensation; (4) investment and risk management; and (5) nominating and corporate governance.

The board of directors meets on a regularly scheduled basis. During 2004, the board held four regular meetings and two special meetings. Each director attended at least 75 percent of all board meetings and applicable committee meetings. The board of directors has assigned certain responsibilities to committees. Each regularly scheduled board meeting includes an executive session with only non-management directors present. Directors are strongly encouraged to attend the annual meeting of shareholders. All directors attended the last annual meeting of shareholders.

The nominating and corporate governance committee coordinates an annual evaluation process by the directors of the board's performance and procedures. The five standing committees each conduct an annual evaluation of their performance and procedures, including the adequacy of their charters.

*Audit Committee*

The audit committee is responsible for the oversight of the quality and integrity of the Company's financial statements, compliance with legal and regulatory requirements, accounting and financial processes of the Company and audits of its financial statements, the qualifications and independence of its independent auditors and the performance of the Company's internal audit function and independent auditors. In addition, the Committee reviews the independence of, and pre-approves the audit and non-audit services provided by, the Company's independent auditors. In discharging its duties, the audit committee is expected to:

have sole authority to appoint, retain, compensate, oversee, evaluate and replace the independent auditors;

review and pre-approve the engagement of the Company's independent auditors to perform audit and non-audit services and related fees;

review the integrity of the Company's financial reporting process;

review and discuss with management and independent auditors the Company's quarterly and annual financial statements, including reviewing the Company's specific disclosures under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations";

meet independently with the Company's internal auditors, independent auditors and senior financial management;

review the general scope of the Company's accounting, financial reporting, annual audit and internal audit functions, matters relating to internal control functions, and results of the annual audit;

review disclosures from the Company's independent auditors regarding Independence Standards Board Standard No. 1.

Members of the audit committee, which met nine times during 2004, are Andrew J. Paine Jr., (chairman), David A. Arledge, Jack C. Pester, and F. A. Wittern Jr. It is the opinion of the board of directors that each member of the audit committee satisfies the independence standards established by the board of directors and is independent under NYSE listing standards. No director who serves on the audit committee of more than two public companies other than the Company shall be eligible to serve as a member of the audit committee. The board of directors has determined that Mr. Paine, the chairman of the audit committee, and Messrs. Arledge and Pester, members of the audit committee, possess the attributes of an audit committee financial expert under the rules of the SEC and the NYSE, and has, therefore, designated them as the audit committee financial experts.



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The board of directors has adopted the charter of the audit committee and the charter is available at <http://www.amerus.com/invrel/corporategovernance.cfm>. A copy of the charter is attached as Appendix A to this proxy statement.

*Finance and Strategy Committee*

The finance and strategy committee reviews long-term financial and business strategies, the annual financial plan and budget and major corporate actions. The committee also makes recommendations to the board of directors regarding the sale, issuance and repurchase of debt and equity securities and reviews other actions regarding the capital of the Company. Members of the finance and strategy committee, which met seven times during 2004, are Thomas F. Gaffney (chairman), David A. Arledge, Stephen Strome and John A. Wing. It is the opinion of the board of directors that each member of the finance and strategy committee satisfies the independence standards established by the board of directors and is independent under NYSE listing standards.

*Human Resources and Compensation Committee*

The human resources and compensation committee reviews and approves corporate goals and objectives relevant to the chief executive officer's compensation and determines together with the other independent directors the compensation of the chief executive officer. The committee also reviews and recommends the compensation for executive officers, including base salary, incentive compensation and other benefits. The committee administers the Company's stock incentive plans. The committee also has oversight responsibility with respect to executive management performance and the effectiveness of the Company's compensation policy and employee benefit programs and executive management succession plans. Members of the human resources and compensation committee, which met seven times during 2004, are John W. Norris Jr. (chairman), David A. Arledge, Alecia A. DeCoudreaux, Thomas F. Gaffney and Ward M. Klein. It is the opinion of the board of directors that each member of the human resources and compensation committee satisfies the independence standards established by the board of directors and is independent under NYSE listing standards.

The charter of the human resources and compensation committee is available at <http://www.amerus.com/invrel/corporategovernance.cfm>.

*Investment and Risk Management Committee*

The investment and risk management committee establishes and reviews investment policy and approves and monitors compliance with the policies governing the investment portfolio and the use of derivatives. Members of the investment and risk management committee, which met five times during 2004, are John A. Wing (chairman), Louis A. Holland, Andrew J. Paine Jr., Heidi L. Steiger and F.A. Wittern Jr. It is the opinion of the board of directors that each member of the investment and risk management committee satisfies the independence standards established by the board of directors and is independent under NYSE listing standards.

*Nominating and Corporate Governance Committee*

The nominating and corporate governance committee identifies individuals qualified to become board members, consistent with criteria approved by the board; oversees the organization of the board to discharge the board's duties and responsibilities properly and efficiently; and identifies best practices and recommends corporate governance principles. Other specific duties and responsibilities of the nominating and corporate governance committee include: annually assessing the size and composition of the board; developing membership qualifications for board committees; defining specific criteria for director independence; monitoring compliance with board and board committee membership criteria; annually reviewing and recommending directors for continued service; coordinating and assisting the board in recruiting new members to the board; reviewing and recommending proposed changes to the Company's articles of incorporation or by-laws and board committee charters; recommending board committee assignments; reviewing and approving any

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employee director standing for election for outside for-profit boards of directors; reviewing governance-related shareholder proposals and recommending board responses; overseeing the evaluation of the board and its committees; conducting a preliminary review of director independence. Members of the nominating and corporate governance committee, which met six times during 2004, are Jack C. Pester (chairman), Alecia A. DeCoudreaux, Stephen Strome and John W. Norris Jr. It is the opinion of the board of directors that each member of the nominating and corporate governance committee satisfies the independence standards established by the board of directors and is independent under NYSE listing standards. The chairman of the nominating and corporate governance committee acts as presiding director at the executive sessions of non-management directors and receives communications directed to non-management directors.

The charter of the nominating and corporate governance committee is available at <http://www.amerus.com/invrel/corporategovernance.cfm>.

### **Corporate Governance Practices**

The Company has had formal corporate governance standards in place since the Company's formation in 1996. The Company has reviewed internally and with the board the provisions of the Sarbanes-Oxley Act of 2002, the rules of the SEC and the NYSE's corporate governance listing standards regarding corporate governance policies and procedures. A copy of the Company's Corporate Governance Guidelines is attached as Appendix B to this proxy statement.

Information about the Company's corporate governance practices can be accessed at the Company's website ([www.amerus.com](http://www.amerus.com)) under the section titled "For Investors" or by writing to AmerUs Group Co., 699 Walnut Street, Des Moines, IA 50309-3948, Attention: Corporate Secretary. The Company's corporate governance practices are discussed in the following documents:

Audit Committee Charter

Code of Business Conduct and Ethics

Code of Ethics for Senior Financial Officers

Corporate Governance Guidelines

Human Resources and Compensation Committee Charter

Nominating and Corporate Governance Committee Charter

### **Consideration of Director Nominees**

#### *Shareholder Nominees*

The policy of the nominating and corporate governance committee is to consider properly submitted shareholder nominations for candidates for membership on the board as described under "Identifying and Evaluating Nominees for Directors." In evaluating such nominations, the nominating and corporate governance committee seeks to achieve a balance of knowledge, experience and capability on the board and to address the membership criteria set forth under

Director Qualifications. Any shareholder nominations proposed for consideration by the nominating and corporate governance committee should include the nominee's name and qualifications for board membership and should be addressed to AmerUs Group Co., 699 Walnut Street, Des Moines, IA 50309-3948, Attention: Corporate Secretary.

In addition, the Company's by-laws permit shareholders to nominate directors for consideration at an annual shareholder meeting. For a description of the process for nominating directors in accordance with the Company's by-laws, see "Shareholder Proposals for the 2006 Annual Meeting," on page 40 of this proxy statement.

**Table of Contents***Director Qualifications*

The Company's Corporate Governance Guidelines contain board membership criteria that apply to nominating and corporate governance committee-recommended nominees for a position on the Company's board. Under these criteria, the board should include members who have demonstrated management or technical ability at high levels in successful organizations; are currently employed in positions of significant responsibility and decision making; have experience relevant to the Company's operations, such as finance, marketing, general management, government, information technology, or financial services related activities; are well-respected in their business and home communities; are willing to devote the necessary time to carrying out their board duties; and are independent under NYSE guidelines. Diversity in expertise, age, gender, race and background of directors consistent with the board requirements for knowledge and experience is desirable in the mix of the board.

Directors should possess the following personal characteristics: highest level of integrity; proven leadership abilities; strong independent thinking; history of achievement that reflects high standards for himself or herself and others; skills and capacity to provide strategic insight; financial literacy; candor in communications; effective communication skills; and willingness and ability to evaluate, challenge and stimulate.

*Identifying and Evaluating Nominees for Directors*

The nominating and corporate governance committee utilizes a variety of methods for identifying and evaluating nominees for director. The nominating and corporate governance committee regularly assesses the appropriate size of the board, and whether any vacancies on the board are expected due to retirement or otherwise. In the event that vacancies are anticipated, or otherwise arise, the nominating and corporate governance committee considers various potential candidates for director. Candidates may come to the attention of the nominating and corporate governance committee through current board members, professional search firms, shareholders or other persons. These candidates are evaluated at regular or special meetings of the nominating and corporate governance committee, and may be considered at any point during the year. As described above, the nominating and corporate governance committee considers properly submitted shareholder nominations for candidates for the board. If any materials are provided by a shareholder in connection with the nomination of a director candidate, such materials are forwarded to the nominating and corporate governance committee. The nominating and corporate governance committee also reviews materials provided by professional search firms or other parties in connection with a nominee who is not proposed by a shareholder. In evaluating candidates for nomination to the board, the nominating and corporate governance committee takes into account the applicable requirements for directors under the listing standards of the NYSE, and the qualifications of a director described above. The committee may take into consideration such other factors and criteria as it deems appropriate in evaluating a candidate, including the appropriate skills and characteristics required of a board member in the context of the current composition of the board.

There are three nominees for election to the Company's board this year who were appointed directors by the board since the 2004 annual shareholder meeting, Louis A. Holland, Ward M. Klein and Heidi L. Steiger. The Company paid a fee to a professional search firm to assist the nominating and corporate governance committee in identifying, evaluating and conducting due diligence on potential nominees, and such firm identified and recommended Mr. Klein and Ms. Steiger. Mr. Holland was identified and recommended by an independent member of the board of directors. The members of the nominating and corporate governance committee together with Messrs. Brooks and Godlasky met with Messrs. Holland and Klein and Ms. Steiger as part of the evaluation process. The committee determined that the three candidates met the independence and qualification standards adopted by the board and unanimously recommended to the board that it appoint Messrs. Holland and Klein and Ms. Steiger to the board of directors.

*Communication with Board of Directors*

The board has established a process for shareholders to communicate with members of the board, including the presiding director. If you have any concerns, questions or complaints regarding the Company's

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compliance with any policy or law, or would otherwise like to contact the board, you can reach the board directly by writing to the chairman of the nominating and corporate governance committee, Mr. Jack C. Pester, West U. Boxes A169, Houston, TX 77005.

**Director Compensation**

For their services on the board of directors, non-employee directors are paid \$20,000 per year, \$2,500 per day for each board meeting attended and \$1,500 for each committee meeting attended. The chairman of each of the five committees receives an additional fee of \$1,500 per meeting. The presiding director receives an additional \$4,000 per year.

Non-employee directors participate in the Non-Employee Director Stock Plan ( Director Plan ), which was approved by the Company s shareholders on December 4, 1996; the AmerUs Group 2000 Stock Incentive Plan, which was approved by the Company s shareholders on May 5, 2000; and the AmerUs Group 2003 Stock Incentive Plan, which was approved by the Company s shareholders on May 8, 2003. Under these respective plans, options to purchase 2,500 shares of the Company s common stock were automatically granted to each non-employee director on the first business day of each year beginning in 1998 and 3,500 shares beginning in 2002. The exercise price for all non-employee director options granted under the plans is 100 percent of the fair market value of the shares on the date of grant. All such options vest and become exercisable in equal installments on the first, second and third anniversary of the date of grant, assuming continued service on the board of directors.

Non-employee directors may elect under the above plans to take all or part of their director fees in the Company s common stock. Directors making this election will receive the number of shares equal to the dollar amount of director fees, which the director has elected to receive in the form of stock, divided by 75 percent of the fair market value of the stock as of each payment date. Each director making this election must enter into an agreement which restricts the stock from being sold, transferred, pledged or assigned for a period of not less than two years from the purchase date.

Each non-employee director upon his or her initial appointment or election to the board is granted 2,500 shares of common stock. These shares cannot be sold, transferred, pledged or assigned by the grantee for a period of three years from the date of grant.

Messrs. Paine, Arledge, Pester and Wittern serve on the board and the audit committee of the Company s wholly-owned subsidiary, Bankers Life Insurance Company of New York ( BLNY ). Mr. Paine is chairman of the audit committee. The board has also appointed Mr. Paine to BLNY s executive committee. The fees paid by BLNY for board and committee service are as follows: \$5,000 per year, \$2,500 per year for the audit and executive committee chairmen and \$1,500 for each board meeting attended during a calendar year exceeding four meetings. Messrs. Brooks and Godlasky serve on the boards of the Company s wholly-owned subsidiaries, including BLNY. They receive no fees from those companies for board service.

Messrs. Brooks, Godlasky and Pester serve on the board of AMAL, the Company s 34 percent owned affiliate. The fees paid by AMAL for board service to non-employee directors are as follows: \$16,000 per year and \$1,000 for each meeting attended. Messrs. Brooks and Godlasky are considered employee directors of AMAL and receive no fee for serving on the AMAL board.

**Stock Ownership Guidelines for Directors**

In order to align their interest with the Company s shareholders, directors are encouraged to own shares of the Company s stock. Toward this end, directors are expected to own shares of common stock of the Company having a market value of at least \$300,000 by December 7, 2007, or within five years of first becoming a director.

**Table of Contents****BENEFICIAL OWNERSHIP OF COMMON STOCK****Directors and Executive Officers**

The following table sets forth the beneficial ownership of the Company's common stock as of February 28, 2005, for each of the directors, director nominees, the executive officers named in the Summary Compensation Table on page 17 of this proxy statement, and all directors and executive officers as a group (which includes executive officers not named in the Summary Compensation Table). No person or entity was known by the Company to own five percent or more of the Company's Common Stock as of February 28, 2005.

Name	Amount and Nature of Beneficial Ownership(1)	Percent of Class(2)
David A. Arledge(4)(9)	8,082	*
Roger K. Brooks(3)(5)(8)(11)	764,390	1.9%
Alecia A. DeCoudreaux(9)	7,936	*
Thomas F. Gaffney(6)(9)(10)	41,751	*
Thomas C. Godlasky(3)(7)(8)(11)	309,497	*
Louis A. Holland(4)(9)	5,000	*
Ward M. Klein(4)(9)	2,522	*
John W. Norris Jr.(9)(10)	30,551	*
Andrew J. Paine Jr.(9)(10)	13,907	*
Jack C. Pester(9)(10)	31,420	*
Heidi L. Steiger(4)(9)	2,522	*
Stephen Strome(4)(9)(10)	2,806	*
John A. Wing(9)	27,864	*
F.A. Wittern Jr.(9)(10)	17,364	*
Gregory D. Boal(3)(8)(11)	17,220	*
Mark V. Heitz(3)(8)(11)	356,455	*
Gary R. McPhail(3)(8)(11)	282,837	*
Directors and executive officers as a group (19 persons)	2,073,587	5.0%

- (1) Unless otherwise indicated, each person has sole voting and dispositive power with respect to the shares shown. Some directors and executive officers share the voting and dispositive power over their shares with their spouses as community property, joint tenants or tenants in common.
- (2) An \* indicates that the individual's beneficial ownership of the Company's common stock is less than one percent.
- (3) Includes beneficial interest in shares of the Company's common stock held pursuant to the Company's Savings & Retirement Plan (as defined on page 21 of this proxy statement). The attributed shares owned by the Company's Savings & Retirement Plan are voted by the trustees as directed by their respective participants.
- (4) Includes 2,500 shares of restricted common stock awarded under the Company's stock incentive plans to each of Messrs. Arledge, Holland, Klein and Strome and Ms. Steiger upon appointment to the board of directors. The shares have vesting and transfer restrictions for three years after the date of the award.

- (5) Includes 9,000 shares owned by his spouse and 15,000 shares owned by the RKB Partnership, L.P.
- (6) Includes 9,442 shares owned by his spouse through the Donna L. Gaffney Trust; 461 shares owned directly by his spouse; and 1,385 shares owned by Cory Associates, LLC for which he is a co-trustee.
- (7) Includes 12,122 shares owned by his spouse.
- (8) Includes shares of common stock that may be purchased upon the exercise of employee stock options exercisable on February 28, 2005, or within sixty days thereafter: Mr. Brooks 585,000;

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Mr. Godlasky 263,000; Mr. Boal 10,344; Mr. Heitz 311,915; Mr. McPhail 250,600; and all executive officers as a group 1,532,348.

- (9) Includes shares of common stock that were granted pursuant to the Company's Non-Employee Director Stock Option Plan, the Company's 2000 Stock Incentive Plan and the Company's 2003 Stock Incentive Plan and may be purchased upon the exercise of stock options exercisable on February 28, 2005, or within sixty days thereafter: Mr. Arledge 3,500; Ms. DeCoudreaux 7,000; Mr. Gaffney 17,000; Mr. Holland 0; Mr. Klein 0; Mr. Norris 17,000; Mr. Paine 7,000; Mr. Pester 17,000; Ms. Steiger 0; Mr. Strome 0; Mr. Wing 17,000; and Mr. Wittern 9,500.
- (10) Includes shares of common stock that were acquired through the Non-Employee Director Stock Plan, the Company's 2000 Stock Incentive Plan and the Company's 2003 Stock Incentive Plan which have vesting and transfer restrictions for two (2) years after the date of purchase: Mr. Gaffney 5,087; Mr. Norris 4,962; Mr. Paine 4,810; Mr. Pester 5,835; Mr. Strome 306; and Mr. Wittern 4,223.
- (11) Includes performance units purchased under the terms of the MIP Deferral Plan. A description of the material features of the MIP Deferral Plan is contained in footnote (B) to the Summary Compensation Table on page 17 of this proxy statement: Mr. Brooks 28,235; Mr. Godlasky 2,808; Mr. Boal 7,481; Mr. Heitz 2,518; Mr. McPhail 10,596; and all executive officers as a group 72,631.

**Table of Contents****EXECUTIVE COMPENSATION AND RELATED INFORMATION****Summary Compensation Table**

The following Summary Compensation Table sets forth certain information concerning compensation for services rendered in all capacities awarded or paid by the Company including compensation paid by AmerUs Life, AmerUs Annuity Group Co. ( AAG ) or AmerUs Capital Management to its chief executive officer and the other named executive officers (collectively, the Named Executive Officers ) during the years ended December 31, 2004, 2003, and 2002:

**Summary Compensation Table**

Name and Principal Position	Fiscal Year	Annual Compensation			Long-Term Compensation			
		Salary \$(A)	Bonus \$(B)	Other Annual Compensation \$(C)	Restricted Securities			All Other Compensation \$(G)
					Stock Awards \$(D)	Underlying Options/SARs #(E)	LTIP Payouts \$(F)	
Roger K. Brooks Chairman and Chief Executive Officer of the Company	2004	\$ 775,003	\$ 2,250,000	\$	\$	50,000	\$	\$ 307,274
	2003	743,333	1,020,000			100,000		365,592
	2002	695,833	710,000			120,000		298,010
Thomas C. Godlasky President and Chief Operating Officer of the Company	2004	600,002	900,000			40,000	36,115	216,337
	2003	545,833	800,000			50,000	4,772	202,199
	2002	462,500	250,000			60,000		92,660
Gregory D. Boal Executive Vice President and Chief Investment Officer of the Company and President and Chief Executive Officer of AmerUs Capital Management Group, Inc.	2004	450,001	650,000			23,000		41,817
	2003	230,917	225,000			25,000		145,242
	2002							
Mark V. Heitz President and Chief Executive Officer of	2004	420,835	320,000			22,000		351,905
	2003	400,000	300,000			35,000		380,011
	2002	395,833	175,000	310,000(D)		50,000		472,830



AmerUs Annuity Group, American Investors Life Insurance Company and Financial Benefit Life Insurance Company						
Gary R. McPhail	2004	445,835	300,000	23,000		63,986
President and Chief Executive Officer of AmerUs Life and ILICO	2003	420,833	250,000	40,000	32,500	161,514
	2002	395,833	300,000	50,000		51,373

- (A) The salary shown for Mr. Boal for fiscal year 2003 is the amount paid from his date of hire, June 2, 2003, through December 31, 2003.
- (B) The Company's annual management incentive plan ( MIP ) is a bonus plan for management employees including executive officers. In 2002 and 2003, the MIP incentive pool for executive officers was calculated using a formula based on net operating income per share. In 2004, the MIP incentive pool for executive officers was calculated using a formula equally based on net operating income per share and GAAP net income per share. Pursuant to the MIP, bonuses earned for performance in 2002, 2003 and 2004 were paid in 2003, 2004 and 2005 respectively. The Company also has an MIP deferral program that permits participating employees including executive officers to defer a portion of their annual bonus. Under the program, the employee may defer their receipt of cash or defer the MIP bonus to purchase stock units at a price equal to the fair market value of the Company's common stock on the date of purchase. For 2004, the Company matched up to 50 percent of the units purchased pursuant to the deferral program up to a total match of \$10,000. On the third anniversary of the employee's deferral, the

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employee may elect to re-defer the original deferral and company match. If the employee elects not to re-defer amounts deferred three years earlier, the Company distributes the value of the units in stock to the employee, provided the employee continued to be employed by the Company or one of its subsidiaries on that date. The entire Company match is forfeited if the employee's employment terminates other than for retirement or position elimination prior to the third anniversary of the employee's deferral. All stock units vest and may be settled within 90 days following a change of control as defined in the Supplemental Benefit Agreement described on page 22 of this proxy statement based on the fair market value of a share of Company stock on the last business day prior to a change of control. The human resources and compensation committee of the board of directors determines each year the maximum amount of bonus that can be deferred and the percentage match of the Company. For the 2004 bonus paid in 2005, the following amounts were deferred: Mr. Brooks \$375,000; Mr. Godlasky \$0; Mr. Boal \$325,000; Mr. Heitz \$20,000; and Mr. McPhail \$15,000. The Company match was 50 percent up to a maximum of \$10,000. In addition, Mr. Brooks received in February 2005, in lieu of receiving performance units under the Company's long-term incentive plan, an additional bonus of \$750,000 for successfully managing the executive transition process during 2004.

- (C) The value of perquisites provided to each of the Named Executive Officers was less than \$50,000 during fiscal years 2002, 2003 and 2004. Perquisites provided to each of the Named Executive Officers consist of the following: monthly car allowance of \$850, reimbursement for cost of preparing federal and state income tax returns, club membership dues and cost of bi-annual physical examination in excess of reimbursement under the Company medical plan.
- (D) Mr. Heitz received a special performance bonus in 2002.
- (E) The options were granted with an exercise price equal to the fair market value of the underlying stock on the date of grant.
- (F) Long term incentive compensation pursuant to the Performance Share Plan (the "PSP"). The PSP was discontinued as of 1998 and no awards were made in 1998 or 1999. Mandatory deferrals were required under the plan with each employee voluntarily electing payouts after three years or at termination/retirement. Mr. Brooks has a PSP payout election upon termination/retirement valued at \$22,083, the value is adjusted annually based on the Company's return on equity ("ROE"). ROE is calculated using the Company's net operating income divided by the Company's average equity excluding Accumulated Other Comprehensive Income. Messrs. Godlasky and McPhail received their final payouts in 2004 and 2003, respectively, and Messrs. Boal and Heitz did not participate in the PSP.
- (G) Amounts shown as "All Other Compensation" for 2002, 2003 and 2004 are comprised of the items set forth in the table below.

	Qualified Plan		Supplemental Executive Retirement Plan			Excess Benefit Plan	MIP	
	401(k) Matching Contributions (\$)	Interim Basic Benefit (\$)	SERP Matching Contributions (\$)	Basic Contributions (\$)	Interim Benefit (\$)	Interim Benefit (\$)	Deferral Plan (\$)	Additional Benefits (\$)

Roger K. Brooks	2004	\$ 10,250	\$ 8,000	\$ 10,000	\$ 68,877	\$ 51,508	\$ 112,417	\$ 7,460	\$	\$ 38,762
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	2003	10,000	8,000	10,858	64,385	51,637	112,698	6,602	101,412
	2002	10,000	6,800	14,841	65,406	61,374	133,948	5,641	
Thomas C. Godlasky	2004	10,250	8,000	3,080	69,063	29,208	11,245		85,491
	2003	10,000	8,000	3,080	39,675	28,904	11,128		101,412
	2002	10,000	6,800	2,618	39,255	24,539	9,448		
Gregory D. Boal	2004	10,250	8,000		22,381	1,186			
	2003	8,525			943				135,774
	2002								
Mark V. Heitz	2004	10,250	8,000	7,000	31,292	20,382	17,835	191,517	65,630
	2003	10,000	8,000	7,000	25,395	24,033	21,029	219,114	65,440
	2002	10,000	6,800	5,950	30,042	14,917	13,052	326,269	65,440
Gary R. McPhail	2004	10,250	8,000		21,096	24,640			
	2003	10,000	8,000		30,765	11,337		101,412	
	2002	10,000	6,800		17,453	17,120			

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- (H) Amount includes the value of the Company match in stock units plus the appreciation in value of the stock units purchased by the Named Executive Officers with the annual bonus deferred in 2001 and reported in the Summary Compensation Table of the 2002 proxy statement.
- (I) The amounts shown in the table reflect the following: (1) lump sum payment to Mr. Brooks in 2004 of vacation benefits accrued and frozen in 1991 at his then-current hourly pay rate, (2) payment to Mr. Boal in 2003 of a relocation benefit, and (3) payment of insurance premiums in 2002, 2003 and 2004, on behalf of Mr. Heitz for executive life insurance.

**Option Grants Table**

The following table presents information regarding stock options granted during the year ended December 31, 2004. The two columns on the right project the amount that could be earned if the common stock price appreciates at the annual rates indicated and if the options are held until the expiration dates shown. There is no assurance that any particular level of potential realizable value will actually be earned.

**Option Grants for Fiscal Year 2004****Individual Grants**

Name	Number of Securities Underlying Options Granted(1)	% of Total Options Granted to Employees in Fiscal Year(2)	Exercise Price (\$/sh)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term(3)	
					5%	10%
Roger K. Brooks Thomas C. Godlasky	50,000	15.24%	\$ 37.62	2/13/2014	\$ 1,182,951	\$ 2,997,830
Gregory D. Boal	40,000	12.19%	37.62	2/13/2014	946,361	2,398,264
Mark V. Heitz	23,000	7.01%	37.62	2/13/2014	544,157	1,379,002
Gary R. McPhail	22,000	6.71%	37.62	2/13/2014	520,498	1,319,045
	23,000	7.01%	37.62	2/13/2014	544,157	1,379,002

- (1) These options were granted on February 13, 2004 at the then fair market value of the Company's common stock. The options vest and become exercisable in one-fifth increments annually, beginning on February 13, 2005. Upon a change of control, the options shall immediately vest and become exercisable in full for a period beginning on the date of the change of control and ending on the options' applicable expiration date. The definition of a change of control is the same as that term is defined in the Supplemental Benefit Agreement described on page 22 of this proxy statement. As provided in the Plan, upon actual retirement, Mr. Brooks' options become immediately vested and exercisable as he has reached the normal retirement age of 65.
- (2) Total options granted to employees during the fiscal year were 328,055.
- (3) Potential realizable value is based on the assumption that the common stock price appreciates at the annual rate shown (compounded annually) from the date of grant until the end of the ten-year option period. The Company's

stock price at the end of the ten-year term for the options granted to all Named Executive Officers are \$61.28 and \$97.58, for five percent and ten percent appreciation, respectively. The numbers are calculated based on requirements promulgated by the SEC. The actual value, if any, an executive may realize will depend on the excess of the stock price over the exercise price on the date the option is exercised (if the executive were to sell the shares on the date of exercise), so there is no assurance that the value realized will be at or near the potential realizable value as calculated in this table. The total gain to all shareholders using all Named Executive Officers values would be \$932,949,214 and \$2,364,276,481 at five percent and ten percent annual appreciation, respectively. The aggregate gains for the Named Executive Officers represent less than 0.40 percent of the gain to all shareholders.

**Table of Contents****Option Exercises and Values Table****Aggregated Option Exercises in Last Fiscal Year and Fiscal Year End Option Value**

Name	Shares Acquired on Exercise (#)	Value Realized	Number of Securities Underlying Unexercised Options at FY-End(#)		Value of Unexercised In-the- Money Options at FY- End\$(1)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Roger K. Brooks(2)	165,000	\$ 2,486,925	515,000	170,000	\$ 9,667,275	\$ 2,149,200
Thomas C. Godlasky			225,000	100,000	3,914,200	1,189,800
Gregory D. Boal			5,000	43,000	88,850	532,040
Mark V. Heitz			283,848	66,667	5,596,180	805,529
Gary R. McPhail			221,333	71,667	3,877,981	887,409

(1) Based on a closing stock price of \$45.30 per share on December 31, 2004, the last business day of the Company's fiscal year and the exercise price of in-the-money options multiplied by the number of shares subject to in-the-money options.

(2) As provided in the option plans, upon actual retirement, Mr. Brooks' options become immediately vested and exercisable as he has reached the normal retirement age of 65.

**Long-Term Incentive Plan Awards in Last Fiscal Year**

In 2004, the human resources and compensation committee granted performance shares under the 2003 Stock Incentive Plan that will be earned based on performance relative to: (1) growth in book value per share compared to an internal goal over the performance period and (2) total shareholder return compared to a selected group of companies from the Standard & Poor's Supercomposite Insurance Index. Each performance measure is given 50 percent weight. If the Company's performance during the performance period falls below a nine percent growth in book value per share or the 40th percentile of the index in total shareholder return, no award is earned for that performance measure.

The following table sets forth estimates of the possible future payouts to each of the named executive officers with respect to these awards. There can be no assurance that the estimated future payouts shown in this table will be achieved or, if they are achieved, at what level they will be achieved:

Name	Number of Shares (#)(3)	Performance Period until Maturations or Payout (4)	Estimated Future Payouts (1)		
			Threshold (#)	Target (#)	Maximum (#)
Roger K. Brooks(2)					
Thomas C. Godlasky	15,000	12/31/2005	7,500	15,000	30,000
Gregory D. Boal	9,400	12/31/2005	4,700	9,400	18,800
Mark V. Heitz	9,000	12/31/2005	4,500	9,000	18,000
Gary R. McPhail	9,400	12/31/2005	4,700	9,400	18,800

- (1) Payouts will be in shares of the Company's common stock.
- (2) Mr. Brooks did not receive an award in 2004 due to the expected leadership transition in 2005.
- (3) Represents performance shares granted based on performance at target.
- (4) Performance is measured over a two-year period beginning January 1, 2004. It is anticipated that future performance periods will be three years. Upon a change of control, all non-vested performance shares shall vest and be paid out based upon the performance achieved as determined by the human resources and compensation committee as of the date of the change of control. Change of control is defined in Section 1(f) of the 2003 Stock Incentive Plan, attached hereto as Appendix C.

The payment of LTIP awards granted in 2004 is contingent on shareholders approving material terms of the LTIP procedures included in Proposal 3 on page 34 of this proxy statement.

**Table of Contents****Stock Incentive Plans**

On September 15, 1996, the Company's board of directors adopted the AmerUs Group Co. Stock Incentive Plan (the 1996 Stock Plan). The 1996 Stock Plan was approved by the Company's shareholders and became effective on December 4, 1996. No grants were made under the 1996 Stock Plan until July 28, 1997. The purpose of the 1996 Stock Plan is to enable the Company to attract and retain employees and to align employees' interest with the performance of the Company. The 1996 Stock Plan provides for the grant of options (including incentive stock options and non-qualified stock options), stock appreciation rights and restricted stock awards. No options were granted to the Named Executive Officers under the 1996 Stock Plan in 2004.

On February 11, 2000, the board of directors adopted the AmerUs Group 2000 Stock Incentive Plan (the 2000 Stock Plan). The 2000 Stock Plan was approved by the shareholders and became effective May 5, 2000. The purpose of the 2000 Stock Plan is to enable the Company to attract and retain employees and to align employees' interest with the performance of the Company. The 2000 Stock Plan provides for the grant of options (including incentive stock options and non-qualified stock options), stock appreciation rights and restricted stock awards. No options were granted to the Named Executive Officers under the 2000 Stock Plan in 2004.

On February 14, 2003, the board of directors adopted the AmerUs Group 2003 Stock Incentive Plan (the 2003 Stock Plan). The 2003 Stock Plan was approved by the shareholders and became effective May 8, 2003. The purpose of the 2003 Stock Plan is to enable the Company to attract and retain employees and to align employees' interest with the performance of the Company. The 2003 Stock Plan provides for the grant of options (including incentive stock options and non-qualified stock options), stock appreciation rights, restricted stock, restricted stock units, cash incentive units and any combination of the foregoing. Options were granted in 2004 to the Named Executive Officers under the 2003 Stock Plan.

It is the policy of the Company not to grant any stock options or stock appreciation rights with an exercise price less than the fair market value of a share of common stock on the date of the grant of such award or reprice any stock option or stock appreciation right, except in the event of merger, reorganization, consolidation, recapitalization, stock dividend or other similar event. All of the plans provide for the immediate vesting of all options in the event of a change of control, as defined in the Supplemental Benefit Agreement described on page 22 of this proxy statement.

**Savings and Profit Sharing Plans**

Each of the Named Executive Officers participates in the All\*AmerUs Savings & Retirement Plan (the Savings & Retirement Plan), a profit-sharing plan containing a qualified cash or deferred arrangement and the nonqualified All\*AmerUs Supplemental Executive Retirement Plan (the Supplemental Plan). Of the Named Executive Officers, only Mr. Brooks participates in the nonqualified All\*AmerUs Excess Benefit Plan (the Excess Plan).

Under the Savings & Retirement Plan, the Company will contribute four percent of each eligible participating employee's compensation as of the end of a plan year in accordance with plan provisions (Basic Contribution). With the merger of the AAG Employee Stock Ownership Plan (the AAG ESOP), beginning with the 1999 Plan year, this Basic Contribution is made in the form of cash and shares of the Company's common stock; the portions of cash and stock will be determined at the end of each year and may vary year to year. The shares of stock contributed as part of the Basic Contribution are made in accordance with the plan provision of the Employee Stock Ownership Plan (ESOP) component of the Savings & Retirement Plan. In addition, the Company makes a maximum matching contribution equal to five percent of an employee's compensation for the first four percent of salary deferral (Matching Contributions).

The Company may also contribute to the Savings and Retirement Plan and the Supplemental Executive Retirement Plan on behalf of each participating employee who was, as of December 31, 1995, an active participant in either the qualified pension plan (the AML Frozen Pension Plan) or the nonqualified supplemental retirement plan (the AML Frozen SERP) for certain former employees of American Mutual



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Life Insurance Company or Central Life Assurance Company, predecessor companies to AmerUs Life. Any contribution made is the percentage of such employee's compensation ( Interim Benefit Supplement ) necessary to make up any shortfall between the amount to which such employee would have been entitled under either the AML Frozen Pension Plan or the AML Frozen SERP as compared to such employee's projected benefits under the Savings & Retirement Plan and Supplemental Plan. The amount of the Interim Benefit Supplement made on behalf of any eligible employee is reduced by any discretionary profit sharing contribution allocated to such employee under the Savings & Retirement Plan and the Supplemental Plan. Of the Named Executive Officers, only Messrs. Brooks and Godlasky received an Interim Benefit Supplement in 2004.

The Company may also contribute to the Savings & Retirement Plan and Supplemental Plan on behalf of each AAG employee who was, as of January 1, 1999, an active qualifying AAG employee for the AAG Money Purchase Pension Plan (the AAG MPPP ), a certain percentage of such employee's compensation (the AAG Interim Benefit Supplement ) in order to make up any shortfall between the projected benefits such employee would have had under the AAG MPPP as compared to such employee's projected benefits under the Savings & Retirement Plan and Supplemental Plan. The amount of the Benefit Supplement made on behalf of any eligible AAG employee is reduced by any discretionary contribution allocated to such employee under the Savings & Retirement Plan and the Supplemental Plan. Of the Named Executive Officers, only Mr. Heitz receives an AAG Interim Benefit Supplement.

**Frozen Plans**

The benefits under the AML Frozen Pension Plan and the AML Frozen SERP were curtailed as of December 31, 1995. The following table sets forth the frozen accrued monthly benefits payable as a straight life annuity to each of the Named Executive Officers under the AML Frozen Pension Plan and the AML Frozen Pension Plan and the AML Frozen SERP, assuming retirement at age 65 (current normal retirement age):

**Pension Table  
Frozen Accrued Benefits**

Name	Monthly Benefits(\$)
Roger K. Brooks	17,363
Thomas C. Godlasky	671
Gregory D. Boal	0
Mark V. Heitz	0
Gary R. McPhail	0

**Supplemental Benefit Agreement**

In April 1999, the Company entered into a Supplemental Benefit Agreement with each of its Named Executive Officers, which were amended in February 2000 and 2003. These agreements provide that in the event of (i) a change of control of the Company (as defined below) and (ii) a termination by the Named Executive Officer for good reason or a termination of the Named Executive Officer not for cause within two years of a change of control, the Named Executive Officer shall be entitled to: (1) a cash severance payment in an amount equal to three times such officer's annual base compensation and target bonus; (2) continuation of employee welfare benefits for three years; and (3) immediate vesting of benefits under the Savings and Retirement Plan, the Supplemental Plan and the Excess Plan. Payments to any of the Named Executive Officers under the Supplemental Benefit Program will be increased to offset the affects of any excise taxes payable with respect to such payments.

For purposes of the Supplemental Benefit Agreement, a change of control shall be deemed to have occurred upon the happening of certain significant corporate events including any one of the following: (1) the individuals who, prior to any merger, consolidation, dissolution or similar transaction ( Transaction ),

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constituted the Company's board of directors, ceasing to constitute at least a majority thereof, unless the election, or the nomination for election of each director of the Company for a period of two years following consummation of the Transaction was approved by a vote of at least two-thirds of the directors of the Company then still in office who were directors of the Company prior to such Transaction; (2) any acquisition of twenty-five percent or more of the Company's common stock; or (3) certain mergers, liquidations or similar Transactions.

Also, for purposes of the Supplemental Benefit Program, termination for "good reason" means a change of control and the occurrence of any one of the following events without the Named Executive Officer's consent: (1) the assignment to such officer of duties substantially inconsistent with such officer's position, duties, responsibility or status with the Company or a substantial reduction of such officer's duties or responsibilities, as compared with such officer's duties or responsibilities prior to such reduction, or any removal of such officer from, or any failure to re-elect the officer to, the position such officer held at the time of such removal or failure to re-elect, except in connection with termination of employment for cause; (2) a reduction in the amount of such officer's base compensation, a material reduction in payments received by such officer under any bonus or incentive plans in which the such officer participates or a material reduction in any other perquisites to which such officer is entitled; (3) the relocation of such officer's principal office to a location more than thirty-five miles from the location of such office immediately prior to such change of control; or (4) any material breach by the Company of any of the provisions of the Supplemental Benefit Agreement.

**HUMAN RESOURCES AND COMPENSATION COMMITTEE  
REPORT ON EXECUTIVE COMPENSATION**

The Company's executive compensation program is administered by the human resources and compensation committee of the board of directors (the "Committee"). The Committee is composed entirely of independent non-employee directors and is responsible, together with the other non-employee independent directors, for approving chief executive officer compensation. The Committee also reviews and recommends to the board all elements of compensation for the executive officers. The Committee has furnished this report on executive compensation for fiscal year 2004.

*Executive Compensation Philosophy.* The Company's executive compensation program is designed to provide total direct compensation opportunities that are competitive and also align actual amounts paid to executives commensurate with Company and individual performance. The objectives of the executive compensation program are to:

Attract and retain high-performing executives

Align compensation opportunities with the financial and stock performance of the Company

Reward executives for achievement of short- and long-term strategic goals through the use of variable compensation plans

Align the interests of executives with those of shareholders through an emphasis on long-term incentives and equity compensation opportunities

Provide meaningful recognition of individual contributions to overall Company performance

The following four compensation and benefit elements are used in support of the philosophy: base salary, annual incentives, long-term incentives, and benefits. The program provides target opportunities at the 50th percentile of a comparison group. The combination and relative weighting of these elements reflect the Committee's belief that executive compensation should be closely tied to the Company's profitability and creation of shareholder value. Stock ownership guidelines further align executive interests with those of shareholders.

*Competitive Benchmarking.* The Committee retains a nationally recognized independent compensation consulting firm to provide guidance regarding competitive executive compensation practices and compensation

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levels. The consulting firm regularly analyzes the Company's executive compensation levels by the elements cited above both individually and collectively, the Company's performance and the architecture of the incentive plans. A group of insurance competitors, which are identified in the Performance Comparison in the 2005 Proxy Statement, is used for comparison and benchmarking purposes. The companies included in the benchmark group are reviewed annually to ensure that they continue to be appropriate. If necessary, the group is revised to reflect mergers, acquisitions, strategic changes or other relevant factors. The results of the consulting firm's analysis and resulting recommendations are considered by the Committee in making executive compensation program decisions.

*Base Salary.* Executive base salaries are generally reviewed annually; if any salary adjustments are approved, they typically become effective in March. If promotions, significant changes of responsibilities or similar changes occur throughout the year, off-cycle base salary adjustments may be made. In making base salary determinations, the Committee considers the competitive base salary review, as well as Company and individual performance. After adjustments, base salary levels were found to be within an appropriate targeted range when compared to the benchmark group. Individual variations in the levels of salary increases among the Company's executives reflect an effort to reward outstanding individual contributions and/or an effort to align a position's base salary with the benchmark group.

*Annual Incentives.* Annual incentive opportunities are provided to the Company's executives to link the achievement of annual Company and individual goals with executive compensation. Under the annual incentive program for executive officers, the Committee establishes a target incentive pool and range of pool funding levels for such officers considering competitive practices and the consulting firm's recommendations. Pool funding levels are linked with specific targets and ranges of Company financial performance results on one or more objective performance goals approved by the Committee at the beginning of the fiscal year.

Awards to the chief executive officer and other executive officers are approved by the Committee in the February following each fiscal year considering: the amount of overall pool funding and the extent to which the executive achieves the objective performance goals that were established at the beginning of the year. For the chief executive officer, the Committee recommends the payout level. For other executive officers, the Committee makes determinations based on chief executive officer and/or chief operating officer recommendations. The annual program is intended to bring the executives' total cash compensation (base salary plus annual incentive) to the 50th percentile of the benchmark group when targeted Company profitability and individual performance criteria are met. Actual bonus amounts paid to executive officers for performance in 2004 were based on achievement of pre-determined targets for net operating income per share and GAAP net income per share. Individual target awards for the Named Executive Officers ranged from 50 percent to 100 percent of base salary. The actual payout achieved by the Named Executive Officers ranged from 67 percent to 200 percent of individual target awards for the 2004 performance period. The minimum and maximum annual incentive payout possible for 2004 ranged from zero to 200 percent of individual target awards.

*Long-Term Incentives.* The Committee believes that long-term incentives are an effective tool in aligning executive rewards with the creation of value for shareholders. The Company has historically used stock options under its stock incentive plans as its long-term incentive for executives. Following the review and recommendation by the Committee's independent compensation consultant, the Company introduced a performance share program in 2004 as a substitute for a portion of the options the Committee would otherwise have granted to executive officers. Thus, there are currently two components of long-term incentive compensation utilized for executive officers: stock options and performance shares. In all cases, annual long-term incentive compensation values were recommended by position, based on ranges set to be competitive with the benchmark group. Generally, grants of stock options and performance shares will each approximate one-half of the total long-term incentive opportunity for executive officers. Both the 2004 stock option grants and performance share grants were made under the shareholder-approved 2003 Stock Incentive Plan.

Stock options may be granted to executive officers and other key employees of the Company and its subsidiaries and affiliates. These options may be exercised at a fixed price per share (the market price on the date of grant) and expire upon the tenth anniversary of the date of issuance. The options become exercisable



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subject to vesting in five equal installments over the five years following the issuance of the options, and continued employment with the Company.

Performance shares may also be granted to executive officers and other key employees of the Company and its subsidiaries and affiliates. Generally, a target number of performance shares will be granted to participants, and the actual amount of shares earned may range from zero to 200 percent of the target grant. The amount earned will be contingent upon the Company's business performance relative to pre-determined goals over the associated two or three-year performance cycle. For the 2004 grant, performance will be measured over a two year period with respect to total shareholder return and the increase in book value per share. The peer companies used for performance comparison with respect to total shareholder return are selected companies from the Standard & Poor's Supercomposite Insurance Index. The pre-determined performance goals for increase in book value per share are set by the committee after consultation with the finance and strategy committee. Amounts earned under the performance share program will be paid in shares of Company common stock. These awards are more fully described in the Company's 2005 Proxy Statement.

*Benefits.* The final material element of executive compensation includes participation in Company-wide medical and insurance benefits and retirement plans, and the ability to defer compensation pursuant to a 401(k) plan. Executive officers also receive the following additional benefits: a monthly car allowance of \$850; reimbursement for cost of preparing federal and state income tax returns, business dining club membership dues, and cost of bi-annual physical examination in excess of reimbursement under the Company medical plan.

*Change of Control Agreements.* In accordance with the Company's policy adopted in 1999, the Company entered into a supplemental benefit agreement with certain executives to provide protection upon involuntary termination following a change of control. The agreements, which are in the Company's 2005 Proxy Statement, provide multiples of salary and bonus with continued medical benefits, full vesting of outstanding stock options and a pro-rated portion of the performance share awards for the performance period in which the termination occurs.

*Stock Ownership.* The Committee believes that executive leadership should own meaningful amounts of Company stock to further align executives' interests with shareholders' interests. To that end, certain executives are subject to stock ownership guidelines that articulate minimum levels of expected stock ownership. Specifically, ownership guidelines are as follows: Chief Executive Officer and President: five times base salary; all other executive officers: three times base salary; other officer participants: one times base salary. Executives are expected to achieve the applicable guideline within five years. Failure to comply or make what the Committee deems as adequate progress to guideline achievement may result in a reduction in future long-term incentive awards. The Committee monitors compliance with the guidelines at least annually. As of the most recent assessment, all executive officers satisfied the guidelines or were making adequate progress to achieving the guidelines.

*Chief Executive Officer Compensation.* Roger K. Brooks has served as the Company's chief executive officer since its formation in 1996. The Committee used the executive compensation practices described above to determine Mr. Brooks' 2004 compensation. Mr. Brooks' total compensation reflects a consideration of both competitive factors and Company and individual performance.

The Committee surveyed, with the assistance of its independent compensation consultant, the total value and mix of direct compensation elements for chief executive officers of the benchmark group. Based on this information, the Committee determined a corresponding compensation package that approximated the 50th percentile of the benchmark group.

For fiscal year 2004, Mr. Brooks' target total cash compensation was set at \$1,530,000. His base salary increased from \$750,000 to \$780,000 and was coupled with a \$750,000 target bonus opportunity under the annual management incentive compensation program. His actual earned bonus could be a minimum of zero up to a maximum of 200 percent of his target bonus or \$1,500,000, if all performance objectives reached the maximum target level. His fiscal year 2004 performance objectives were the achievement of pre-determined financial objectives with regard to adjusted net operating income and GAAP net income.

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Upon the completion of the year, the Committee reviewed 2004 results against the pre-determined fiscal year 2004 performance and financial objectives for the annual management incentive compensation plan. The results exceeded the 2004 objectives established for operating earnings per share and GAAP net income per share. As a result, the Committee determined that Mr. Brooks was eligible for the bonus at the maximum level as established at the beginning of 2004. The Committee then assessed Mr. Brooks' achievement in other goal areas that had been set forth for him: leadership effectiveness in further leveraging the Company's long-term and short-term strategies, achievement of operational and business goals and the creation of significantly stronger capital levels. The Committee considered additional Company results including record earnings and a 30 percent increase in the Company's stock price during fiscal year 2004. The annual bonus was recommended by the Committee and approved by the board at the maximum level because of the results achieved by the Company and Mr. Brooks' achievement of his individual goals.

To reflect 2004's importance as a pivotal year in the culmination of the Company's management succession plan, the Committee reviewed the two elements of the long-term incentive plan: stock options and performance units. Mr. Brooks received a grant of a non-qualified stock option to purchase 50,000 shares of Company common stock, with the same provisions as stock options granted to other employees. The Committee determined that it would be more appropriate to replace the chief executive officer's grant of performance units for 2004 with compensation that was directly linked to the successful management of the transition plan. In lieu of being granted performance units under the long-term incentive plan, Mr. Brooks was given an opportunity to earn a transition bonus of up to \$750,000 for fiscal year 2004.

The Committee assessed Mr. Brooks' performance in carrying out the management succession plan established by the board of directors, which culminated in the announcement made by the Company in February 2005 that Mr. Brooks plans to retire from his executive position with the Company effective at the end of the year and that Thomas C. Godlasky, now the Company's president and chief operating officer will continue as president and become chairman and chief executive officer concurrent with Mr. Brooks' retirement. The Committee determined that the transition plan had been managed effectively and approved payment of the \$750,000 transition bonus at its February 2005 meeting.

*Tax Deductibility of Executive Officer Compensation.* The Committee has considered the potential impact of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), and the regulations thereunder. Section 162(m) disallows a tax deduction for any publicly held corporation for individual compensation exceeding \$1 million in any taxable year for any of the Named Executive Officers, unless such compensation is performance-based. The Company's policy is to qualify, to the extent reasonable, its executive officers' compensation for deductibility under applicable tax laws. To this end, shareholders are being asked to approve Proposal 3 in the Company's 2005 Proxy Statement.

Respectfully submitted by the members of the human resources and compensation committee of the board of directors:

John W. Norris Jr., Chairman  
David A. Arledge  
Alecia A. DeCoudreaux  
Thomas F. Gaffney  
Ward M. Klein

**COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

The members of the human resources and compensation committee are set forth in the preceding section. There are no members of the human resources and compensation committee who were officers or employees of the Company or any of its subsidiaries during the fiscal year, formerly officers of the Company, or had any relationship otherwise requiring disclosure hereunder.

**Table of Contents****PERFORMANCE COMPARISON**

The following graph compares the cumulative total shareholder return on the Company's common stock over the last five fiscal years to the cumulative total return of the Russell 2000 stock index and a peer group of companies (the Peer Group) consisting of thirteen life insurance companies whose stock is publicly traded to which the Company compares its business and operations: Delphi Financial Group, Inc., FBL Financial Group, Inc., Great American Financial Resources, Inc., Hartford Financial Services Group, Inc., Jefferson-Pilot Corporation, Kansas City Life Insurance Company, Lincoln National Corporation, Nationwide Financial Services, Inc., Phoenix Companies, Inc., Presidential Life Corporation, Principal Financial Group, Inc., Protective Life Corporation, StanCorp Financial Group, Inc. and Torchmark Corporation. During 2004, Mony Group, Inc. was removed from Peer Group because it was acquired and is no longer a public company. Hartford Financial Services Group, Inc. and StanCorp Financial Group, Inc. were added in 2004 to replace Mony Group, Inc. because their businesses and operations are comparable to the Company's.

The graph assumes a \$100.00 investment on December 31, 1999, and the reinvestment of dividends. Points on the graph represent performance as of the last business day of each of the years indicated. The return of the Peer Group is based on the return of each company included therein weighted to reflect each such company's stock market capitalization.

**CUMULATIVE TOTAL RETURNS**  
**Period Beginning December 31, 1999 and Ending December 31, 2004**  
**Total Shareholder Returns\***

	<b>12/31/99</b>	<b>12/31/00</b>	<b>12/31/01</b>	<b>12/31/02</b>	<b>12/31/03</b>	<b>12/31/04</b>
AmerUs Group Co.	\$ 100.00	\$ 143.62	\$ 160.94	\$ 128.60	\$ 160.85	\$ 210.23
Peer Group	100.00	130.48	127.28	109.15	138.93	166.46
Russell 2000	100.00	96.98	99.39	79.03	116.38	137.71

\* Source: SNL Financial LC, Charlottesville, VA

**Table of Contents****EQUITY COMPENSATION PLAN INFORMATION**

The following table sets forth information regarding the Company's equity compensation plans as of December 31, 2004:

<b>Plan Category</b>	<b>(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</b>	<b>(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights</b>	<b>(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))</b>
Equity compensation plans approved by security holders	4,217,685	\$ 24.38	1,076,030
Equity compensation plans not approved by security holders(1)	78,400	31.16	21,600
<b>Total</b>	<b>4,296,085</b>	<b>\$ 24.51</b>	<b>1,097,630</b>

(1) Includes stock appreciation rights under the Non-Employee Plan which may be paid in cash or Company common stock. The Company's practice has been to pay such grants in cash on exercise thereof.

*Equity Compensation Plans not Approved by Security Holders*

On February 12, 1999, the Company adopted the AmerUs Group Co. Non-Employee Stock Option Plan (Non-Employee Plan) to give agents of the Company and/or its subsidiaries who make significant contributions to the success of the Company and/or its subsidiaries an interest in the Company's performance. Under the Non-Employee Plan, participants may receive stock options and/or stock appreciation rights. On exercise of stock options and/or appreciation rights, a participant may be paid in cash or stock, in the discretion of the Company.



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**PROPOSAL 2**  
**APPROVAL OF AMENDMENT TO THE 2003 STOCK INCENTIVE PLAN**

**Vote Required**

Approval of the amendment requires that the affirmative votes of the shares of common stock present or represented by proxy and entitled to vote at the meeting exceed those votes against the proposal.

**Reason for Proposed Amendment**

On February 11, 2005, upon the recommendation of the human resources and compensation committee, the board of directors unanimously approved an amendment to the shareholder approved 2003 Stock Incentive Plan (the 2003 Stock Plan ), subject to shareholder approval. The amendment increases the number of shares of restricted stock that can be issued by the Company under the 2003 Stock Plan from 225,000 to 450,000, but without increasing the total number of stock related awards that can be granted under the 2003 Stock Plan.

Under the 2003 Stock Plan, 1,500,000 shares of Company common stock were reserved for issuance, of which awards of restricted stock were limited to 225,000 shares. When the 2003 Stock Plan was adopted, the subsequent changes in accounting rules which require the expensing of stock options and increase the attractiveness of restricted stock awards as compared to other types of awards such as stock options were not anticipated. The Company plans to make greater use of restricted stock, thereby reducing the Company's reliance on stock options. Previously, the Company used stock options as the principal form of long-term compensation. In order to ensure the availability of a sufficient number of restricted stock for awards under the 2003 Stock Plan, the number of shares of restricted stock that may be issued would need to be increased.

The total number of shares reserved for issuance under the 2003 Stock Plan would remain unchanged at 1,500,000. As of February 28, 2005, there were 615,457 shares available for awards under the 2003 Stock Plan, of which 187,594 shares could be in the form of restricted stock; however, if shareholders approve Proposals 2 and 3, an additional 210,600 shares of restricted stock would be reserved for potential maximum payouts under LTIP awards. The amendment would provide that, out of the 1,500,000 shares, the number that may be issued in the form of restricted stock be increased from 225,000 to 450,000, thus reducing by 225,000 the number of other stock related awards such as stock options that are available under the 2003 Stock Plan if the entire amount of restricted stock is granted.

At the annual meeting, the shareholders are being asked to approve an amendment to the 2003 Stock Plan that would increase to 450,000 the number of shares of restricted stock that may be issued under the 2003 Stock Plan.

**Summary of the 2003 Stock Plan**

*General.* The purpose of the 2003 Stock Plan is to attract and retain individuals who contribute to the Company's success, and to enable such individuals to participate in the long-term success and growth of the Company through an equity interest in the Company. Stock options, stock awards, cash incentive units and stock appreciation rights may be granted under the 2003 Stock Plan. Options granted under the 2003 Stock Plan may be either incentive stock options, as defined in Section 422 of the Code, or non-qualified stock options.

*Administration.* The 2003 Stock Plan will be administered by the human resources and compensation committee (the Committee ) appointed by the board. The Committee shall have the power to interpret the 2003 Stock Plan, to amend awards in a manner not inconsistent with the 2003 Stock Plan, to determine the terms and conditions of awards, and to adopt such rules and regulations and guidelines for carrying out the 2003 Stock Plan as it may deem necessary or proper. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the 2003 Stock Plan or in any award in the manner and to the extent the Committee deems necessary or desirable to carry it into effect. All decisions made by the Committee

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pursuant to the provisions of the 2003 Stock Plan shall be final and binding on all persons including the Company.

The Committee may not grant any stock option or stock appreciation right with an exercise price less than the fair market value of a share of stock on the date of the grant of such award. Additionally, the Committee may not (i) reprice any stock option or stock appreciation right or (ii) permit the exchange of stock options issued under the 2003 Stock Plan or any other Company stock option plan for a lesser number of new stock options to be granted under the 2003 Stock Plan having a lower exercise price, except in the event of a merger, reorganization, consolidation, recapitalization, stock dividend or other similar event.

*Eligibility.* Non-qualified stock options, stock awards and stock appreciation rights may be granted under the 2003 Stock Plan to employees, directors and consultants of the Company, its affiliates and subsidiaries. Incentive stock options may be granted only to employees of the Company or its subsidiaries. The committee, in its discretion, selects the employees, directors and consultants to whom options, stock awards and stock appreciation rights may be granted, the time or times at which such awards are granted and the terms and conditions of any such awards. As of February 28, 2005, approximately 12 non-employee directors and approximately 82 officers were eligible to participate in the 2003 Stock Plan.

*Shares Subject to the 2003 Stock Plan.* The total number of shares of common stock reserved and available for distribution under the 2003 Stock Plan shall be 1,500,000. Such shares may consist, in whole or in part, of authorized and unissued shares or treasury shares. The maximum number of shares subject to awards which may be granted under the 2003 Stock Plan in any one year is 1,000,000, and the maximum number of shares subject to awards which may be granted under the 2003 Stock Plan to any individual in any one year is 250,000. Any shares subject to awards which, for any reason, expire or are terminated or forfeited, become available again for grant of awards under the 2003 Stock Plan. On February 28, 2005, the closing price of the common stock on the NYSE was \$48.13 per share. In the event of any merger, reorganization, consolidation, stock dividend or other change in corporate structure affecting the common stock, the Committee shall make a corresponding adjustment or substitution to outstanding awards and shares available for future grant as it deems appropriate in order to reflect any such event.

*Stock Options.* The Committee is authorized to determine the terms and conditions of all option grants, including the exercise price and term subject to the limitations that the option price per share may not be less than the fair market value of a share of the Company's common stock on the date of grant and the term of an option may not be longer than ten years. Payment of the option price may be made in any manner specified by the Committee (which may include cash or common stock of the Company). The Committee shall determine the time or times during which the stock option is exercisable provided that no stock option shall be exercisable prior to the first anniversary of the grant of such stock options except in the event of a change of control or termination of employment in certain circumstances.

*Stock Appreciation Rights.* The Committee is authorized to grant stock appreciation rights either in tandem with options under the 2003 Stock Plan or for cash compensation alone. A stock appreciation right issued in connection with an option can be exercised only to the extent the option with respect to which it is granted is not exercised, and is subject to the same terms and conditions as the option to which it relates. If the Committee issues stock appreciation rights not in tandem with stock options, the Committee is authorized to determine the terms and conditions of such award, including without limitation the exercise price and times during which such stock appreciation rights are exercisable, provided that no such stock appreciation right shall be exercisable prior to the first anniversary of the grant of such stock appreciation right except in the event of a change of control or a termination of employment under certain circumstances. Upon exercise of a stock appreciation right, the holder will be entitled to receive, for each share with respect to which the stock appreciation right is exercised, an amount (the *Appreciation*) equal to the difference between the option price of the related option (or the exercise price stated in the stock appreciation right agreements for stock appreciation rights not granted in conjunction with stock options) and the fair market value of a share of Stock on the date of exercise of the stock appreciation right. The *Appreciation* will be payable in cash or common stock, at the discretion of the Committee.

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*Restricted Stock.* The Committee is authorized to award restricted stock under the 2003 Stock Plan subject to such terms and conditions as the Committee may determine in accordance with the 2003 Stock Plan. The Committee has the authority to determine the number of shares of restricted stock to be awarded, the price, if any, to be paid by the recipient of the restricted stock, and the date or dates on which the restrictions on the restricted stock will lapse. The grant of restricted stock may be conditioned upon the completion of a specific period of service with the Company, upon the attainment of specified performance goals, or upon such other criteria as the Committee may determine. In no event (other than a change of control or a termination of employment in certain circumstances) may the restrictions applicable to the restricted stock under the 2003 Stock Plan or the participant's restricted stock agreement lapse prior to the first anniversary of the grant of such restricted stock. Subject to shareholder approval of this proposal, the maximum number of restricted stock to be issued under the 2003 Stock Plan shall be 450,000 shares.

*Cash Incentive Units.* The Committee is authorized to award cash incentive units either alone or in addition to other awards granted under the 2003 Stock Plan. Cash incentive units entitle a recipient to earn the units over a performance period if pre-established performance goals are met. The Committee has the authority to determine the terms and conditions of the award, including the value of the cash incentive units, which may be in cash or based upon the value of common stock, the performance period and related performance goals. At the end of the performance period, the Committee determines the extent to which the performance goals were met, the number of cash incentive units earned and the value of such units. Payment for the cash incentive units earned will be made in cash.

*Termination of Employment.* All of the terms relating to the exercise, cancellation or other disposition of an option, stock appreciation right or restricted stock upon a termination of employment with or service to the Company, its affiliates or subsidiaries, whether by reason of disability, retirement, death or other termination will be determined by the Committee. Such determination will be made at the time of such award and shall be specified in the written agreement evidencing the award. Unless otherwise determined by the Committee at grant, if a recipient of an award is involuntarily terminated for cause or, in the case of restricted stock which is subject to a restricted period, the award or portion of the award of restricted stock in the restricted period shall terminate immediately as of the date of the termination of employment. If the employment of a recipient of a cash incentive unit is terminated during a performance period, the Committee may determine that the recipient is entitled to all or any portion of the cash incentive units as to which such recipient would otherwise be eligible and may accelerate such cash incentive units.

*Amendment and Termination of the Plan.* The Board may amend, alter, suspend or terminate the 2003 Stock Plan, or any part thereof, at any time and for any reason. However, the Company shall obtain shareholder approval for any amendment to the 2003 Stock Plan to the extent necessary and desirable to comply with applicable laws and regulations (including without limitation the New York Stock Exchange listing requirements) or that would (i) decrease the exercise price of a stock option or stock appreciation right to less than the fair market value of a share of Stock on the date of grant or (ii) render a stock option or stock appreciation right exercisable prior to the first anniversary of the grant of such award, except as otherwise provided in the 2003 Stock Plan. In addition, no amendment may cause the restrictions on an award of restricted stock to lapse prior to the first anniversary of the date of grant of such restricted stock, except as otherwise provided in the 2003 Stock Plan. No such action by the Board or shareholders may alter or impair any option or award previously granted under the 2003 Stock Plan without the written consent of the awardee. Unless terminated earlier, the 2003 Stock Plan shall terminate ten years from the date of its approval by the shareholders.

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*New Plan Benefits.* The following table presents certain information with respect to awards granted during the fiscal year ended December 31, 2004 to (i) our Chief Executive Officer and our other four most highly compensated executive officers, (ii) all executive officers as a group, (iii) all non-employee directors as a group and (iv) all non-executive officer employees as a group. This information regarding grants for the fiscal year ended December 31, 2004 is for illustration only and may not be indicative of grants that are made in the future under the 2003 Stock Plan

	<b>Number of Securities Underlying:</b>	
	<b>Options Granted</b>	<b>Performance Shares Granted(1)</b>
Roger K. Brooks	50,000	0
Thomas C. Godlasky	40,000	15,000
Gregory D. Boal	23,000	9,400
Mark V. Heitz	22,000	9,000
Gary R. McPhail	23,000	9,400
All Executive Officers as a Group	195,000	56,800
All Non-Employee Directors as a Group	31,500	0
All Non-Executive Officer Employees as a Group	133,055	0

(1) Represents performance shares under the LTIP based on performance at target. If the maximum performance goal is achieved, the performance shares earned will be two times the target performance shares.

**Federal Income Tax Consequences**

*Incentive Stock Options.* An optionee who is granted an incentive stock option does not recognize taxable income at the time the option is granted or upon its exercise, although the exercise is an adjustment item for alternative minimum tax purposes and may subject the optionee to the alternative minimum tax. Upon a disposition of the shares more than the latter of two years after grant of the option or one year after exercise of the option, any gain or loss is treated as long-term capital gain or loss. Net capital gains on shares held more than 12 months are generally taxed at a maximum federal rate of 15 percent. Capital losses are generally allowed in full against capital gains and up to \$3,000 against other income. If the above holding periods are not satisfied, the optionee recognizes ordinary income at the time of disposition equal to the difference between the exercise price and the lower of (i) the fair market value of the shares at the date of the option exercise or (ii) the sale price of the shares. Any gain or loss recognized on such a premature disposition of the shares in excess of the amount treated as ordinary income is treated as long-term or short-term capital gain or loss, depending on the holding period. Unless limited by Section 162(m) of the Code, the Company is entitled to a deduction in the same amount as and at the time the optionee recognizes ordinary income.

*Non-statutory Stock Options.* An optionee does not recognize any taxable income at the time he or she is granted a non-qualified stock option. Upon exercise, the optionee recognizes taxable income generally measured by the excess of the then fair market value of the shares over the exercise price. Any taxable income recognized in connection with an option exercise by an employee of the Company is subject to tax withholding by the Company. Unless limited by Section 162(m) of the Code, the Company is entitled to a deduction in the same amount as and at the time the optionee recognizes ordinary income. Upon a disposition of such shares by the optionee, any difference between the sale price and the fair market value on the date of exercise is treated as long-term or short-term capital gain or loss, depending on the holding period. Net capital gains on

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shares held more than 12 months may be taxed at a maximum federal rate of 15 percent (lower rates may apply depending upon when the stock is acquired and the applicable income tax bracket of the taxpayer). Capital losses are generally allowed in full against capital gains and up to \$3,000 against other income.

*Stock Awards.* Stock awards will generally be taxed in the same manner as non-qualified stock options. However, a stock award is subject to a substantial risk of forfeiture within the meaning of Section 83 of the Code to the extent the award will be forfeited in the event that the service provider ceases to provide services to the Company. As a result of this substantial risk of forfeiture, the service provider will not recognize ordinary income at the time of award. Instead, the service provider will recognize ordinary income on the dates when the stock is no longer subject to a substantial risk of forfeiture, or when the stock becomes transferable, if earlier. The service provider's ordinary income is measured as the difference between the amount paid for the stock, if any, and the fair market value of the stock on the date the stock is no longer subject to forfeiture.

The service provider may accelerate the date of award his or her recognition of ordinary income, if any, and begin his or her capital gains holding period by timely filing (i.e., within thirty days of the award) an election pursuant to Section 83(b) of the Code. In such event, the ordinary income recognized, if any, is measured as the difference between the amount paid for the stock, if any, and the fair market value of the stock on the date of award, and the capital gain holding period commences on such date. The ordinary income recognized by a service provider who is an employee will be subject to tax withholding by the Company. Unless limited by Section 162(m) of the code, the Company is entitled to a deduction in the same amount as and at the time the service provider recognizes ordinary income.

*Cash Awards.* Upon receipt of cash, the recipient will have taxable ordinary income, in the year of receipt, equal to the cash received. In the case of a recipient who is also an employee, any cash received will be subject to tax withholding by the Company. Unless limited by section 162(m) of the Code, the Company will be entitled to a tax deduction in the amount and at the time the recipient recognizes compensation income.

**The foregoing is only a summary of the effect of federal income taxation upon optionees and the Company with respect to the grant and/or exercise of options and awards under the 2003 Stock Plan. It does not purport to be complete and does not discuss the tax consequences arising in the context of the employee's, director's or consultant's death or the income tax laws of any municipality, state or foreign country in which the employee's or consultant's income or gain may be taxable.**

**Incorporation by Reference**

The foregoing is only a summary of the 2003 Stock Plan and is qualified in its entirety by reference to its full text, a copy of which is attached hereto as Appendix C.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THIS PROPOSAL.**

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**PROPOSAL 3**  
**APPROVAL OF PERFORMANCE-BASED PROCEDURES TO BE FOLLOWED IN GRANTING**  
**INCENTIVE COMPENSATION AWARDS**

**Vote Required**

Approval of the amendment requires that the affirmative votes of the shares of common stock present or represented by proxy and entitled to vote at the meeting exceed those votes against the proposal.

**Reason for Proposed Amendment**

On February 9, 2005, the human resources and compensation committee (the Committee) of the Board of Directors of the Company approved certain procedures it will follow in order to comply with Section 162(m) of the Internal Revenue Code (Section 162(m)) for annual and long-term incentive awards granted to certain executive officers of the Company, its subsidiaries and affiliates.

The Company has a management incentive plan (the MIP) that provides certain Company and subsidiary executives and key managers with annual incentive compensation based upon the achievement of performance goals and individual performance. The MIP is intended to create incentives for superior performance and profitable growth.

The Company also has a long-term incentive plan (the LTIP) pursuant to which awards under the Company's 2003 Stock Incentive Plan (the 2003 Stock Plan) may be granted to officers of the Company and its subsidiaries. The payment of LTIP awards is contingent on the achievement of pre-established performance goals over a performance period, generally two or three years. The LTIP is intended to strongly align compensation opportunities under Section 162(m) of the Internal Revenue Code with the creation of value for shareholders.

Section 162(m) limits to \$1 million the annual corporate tax deduction for compensation paid to the CEO and each of the next four most highly compensated executive officers. Certain types of compensation may be excluded from this limitation on deductibility, including compensation that qualifies as performance-based compensation.

In order to comply with the provisions of Section 162(m) and qualify such compensation on performance based compensation eligible for exclusion from the deduction limits, the Internal Revenue Service has indicated that four conditions must be satisfied. Compensation will be considered performance-based and therefore not be subject to the deduction limit if:

1. It is payable on account of the attainment of one or more pre-established, objective performance goals;
2. The performance goals are established by a compensation committee of the board of directors that is comprised solely of outside directors;
3. The material terms of the compensation and performance goals are approved by shareholders; and
4. The compensation committee certifies achievement of such goals before payment.

For purposes of Section 162(m), the material terms that shareholders approve must apply to the CEO and the next four most highly compensated executive officers for any given year, although the Committee may apply the same or similar performance criteria to other executives. While the Committee intends to follow the MIP and LTIP procedures in order to comply with Section 162(m), the Committee also may approve bonus or other payments that do not meet the material terms described below and that may not be tax deductible. The Committee's philosophy regarding compensation and deductibility is described in the Human Resources and Compensation Committee Report on Executive Compensation in this proxy statement.

**Table of Contents****Material Terms of the Management Incentive Plan Procedures**

For certain executive officers of the Company, its subsidiaries and affiliates, currently a group of seven senior executives, the Company will follow certain procedures to qualify MIP bonuses as performance-based compensation for purposes of Section 162(m). Each year the Company will create a bonus pool in which such executive officers may participate. The bonus pool will be equal to 5 percent of the Company's adjusted net operating income that is publicly disclosed to stock analysts for such year, and is generally defined as net income as adjusted to eliminate certain items that do not reflect results from continuing operations.

Within 90 days of the start of each year, the Committee will (i) specify the executives entitled to participate in the bonus pool for that year and (ii) for each such executive establish a maximum award, expressed as a percentage of the bonus pool. The maximum percentage that may be paid to any one participant will not exceed 40 percent of the bonus pool. The maximum award shall include any match under the Company's MIP deferral plan. The total of the maximum percentages for all participants shall not exceed 100 percent of the bonus pool.

The Committee has the right to reduce any MIP bonus to amounts less than the maximum percentage allocated to a participant or to eliminate such award altogether based on any factors determined by the Committee. The Company will pay MIP bonuses after year end in cash or such other form of consideration as the Committee in its discretion may determine.

**Material Terms of the Long-Term Incentive Plan Procedures**

The Committee in its discretion may grant an LTIP award under the 2003 Stock Plan and any other stock incentive plan approved by shareholders to officers of the Company, its subsidiaries and its affiliates. As of February 28, 2005, seven senior executive officers were deemed eligible for LTIP awards. Each award will be in the form of units and will state the number of target units in the award. Each award will have an initial value equal to the number of target units multiplied by the closing price for a share of Company common stock on the date of grant. The maximum initial value of the target units that may be granted to any one participant in any calendar year is the lesser of 300 percent of such participant's base salary at the time of the grant of the award or \$3 million. The actual number of units that may be earned for any award is contingent upon the achievement of long-term performance goals and may exceed the target up to a maximum of 200 percent of the number of target units included in the award. As described below, the value of any earned award will also depend on the price of the Company's common stock at the end of the performance period, generally two or three years. If the Company's performance fails to meet the threshold performance level for the performance period, no award is earned.

For each award, the Committee will establish a performance period during which performance will be assessed. Within 90 days of the start of the performance period, the Committee will specify for each participant (i) one or more performance measures and (ii) threshold, target and maximum goals for each performance measure. Each goal will correspond to a percentage of the target units that will be earned for attaining such level of performance. Each performance measure and its associated goals may apply to a portion of the target award.

The performance measures upon which the payment of an award may be based shall be limited to:

Net income or adjusted net operating income (before or after taxes)

Net income per share (before or after taxes)

Adjusted net operating income per share (before or after taxes)

Revenue growth

Return on assets, equity or invested capital

Gross or operating margins

Expenses or reduction in expenses





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Increase in surplus

Book value (including or excluding accumulated other comprehensive income ( AOCI ) and/or dividend payments)

Book value per share (including or excluding AOCI and/or dividend payments)

Share price

Total shareholder return

Any performance measure and goal may be measured either annually or cumulatively over the performance period and be used to measure the performance of the Company as a whole, any affiliate, any business unit, any line of business or any combination thereof. Performance measures and goals may be based on absolute performance, percentage or amount of change and/or in comparison to peer companies.

The final value of the award will equal the number of units earned multiplied by the Company's stock price at the end of the performance period. In no case may the Committee increase the value of an award, but the Committee may reserve the right in any award to reduce the value of the award or to eliminate such award altogether. Awards will be paid in Company common stock or such other form of consideration as the Committee in its discretion may determine.

A copy of the MIP and LTIP procedures for granting awards thereunder are attached to this proxy statement as Appendix D.

**THE BOARD OF DIRECTORS RECOMMEND THAT YOU VOTE FOR THIS PROPOSAL**

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**REPORT OF THE AUDIT COMMITTEE OF  
THE BOARD OF DIRECTORS**

The audit committee reviews the Company's financial reporting process on behalf of the board of directors and selects the independent auditors. Management has the primary responsibility for the financial statements and the reporting process including the system of internal controls. The independent auditors are responsible for expressing an opinion on the conformity of those audited financial statements with U.S. generally accepted accounting principles.

In this context, the audit committee meets regularly with management and the independent auditors, both jointly and separately. Management reported to the audit committee that the Company's consolidated financial statements were prepared in conformity with U.S. generally accepted accounting principles, and the audit committee has reviewed and discussed the consolidated financial statements with management and the independent auditors. The audit committee discussed with the independent auditors matters required to be discussed by the Statement on Auditing Standards No. 61 (Communication With Audit Committees) as amended.

In addition, the audit committee has discussed with the independent auditors, the auditor's independence from the Company and its management, including the matters in the written disclosures received by the committee including those required by Independence Standards Board Standard No. 1 (Independence Discussions With Audit Committees).

The audit committee acts pursuant to the Audit Committee Charter adopted by the board of directors. Each of the audit committee members satisfies the definition of independent director as established under the listing standards of the NYSE.

In reliance on the reviews and discussions referred to above, the audit committee recommended to the board of directors, and the Board has approved, that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2004, for filing with the Securities and Exchange Commission. The audit committee has appointed Ernst & Young LLP as the Company's independent auditors for fiscal year 2005.

Respectfully submitted by the members of the audit committee of the board of directors:

Andrew J. Paine Jr., Chairman  
David A. Arledge  
Jack C. Pester  
F. A. Wittern Jr.

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**Table of Contents****Independent Auditor Fees**

The following table presents fees for professional audit services rendered by Ernst & Young LLP for the audit of the Company's annual financial statements for the years ended December 31, 2004 and December 31, 2003, and fees for other services rendered by Ernst & Young LLP during those periods.

	<b>Fiscal 2004</b>	<b>% of Total</b>	<b>Fiscal 2003</b>	<b>% of Total</b>
Audit fees(a)	\$ 2,909,978	70.4%	\$ 1,408,374	50.8%
Audit related fees(b)	105,725	2.6	112,631	4.1
Tax fees(c):				
Tax compliance/preparation	951,037	23.0	1,077,375	38.9
Other tax services	120,309	2.9	172,690	6.2
Total tax fees	1,071,346	25.9	1,250,065	45.1
All Other fees(d)	48,970	1.2		
<b>Total</b>	<b>\$ 4,136,019</b>	<b>100.0%</b>	<b>\$ 2,771,070</b>	<b>100.0%</b>

- (a) Audit fees represent fees for professional services rendered for the audit of the Company's consolidated annual financial statements, audit of management's assessment of the effectiveness of the Company's internal control over financial reporting, review of the interim consolidated financial statements included in quarterly reports, audit services provided in connection with other statutory and regulatory filings, including related comfort letters in connection with public and non-public offerings and consultation services on the application of accounting standards and related matters addressed during the audit and review of interim consolidated financial statements. All of the work was performed by full-time permanent employees of Ernst & Young LLP.
- (b) Audit-related fees consisted primarily of benefit plan audits, accounting and consultation services concerning financial accounting and reporting standards (on matters not addressed during audit and review procedures), internal control related matters and attest services not required by statute or regulation.
- (c) Tax fees consisted of tax compliance/preparation services and other tax services. Tax compliance/preparation consisted of fees related to federal, state and local tax compliance for the Company and its operating subsidiaries and other tax advisory and planning services including preparing tax refund requests. Other tax services includes other tax advisory, assistance and consultation services.
- (d) All other fees consisted of fees for audit, tax preparation and consultation services rendered for two convertible hedge funds managed by an affiliate of the Company.

**Audit Committee Pre-Approval of Audit and Non-Audit Services of Independent Auditor**

The audit committee's policy is to pre-approve all audit and non-audit services provided by the independent auditors. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. The audit committee has delegated pre-approval authority to any member of the committee when expedition of services is necessary. The independent auditors and management are required to periodically report to the full audit committee regarding the extent of services provided by the independent auditors in accordance with this pre-approval, and the fees for the services performed to date.

None of the fees described above were approved by the audit committee after services were rendered pursuant to the de minimis exception established by the SEC.

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**PROPOSAL 4  
SELECTION OF AUDITORS**

The audit committee has appointed the firm of Ernst & Young LLP to examine the financial statements of the Company and its subsidiaries for the fiscal year ending December 31, 2005. The favorable vote of the holders of the majority of the outstanding shares present in person or represented by proxy and entitled to vote at the annual meeting is required for shareholder ratification of this action. Ernst & Young LLP served as the Company's independent auditor during the 2004 fiscal year.

Representatives from Ernst & Young LLP will be present at the 2005 annual meeting. The representatives will have the opportunity to make a statement if they so desire, and will also be available to respond to appropriate questions.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THIS PROPOSAL.**

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**OTHER INFORMATION**

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the 1934 Act requires certain officers and directors of the Company and persons who own more than ten percent of the Company's common stock (such persons, Reporting Persons) to file reports of ownership and changes in ownership with the SEC and the NYSE, and to furnish the Company with copies of all such reports. Based solely on the review of the Forms 3, 4 and 5 furnished to the Company and certain representations made to the Company, the Company believes that during the year ended December 31, 2004, there were no filing deficiencies under Section 16(a).

**Other Matters**

Neither the board of directors nor management intends to bring any matter for action at the 2005 annual meeting of shareholders other than those matters described above. If any other matter or any proposal should be presented and should properly come before the meeting for action, the persons named in the accompanying proxy will vote upon such matter and upon such proposal in accordance with their best judgment.

**Shareholder Proposals for the 2006 Annual Meeting**

Under the rules of the Securities and Exchange Commission (the SEC), proposals for consideration at the 2006 annual shareholders meeting, including director nominations, must be received by the Company no later than December 1, 2005, as well as meet the other SEC requirements, in order to be considered for inclusion in the 2006 annual meeting proxy statement.

*Shareholder Proposals*

In order for a shareholder proposal to be considered for inclusion in the Company's proxy statement for next year's annual meeting, the written proposal must be received by the Company no later than December 1, 2005 and should contain such information as is required under the Company's by-laws. Such proposals will need to comply with the SEC's regulations regarding the inclusion of shareholder proposals in the Company sponsored proxy materials. In order for a shareholder proposal to be raised from the floor during next year's annual meeting, written notice must be received by the Company no later than December 1, 2005 and should contain such information as required under the Company's by-laws. If the Company does not receive notice of the proposal within this time frame, the Company's management will use its discretionary authority to vote the shares it represents as the board may recommend.

*Nomination of Director Candidates*

The Company's by-laws permit shareholders to nominate directors at a shareholder meeting. In order to make a director nomination at an annual shareholder meeting, it is necessary that you notify the Company not fewer than 120 days before the first anniversary of the date that the proxy statement for the preceding year's annual meeting was first sent to shareholders. The Company's 2005 proxy statement was first sent to shareholders on March 22, 2005. Thus, in order for any such nomination notice to be timely for next year's annual meeting, it must be received by the Company no later than November 22, 2005. In addition, the notice must meet all other requirements contained in the Company's by-laws and include any other information required pursuant to Regulation 14A under the Exchange Act.

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*Copy of By-law Provisions*

If you would like a copy of the relevant by-law provision regarding the requirement for mailing shareholder proposals and nominating director candidates, please contact James A. Smallenberger, Secretary, AmerUs Group Co., 699 Walnut Street, Des Moines, Iowa 50309-3948.

By order of the board of directors

James A. Smallenberger  
*Senior Vice President  
and Secretary*

Dated: March 22, 2005

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**APPENDIX A  
AMERUS GROUP CO. AUDIT COMMITTEE CHARTER**

**Purpose**

The purpose of the audit committee (committee) of the board of directors (board) of AmerUs Group Co. (Company) is to:

1. assist the board in its oversight of:
  - a. the quality and integrity of the Company's financial statements;
  - b. the Company's compliance with legal and regulatory requirements;
  - c. the qualifications and independence of the Company's external auditor (independent auditor); and
  - d. the performance of the Company's internal audit function (internal audit) and the independent auditor; and
2. prepare the report of the committee required to be included in the Company's annual proxy statement.

The board recognizes that while the committee has been given certain duties and responsibilities pursuant to this charter, the committee is not responsible for guaranteeing the accuracy of the Company's financial statements or the quality of the Company's accounting practices. The fundamental responsibility for the Company's financial statements and disclosures rests with management and the independent auditor. The board also recognizes that meeting the responsibilities of an audit committee requires a degree of flexibility. To the extent that procedures included in this charter go beyond what is required of an audit committee by existing law and regulation, such procedures are meant to serve as guidelines rather than inflexible rules and the audit committee is encouraged to adopt such different or additional procedures as it deems necessary from time to time.

**Composition of the Committee**

The committee shall be comprised of three or more directors, each of whom:

1. meets the independence requirements of the New York Stock Exchange (NYSE) and
2. otherwise satisfies the applicable requirements for audit committee service imposed by the Securities Exchange Act of 1934, as amended (Act), or the NYSE.

One member of the committee shall be a financial expert, as such term is defined by the Securities and Exchange Commission. No director who serves on the audit committee of more than two public companies other than the Company shall be eligible to serve as a member of the committee. Determinations as to whether a particular director satisfies the requirements for membership on the committee shall be made by the board.

No member of the committee shall receive compensation other than director's fees for services as a director of the Company or an affiliate or subsidiary thereof including reasonable compensation for serving on the committee and regular benefits that other directors receive.

The members of the committee shall be appointed by the board on the recommendation of the nominating/corporate governance committee and shall serve for such terms as the board may determine, or until their earlier resignation, death or removal by the board.

**Meetings**

The committee shall meet with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities, but in any case, not less than four times a year. The board shall designate one member of the committee to serve as its chairman. The committee will meet at such times as



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determined by its chairman or as requested by any two of its members. Notice of all meetings shall be given. The chairman will preside, when present, at all meetings of the committee. The committee may meet by telephone or video conference and may take action by written consent.

Each member of the committee shall have one vote. One-third of the members, but not less than two, shall constitute a quorum. The committee shall be authorized to take any permitted action only by the affirmative vote of a majority of the committee members present at any meeting at which a quorum is present, or by the unanimous written consent of all of the committee members.

The committee shall maintain copies of minutes of each meeting of the committee, and each written consent to action taken without a meeting, reflecting the actions so authorized or taken by the committee.

### **External Advisors**

The committee shall have the sole authority to obtain, at the Company's expense, but at funding levels determined by the committee, advice and assistance from outside legal, accounting or other advisors. The committee shall also have authority to obtain advice and assistance from any officer or employee of the Company.

### **Duties and Responsibilities**

The committee shall:

1. Review the adequacy of this charter at least annually.
2. Review and approve annually the proposed scope of each fiscal year's internal and outside audit.
3. Meet to review and discuss the annual audited financial statements and quarterly financial statements with management and the independent auditor, including reviewing the Company's specific disclosures under the caption Management's Discussion and Analysis of Financial Condition and Results of Operations.
4. Discuss earnings press releases (paying particular attention to any use of pro forma or adjusted non-GAAP information), as well as financial information and earnings guidance provided to analysts and ratings agencies, it being understood that such discussions may, in the discretion of the committee, be done generally (i.e., by discussing the types of information to be disclosed and the type of presentation to be made) and that the audit committee need not discuss in advance each earnings release or each instance in which the Company gives earnings guidance.
5. Review reports to management prepared by the independent auditor or internal audit and any responses to the same by management.
6. Be solely responsible for the appointment, retention, termination, compensation and oversight of the independent auditor. The committee shall also be responsible for the resolution of disagreements between management and the independent auditor regarding financial reporting. The independent auditor shall report directly to the committee.
7. Preapprove all auditing and non-audit services to be provided to the Company by the independent auditor, subject to any exceptions provided in the Act. The committee may delegate to one or more of its members the authority to grant such preapprovals, provided that any such decision of such member or members must be presented to the full committee at its next scheduled meeting.
8. Obtain and review, at least annually, a report from the independent auditor describing: the independent auditor's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditor, and any steps taken to deal with any such issues; and all relationships between the independent auditor and the Company, including the matters set forth in Independence Standards Board Standard No. 1. Discuss with the independent auditor any issues or relationships disclosed in such report that, in the judgment of the committee, may have an impact on the

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competence or independence of the independent auditor. Confirm with the independent auditor that no audit partner of the independent auditing firm participating in an audit of the Company has received, or will receive, any compensation from, or based on, the audit partner procuring engagements with the Company to provide any products or services other than audit, review or attest services.

9. Obtain and review annually, prior to the completion of the independent auditor's annual audit of the Company's year-end financial statements (annual audit), a report from the independent auditor, describing:

a. all critical accounting policies and practices to be used in the annual audit;

b. all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor;

c. other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

Review any reports on such topics or similar topics prepared by management. Discuss with the independent auditor any material issues raised in such reports.

10. Review and evaluate the lead audit partner of the independent auditor and assure the regular rotation of the lead audit partner and the audit partner responsible for reviewing the audit as required by law.

11. Obtain assurance from the independent auditor that the audit was conducted in a manner consistent with Section 10A of the Act.

12. Review the Company's financial reporting processes and internal controls, based on consultation with the independent auditor, management and internal audit. Such review shall include a consideration of major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of identified deficiencies.

13. Discuss with the independent auditor the independent auditor's judgment about the quality, not just the acceptability, of the accounting principles applied in the Company's financial reporting.

14. Discuss with the independent auditor the independent auditor's judgment about the competence, performance, and cooperation of the Company's internal audit function.

15. Discuss with internal audit and management their views as to the competence, performance and independence of the independent auditor.

16. Review with the independent auditor any audit problems or difficulties and management's response. The review should include discussion of the responsibilities, budget and staffing of internal audit.

17. Review with the independent auditor, internal audit and management the extent to which any previously-approved changes or improvements in financial or accounting practices and internal controls have been implemented.

18. Review annually the effect of regulatory and accounting initiatives as well as off-balance sheet structures, if any, on the Company's financial statements.

19. Discuss with management and the independent auditors the Company's policies with respect to risk assessment and risk management.

20. Set clear hiring policies for employees or former employees of the independent auditor.

21. Establish and oversee procedures for:

a. the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

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b. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. Review periodically with management and internal audit these procedures and any significant complaints received.

22. Meet regularly in separate, private sessions with management, internal audit and the independent auditor.

23. Report regularly to the board, both with respect to the activities of the committee generally and with respect to any issues that arise regarding the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the independent auditor or the performance of internal audit.

24. Review with the Company's chief legal officer, or appropriate delegates, the Company's compliance with legal and regulatory requirements and the status of any legal or regulatory claims or actions against the Company.

25. Conduct an annual performance evaluation of the committee.

26. Prepare the report of the committee required to be included in the Company's annual proxy statement.

27. Perform such other duties and responsibilities, consistent with this charter and governing law, delegated to the committee by the board.

Effective March 1, 2005

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**APPENDIX B**  
**AMERUS GROUP CO. CORPORATE GOVERNANCE GUIDELINES**

The following corporate governance guidelines have been adopted by the board of directors of AmerUs Group to assist the board in the exercise of its responsibilities. These guidelines are in addition to and are not intended to change or interpret any Federal or state law or regulation, including the Iowa Business Corporation Act or the articles of incorporation or bylaws of the Company. They were first approved by the board effective April 1, 2003 and were updated by the board effective March 1, 2005. These corporate governance guidelines shall be reviewed annually by the board and are subject to modification from time to time by the board.

**Role and Composition of the Board of Directors**

1. The board of directors is elected by shareholders to oversee management and to assure that the long-term interests of the shareholders are being served. The basic responsibility of the board is to exercise their business judgment to act in what each director reasonably believes to be in the best interests of the Company and its shareholders.

2. The board reviews, approves and monitors fundamental long-term strategies and major corporate actions. The board regularly evaluates management's performance in achieving the goals and objectives necessary to implement the long-term strategies and corporate actions including reviewing financial and operating results and annual operating plans.

3. The Company's business is conducted by its employees, managers and officers, under the direction of the chief executive officer and the oversight of the board. The board is responsible for selecting, evaluating, and compensating the chief executive officer and may elect or authorize the appointment of other officers necessary for conducting the Company's business.

4. The board shall approve and maintain a succession plan for the chief executive officer as well as certain other executive management positions based upon recommendations from the human resources and compensation committee.

5. The board shall be comprised of a substantial majority of directors who qualify as independent directors under the listing standards of the New York Stock Exchange (NYSE). The nominating and corporate governance committee as well as the board shall annually review the relationships that each director has with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) to ensure compliance with NYSE listing standards and requirements otherwise imposed by law or regulation. Following this review, only those directors who the board affirmatively determines have no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) will be considered independent directors under such standards, law or regulation.

The board's standards for determining director independence are set forth in Annex A to these guidelines, and are consistent with the NYSE's new corporate governance listing standards. The nominating and corporate governance committee will review such standards at least annually and recommend any appropriate changes to the board for consideration.

6. The responsibility for the selection of new directors shall reside with the board. The identification, evaluation and recommendation process has been delegated to the nominating and corporate governance committee, which reviews candidates for election as directors and annually recommends a slate of directors for approval by the board and election by the shareholders.

As a general rule, no officer other than the chief executive officer should serve as a director of the Company. Exceptions to this rule may be made in connection with a management succession plan or with a merger or acquisition involving another entity. Nominees for director are selected on the basis of, among other things, integrity, independence, leadership ability, proven record of accomplishment, relevant business experience and expertise, diversity, and willingness to devote the necessary time and effort to board responsibilities. This assessment will include the nominee's qualifications as independent, as well as

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consideration of diversity, age, skills and experience in the context of the needs of the board. Members should represent a variety of business backgrounds and bring a diverse background of experiences and perspectives to the board.

A description of the desirable characteristics that the nominating and corporate governance committee and the board should evaluate when considering candidates for nomination as directors are set forth on Annex B to these guidelines. The nominating and corporate governance committee will review such characteristics at least annually and recommend any appropriate changes to the board for consideration.

7. The articles of incorporation provide that there shall be no more than twenty-one and no less than seven directors. The exact number of directors within such range shall be fixed from time to time by the board. In general, the board should be small enough to be efficient and not unwieldy, yet large enough to fulfil the responsibilities of the board and its committees. The board believes that a size of nine to twelve directors is presently appropriate for the Company. However, it may be expedient to increase the size of the board temporarily from time to time in anticipation of retirements or to take advantage of the availability of outstanding director candidates. The director nominees are elected each year by the shareholders at the annual meeting of shareholders.

The board comprises three classes of directors, with approximately one-third of the directors assigned to each class. The members of each class are elected for a term of three years, unless a shorter term is necessary to make each class approximately equal in size. There is no limit on the number of terms for which a director may be elected.

The board proposes a slate of nominees to the shareholders for election to the board. Between annual shareholder meetings, the board may elect directors to fill a vacancy on the board. Information on how shareholders may propose nominees for consideration by the nominating and corporate governance committee can be found in the company's annual proxy statement.

8. Any director whose affiliation or position of principal employment changes substantially after election to the board will be expected to submit his or her resignation as a director for consideration by the nominating and corporate governance committee and the board. The nominating and corporate governance committee will review with the board the continued appropriateness of board membership under the circumstances and recommend to the board whether to accept the resignation.

9. It is the general policy of the board that directors will retire within a reasonable period of time after he or she ceases to be active in a trade or business, or at the annual meeting of shareholders following his or her 72nd birthday. Directors may stand for re-election even though the board's retirement policy would prevent them from completing a full three-year term.

10. Directors who are officers of the Company must retire as a director immediately upon his or her termination or retirement from the Company, except the CEO, who must retire no later than two years after the annual meeting of shareholders following his or her retirement as an employee, or immediately upon termination for any other reason.

11. The human resources and compensation committee shall review and approve annually the corporate and individual goals and objectives relevant to the determination of compensation, including incentive and equity-based compensation, for the chief executive officer and other executive officers. The committee shall evaluate the chief executive officer's performance in light of these goals and together with the other independent directors approve the chief executive officer's salary, bonus and other incentive and equity compensation. The committee shall also annually evaluate the performance of the Company's executive officers before approving their salary, bonus and other incentive and equity compensation.

12. Compensation for non-employee directors should be competitive and should encourage increased ownership of the Company's stock through payment of a portion of director compensation in Company stock, options to purchase Company stock or similar compensation. The human resources and compensation committee will periodically review the level and form of the Company's director compensation, including how such compensation compares to director compensation of companies of comparable size, industry and

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complexity. Changes to director compensation will be proposed to the full board for consideration and approval.

No member of the audit committee may receive, directly or indirectly, any compensation from the Company other than:

- a. fees paid to directors for service on the board of the Company or, at the request of the Company, on the board of an affiliate or subsidiary,
- b. additional fees paid to directors for service on a committee of the board (including the audit committee) and/or for serving as the chairman of such a committee and
- c. a pension or other deferred compensation for prior service that is not contingent on future services on the board.

A director who is also an officer of the Company shall not receive additional compensation for such service as a director.

13. The board believes that management generally should speak for the Company. It is the policy of its board that each director shall refer all inquiries from institutional investors, analysts, the press or customers to the chief executive officer.

14. Any interested party desiring to communicate with the non-management directors regarding the Company can do so directly by writing to the chairman of the nominating and corporate governance committee, Mr. Jack C. Pester, West U. Boxes A169, Houston, TX 77005.

**Board Processes**

1. The chairman, in consultation with the nominating and corporate governance committee, will establish the agenda and meeting schedule for each board meeting. Each board member may suggest the inclusion of items on the agenda. Each board member may raise at any board meeting subjects that are not on the agenda for that meeting.

2. Regular meetings of the board of directors are held four times a year. Two additional meetings are scheduled each year with the board reserving the right to cancel one or both meetings at its discretion. In addition to regularly scheduled meetings, special meetings may be called upon appropriate notice at any time as needed.

3. Directors are expected to attend board meetings and meetings of committees on which they serve, and to spend the time necessary to prepare for such meetings. Information and data that are important to the board's understanding of the business to be conducted at a board or committee meeting shall be distributed sufficiently in advance of the meeting to permit prior review by the directors. Directors are expected to review such material prior to the meeting. Highly sensitive subjects may be discussed at the meeting without advance distribution of written materials. Directors have a fiduciary duty to hold in confidence information about the Company which he or she obtains as a director.

4. Each regularly scheduled board meeting includes an executive session of all directors and the chief executive officer and, a separate executive session of only the non-management directors. The chairman of the nominating and corporate governance committee shall preside at the non-management executive session and will be responsible for providing appropriate feedback to the chief executive officer.

5. The Company encourages all board members to attend the annual meeting of shareholders.

6. The board expects the regular attendance at each of its meetings of non-board members who are executive officers of the Company, except during executive sessions of the board. In addition, the general counsel and corporate secretary regularly attend board meetings. Should the chief executive officer want to add additional people as attendees on a regular basis, it is expected that this suggestion would be made to the board for its concurrence. Board members have direct access to the Company's management and other employees whenever they deem it necessary.

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7. The board and each committee shall have the authority to obtain advice and assistance from independent financial, legal, accounting and other advisors as they deem necessary, at the expense of the Company.

8. The nominating and corporate governance committee will initiate on behalf of the board an annual self-evaluation of the board's performance as well as the performance of each committee of the board, the results of which will be discussed with the full board and each committee. The assessment will include a review of any areas in which the board or management believes the board or a committee can make a better contribution to the Company. The nominating and corporate governance committee will also utilize the results of this self-evaluation process in assessing and determining the characteristics and critical skills required of prospective candidates for election to the board and making recommendations to the board with respect to assignments of board members to various committees.

9. The Company will conduct an orientation program for new directors following the meeting at which the new director is elected. The orientation will include presentations by senior management with respect to the Company's principal business units, strategic plans, financial reporting and audit processes. Each director is expected to participate in internal or external sponsored education programs in order to maintain the necessary level of expertise to perform his or her responsibilities as a director.

10. In order to facilitate the directors' fulfillment of their responsibilities regarding continuing education and to enhance each directors knowledge of the Company, the Company's business operations and the latest developments in corporate governance, it is appropriate for management to provide directors with the following:

educational programs supplemental to the initial orientation to explain the Company's business operations, including its technology, products and market position,

material that contains information pertaining to (i) the Company's industry and (ii) comparisons of the Company with its major competitors and

access to, or notice of, continuing educational programs that are designed to keep directors abreast of the latest developments in corporate governance matters and critical issues relating to the operation of public company boards.

**Committee Matters**

1. The Company has five standing committees: audit, finance and strategy, human resources and compensation, investment and risk management, and nominating and corporate governance. The purpose for each of these committees is outlined in committee charters adopted by the board. The charters are posted on the Company's website along with these guidelines. The board may, from time to time, form a new committee and select its members or disband a current committee depending on circumstances. In addition, the board may determine to form ad hoc committees from time to time, and determine the composition and the duties and responsibilities of such committees.

2. Each of the five committees is composed entirely of independent directors satisfying applicable legal, regulatory and stock exchange requirements necessary for an assignment to any such committee.

3. The nominating and corporate governance committee is responsible for making recommendations to the board with respect to the assignment of board members to various committees. After reviewing the nominating and corporate governance committee's recommendations, the board is responsible for appointing the chairman and members to the committees on an annual basis.

The nominating and corporate governance committee annually reviews the committee assignments and considers the rotation of the chairman and members with a view toward balancing the benefits derived from continuity against the benefits derived from the diversity of experience and viewpoints of the various directors.

4. The chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's

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charter. The chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda.

**Periodic Review**

These corporate governance guidelines shall be reviewed annually by the board.

**Policies and Guidelines**

Copies of the current version of these corporate governance guidelines, the Company's code of business conduct and ethics, code of ethics for senior financial officers and the charters of the audit, human resources and compensation and nominating and corporate governance committees shall be posted on the Company's website.



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**ANNEX A**

**Board Standards for Determining the Independence of Members**

It is the expectation and practice of the board that, in their roles as members of the board, all directors will exercise their independent judgment diligently and in good faith, and in the best interests of the Company and its shareholders as a whole, notwithstanding any member's other activities or affiliations.

However, in addition, the board has determined that a substantial majority of its directors should be independent in that they are free of any material relationship with the Company or Company management, whether directly or as a partner, shareholder or officer of an organization that has a material relationship with the Company. Regardless of other circumstances, a board member will not be deemed independent if she or he does not meet the independence standards of the NYSE, or any applicable legal requirement. In furtherance of this objective, the board has adopted the following categorical standards to assist it in the determination of each director's independence. The board will affirmatively determine the independence of each of its members once per year, and again if a member's outside affiliations change substantially during the year. A director will be presumed to be independent if the director:

has not been an employee of the Company for at least three years, other than in the capacity as a former interim chairman or interim chief executive officer;

has not, during the last three years, been affiliated with or employed by a present or former auditor of the Company or of any affiliate of the Company;

has not, during the last three years, been employed as an executive officer by a company for which an executive officer of the Company concurrently served as a member of such company's compensation committee;

has no immediate family members who did not satisfy the foregoing criteria during the last three years; provided, however, that with respect to the employment criteria, such director's immediate family member may have (i) been affiliated with or employed by a present or former auditor of the Company or of any affiliate of the Company other than in a professional capacity and (ii) served as an employee but not as an executive officer of the Company during such period;

has not received, and has no immediate family member who has received, during the last three years, more than \$100,000 in any year in direct compensation from the Company (other than in his or her capacity as a member of the board of directors or any committee of the board or pension or other deferred compensation for prior service, provided that such compensation is not contingent in any way on continued service); provided, however, that compensation to such director's immediate family member as a non-executive employee shall not be considered in determining independence;

has not been an executive officer or an employee, and has no immediate family member who has been an executive officer, of a company that made payments to, or received payments from, the Company for property or services in any of the last three years in an amount which, in any single fiscal year, exceeds the greater of \$1 million, or two percent of such other company's consolidated gross revenues;

has not been, and has no immediate family member who has been, an executive officer of a foundation, university, non-profit trust or other charitable organization, for which the Company and its respective trusts or foundations, account or accounted for more than \$1 million or two percent, whichever is greater, of such charitable organization's consolidated gross revenues, in any of the last three years; and

does not serve, and has no immediate family member who has served, as an executive officer or general partner of an entity that has received an investment from the Company or any of its subsidiaries, unless such investment is less than \$1 million or two percent of such entity's total invested capital, whichever is greater, in any of the last

three years.

In addition, to the foregoing, a director will be considered independent for purposes of serving on the Company's audit committee only if the director meets the independence requirements of the NYSE and

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otherwise satisfies the applicable requirements for audit committee service imposed by the Securities Exchange Act of 1934, as amended, or the NYSE.

The board of directors will determine the independence of any director with a relationship to the Company that is not covered by these standards and the Company will disclose such determinations in the Company's annual proxy statements or otherwise at least annually.

For purposes of these standards, members of his/her immediate family and similar phrases will mean a person's spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone (other than an employee) who shares the person's home. The Company means the Company and all of its subsidiaries.

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**ANNEX B**

**Qualifications of a Director**

The board of directors should be composed of successful individuals who have an ability to work well together. As a group, the directors should bring a variety of experiences, knowledge, and points of view without representing any particular interest group or constituency. Diversity in expertise, age, gender, race and background of directors, consistent with the board's requirements for knowledge and experience, is desirable in the mix of the board.

The board should include individuals who:

have demonstrated management or technical ability at high levels in successful organizations;

are currently employed in positions of significant responsibility and decision making;

have experience relevant to the Company's operations, such as finance, marketing, general management, government, information technology, or financial services related activities;

are well-respected in their business and home communities;

are willing to devote the necessary time to carrying out their board duties; and

are independent under NYSE guidelines.

Directors should possess these personal characteristics:

highest level of integrity;

proven leadership abilities;

strong independent thinking;

history of achievement that reflects high standards for himself or herself and others;

skills and capacity to provide strategic insight;

financial literacy;

candor in communications;

effective communication skills; and

willingness and ability to evaluate, challenge and stimulate.

The directors are expected to be active participants in governing the enterprise. They must be willing to commit the time and energy necessary to satisfy the requirements of board and board committee membership. They should also possess, or be willing to develop, a broad knowledge of critical issues affecting the Company and directors' roles and responsibilities.

In order to align their interest with the Company's shareholders, directors are encouraged to own shares of the Company's stock. Toward this end, directors are expected to own shares of common stock of the Company having a market value of at least \$300,000 within five years of first becoming a director.

As a general rule, no officer, employee or agent, other than the chief executive officer, should serve as a director of the Company. Exceptions to this rule may be made in connection with a management succession plan or with a merger or acquisition involving another company or entity. However, in general, apart from the chief executive officer, directors are to be independent non-management directors who possess the qualifications listed above.

The nominating and corporate governance committee, consistent with the above guidelines, is responsible for periodically determining the specific talents, skills and other characteristics required in order for the board to successfully carry out its responsibilities. As a result of this process, the committee is responsible for

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recommending to the board an appropriate slate of qualified nominees for election to the board that they have identified and evaluated.

Directors who also serve as CEOs or equivalent positions should not serve on more than two boards of public companies in addition to the Company's board and their own, and other directors should not serve on more than four other boards of public companies in addition to the Company's board.

The nominating and corporate governance committee will lead the process for the board of directors to conduct its annual review of the board's performance.

Table of Contents**APPENDIX C****AMERUS GROUP CO. 2003 STOCK INCENTIVE PLAN AS PROPOSED TO BE AMENDED****Section 1. General Purpose of Plan; Definitions.**

The name of this Plan is the AmerUs Group Co. 2003 Stock Incentive Plan. The purpose of the Plan is to enable AmerUs Group Co., its Subsidiaries and Affiliates to attract and retain individuals who contribute to the Company's success by their ability, ingenuity and industry, and to enable such individuals to participate in the long-term success and growth of the Company through an equity interest in the Company.

For purposes of the Plan, the following terms shall be defined as set forth below:

- a. *Affiliate* means any Person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with the Person specified.
- b. *Award* means a Stock Appreciation Right, Restricted Stock Award, Stock Option or Cash Incentive Unit, or any combination of the foregoing, granted in accordance with the terms of the Plan.
- c. *Board* means the Board of Directors of the Company.
- d. *Cash Incentive Unit* means units awarded pursuant to Section 7A below.
- e. *Cause* means the willful and continued failure to substantially perform the duties with the Company (other than a failure resulting from the Participant's Disability), the willful engaging in conduct which is demonstrably injurious to the Company or any Subsidiary or Affiliate, monetarily or otherwise, including any act of dishonesty, commission of a felony, or a significant violation of any statutory or common law duty of loyalty to the Company.
- f. *Change of Control* shall mean any of the following events: (a) any Person (as such term is defined in Rule 13d-5 under the Exchange Act (as defined below) or group (as such term is defined in Sections 3(a)(9) and 13(d)(3) of the Exchange Act) other than a Subsidiary of the Company (for purposes of this definition only, Subsidiary shall mean each of those Persons of which another Person, directly or indirectly through one or more Subsidiaries, owns beneficially securities having more than 25% of the voting power in the election of directors (or Persons fulfilling similar functions or duties) of the owned Person (without giving effect to any contingent voting rights)) or any employee benefit plan (or any related trust) of the Company or a Subsidiary of the Company, becomes the beneficial owner (as such term is defined in Rule 13d-3 of the Exchange Act) of (1) 25% or more of the common stock of the Company or (2) securities of the Company that are entitled to vote generally in the election of directors of the Company ( Voting Securities ) representing 25% or more of the combined voting power of all Voting Securities of the Company; (b) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two-thirds ( 2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended; or (c) there is consummated a merger, reorganization or consolidation involving the Company or any direct or indirect Subsidiary of the Company and any other corporation or other entity, other than a merger, reorganization or consolidation which results in the common stock and Voting Securities of the Company outstanding immediately prior to such merger, reorganization or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 60%, respectively, of the common stock and combined voting power of the Voting Securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger, reorganization or consolidation, or (d) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

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- g. *Code* means the Internal Revenue Code of 1986, as amended, or any successor thereto.
- h. *Committee* means the Human Resources and Compensation Committee of the Board. If at any time there is no Committee, then the functions of the Committee specified in the Plan shall be exercised by the Board. Notwithstanding the immediately preceding two sentences, the Committee shall at all times (1) have no fewer than two (2) members and (2) consist solely of Non-Employee Directors.
- i. *Commission* means the Securities and Exchange Commission.
- j. *Company* means AmerUs Group Co., a corporation organized under the laws of the State of Iowa (or any successor corporation).
- k. *Consultant* means any person, including an advisor, engaged by the Company or a Subsidiary or Affiliate to render services to such entity or any person who is an advisor, director or consultant of an Affiliate.
- l. *Director* means a member of the Board.
- m. *Disability* means total and permanent disability as determined under the Company's long term disability program.
- n. *Early Retirement* means retirement from active employment with the Company, any Subsidiary, and any Affiliate under the terms of the All\*AmerUs Savings & Retirement Plan adopted by the Company.
- o. *Employee* means a regular employee of the Company, any Subsidiary or any Affiliate, including officers and Directors, who is treated as a full time employee in the personnel records of the Company, its Subsidiary or its Affiliate for the relevant period, but shall exclude individuals who are classified by the Company, its Subsidiary or its Affiliate as (A) leased from or otherwise employed by a third party; (B) independent contractors; or (C) intermittent or temporary, even if any such classification is changed retroactively as a result of an audit, litigation or otherwise. An individual shall not cease to be an Employee in the case of (i) any leave of absence approved by the Company, its Subsidiary or its Affiliate or (ii) transfers between locations of the Company or between the Company, its Subsidiary or its Affiliate or (iii) transfers between locations of the Company or between the Company, any Subsidiary, or any successor. Neither service as a Director nor payment of a director's fee by the Company shall be sufficient to constitute employment by the Company.
- p. *Exchange Act* means the Securities and Exchange Act of 1934, as amended, and any successor thereto.
- q. *Fair Market Value* means, as of any date, the closing price of the Stock as of such date (or if no sales were reported on such date, the closing price on the last preceding day a sale was made) as quoted on the stock exchange or a national market system, with the highest trading volume.
- r. *Incentive Stock Option* means any Stock Option intended to be and designated as an incentive stock option within the meaning of Section 422 of the Code and the requirements promulgated thereunder.
- s. *Non-Employee Director* means a director who is a Non-Employee Director under Rule 16b-3 under Section 16 of the Exchange Act and is an outside director under Section 1.162-27(e)(3) of the regulations promulgated under the Code.
- t. *Non-Qualified Stock Option* means any Stock Option that is not an Incentive Stock Option.
- u. *Normal Retirement* means retirement from active employment with the Company, any Subsidiary, and any Affiliate as this term is defined in the All\*AmerUs Savings & Retirement Plan adopted by the Company.
- v. *Optionee* means a Participant who receives a Stock Option.
- w. *Option Period* means, with respect to any Stock Option, the time during which an Optionee may exercise such Stock Option.



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- x. *Participant* means an Employee, Director or Consultant of the Company or of any Subsidiary or Affiliate of the Company.
- y. *Performance Period* means the period over which applicable performance is to be measured.
- z. *Person* means any natural person, corporation, general partnership, limited partnership, limited liability company, proprietorship, trust, union, association, court, tribunal, agency, government, department, commission, self-regulatory organization, arbitrator, board, bureau, instrumentality, or other entity, enterprise, authority, or business organization.
  - aa. *Plan* means this Stock Incentive Plan.
  - bb. *Restricted Stock* means any grant of Stock, with such Stock being subject to restrictions under Section 7 below.
  - cc. *Restricted Stock Unit* means the grant of a right to receive shares of Stock or Restricted Stock in the future, with such right being subject to restrictions under Section 7 below.
  - dd. *Restricted Stock Award* means an Award of Restricted Stock or Restricted Stock Units.
  - ee. *Retirement* means Normal or Early Retirement as those terms are defined in the All\*AmerUs Savings & Retirement Plan adopted by the Company.
  - ff. *Stock* means the Common Stock of the Company.
  - gg. *Stock Appreciation Right* means (i) a right granted under Section 6 below, to surrender to the Company all or a portion of a Non-Qualified or Incentive Stock Option in exchange for an amount in cash or shares of Stock equal to the difference between (a) the Fair Market Value, as of the date such Stock Option or such portion thereof is surrendered, of the shares of Stock covered by such Stock Option, or such portion thereof, and (b) the aggregate exercise price of such Stock Option, or such portion thereof, or (ii) a right granted under Section 6 which is not in conjunction with a stock option to receive a cash payment equal in value to the appreciation on a designated number of shares of stock between the aggregate price of the Stock Appreciation Right (or such portion thereof) set by the Committee, which shall not be less than the Fair Market Value on the date on which the Stock Appreciation Right was granted and the Fair Market Value on the date on which the Participant exercises the Stock Appreciation Right.
  - hh. *Stock Option* means any option to purchase shares of Stock granted pursuant to Section 5 below.
  - ii. *Subsidiary* means any corporation in an unbroken chain of corporations beginning with the Company if each of the corporations (other than the last corporation in the unbroken chain) owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in the chain.
  - jj. *Ten Percent Shareholder* means a person who owns (after taking into account the attribution rules of Code Section 424(d)) more than ten percent (10%) of the total combined voting power of all classes of stock of the company.

**Section 2. Administration.**

The Plan shall be administered by the Committee.

The Committee shall have the power and authority to grant to eligible Participants, pursuant to the terms of the Plan: Non-Qualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock Awards and/or Cash Incentive Units.

In particular, the Committee shall have the authority:

a. To select Participants to whom Non-Qualified or Incentive Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Cash Incentive Units or a combination of the foregoing from time to time will be granted hereunder, including aggregating any combination of the foregoing into one Award;

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- b. To determine whether and to what extent Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Awards or Cash Incentive Units or a combination of the foregoing, are to be granted hereunder;
- c. To determine the number of shares of Stock or Stock Appreciation Rights to be covered by each such Award granted hereunder;
- d. To determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder;
- e. To construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;
- f. To adopt rules and procedures relating to the operation and administration of the Plan to accommodate the specific requirements of local laws and procedures.
- g. To prescribe, amend and rescind rules and regulations relating to the Plan;
- h. To modify or amend each Award in a manner not inconsistent with the Plan, including the discretionary authority to extend the post-termination exercisability period of Stock Options or Stock Appreciation Rights longer than is otherwise provided for in the Plan, provided, however, that any such amendment is subject to Section 5 (c) of the Plan and may not impair any outstanding Award unless agreed to in writing by the Participant;
- i. To authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;
- j. To make all other determinations deemed necessary or advisable for administering the Plan and any Award granted hereunder;
- k. The Committee shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall, from time to time, deem advisable, to interpret the terms and provisions of the Plan (and any agreements relating thereto); and to otherwise supervise the administration of the Plan.

All decisions made by the Committee pursuant to the provisions of the Plan shall be final and binding on all persons, including the Company and the Participants.

Notwithstanding anything contained in the Plan to the contrary, the Committee shall not: (i) grant any Stock Option or Stock Appreciation Right with an exercise price less than the Fair Market Value on the date of the grant of such Award; (ii) subject to Section 3 of the Plan, change the exercise price of any Stock Option or Stock Appreciation Right or permit the exchange of Stock Options issued under the Plan or any other Company plan for a lesser number of new Stock Options to be granted under the Plan having a lesser exercise price; or (iii) amend an award in a manner inconsistent with the Plan.

**Section 3. *Stock Subject to Plan; Limitations.***

The total number of shares of Stock reserved and available for distribution under the Plan shall be 1,500,000 (subject to appropriate adjustments to reflect changes in capitalization of the Company). Such shares may consist, in whole or in part, of authorized and unissued shares or treasury shares. If any shares of Stock that have been optioned cease to be subject to option, or if any shares subject to a Restricted Stock Award granted hereunder are forfeited or such Award otherwise terminates, such shares shall again be available for distribution in connection with future Awards under the Plan.

The maximum total number of shares subject to Awards which may be granted under the Plan in any one year will be 1,000,000, and the maximum number of shares subject to Awards which may be granted under the Plan to any individual in any one year is 250,000 (in both cases, subject to appropriate adjustments to reflect changes in capitalization of the Company).

In the event of any merger, reorganization, consolidation, recapitalization, stock dividend, or other change in the corporate structure affecting the Stock, a corresponding substitution or adjustment to the extent

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appropriate to reflect the merger, consolidation, recapitalization, stock dividend or other change shall be made in the aggregate number of shares reserved for issuance under the Plan, in the number and option price of the shares subject to outstanding Stock Options granted under the Plan, in the number and price of any Stock Appreciation Right granted under the plan, in the number of shares subject to Restricted Stock Awards granted under the Plan, in any performance goals and value of any Cash Incentive Units granted under the Plan, all as may be determined by the Committee, provided that the number of shares subject to any Awards shall always be a whole number. Such adjusted option price shall also be used to determine the amount payable by the Company upon the exercise of any Stock Appreciation Rights associated with any Stock Option.

**Section 4. Eligibility.**

Participants who are responsible for or contribute to the management, growth and/or profitability of the business of the Company, its Subsidiaries, or its Affiliates are eligible to be granted Stock Options, Stock Appreciation Rights, Restricted Stock Awards or Cash Incentive Units. The Awards and Participants under the Plan shall be selected from time to time by the Committee, in its sole discretion, from among those eligible, and the Committee shall determine, in its sole discretion, the number of shares covered by each Award or grant.

**Section 5. Stock Options.**

Stock Options may be granted either alone or in addition to other Awards granted under the Plan. Any Stock Option granted under the Plan shall be in such form as the Committee may from time to time approve, and the provisions of Stock Option Awards need not be the same with respect to each Optionee.

The Stock Options granted under the Plan may be of two types: Incentive Stock Options and Non-Qualified Stock Options.

The Committee shall have the authority to grant any Optionee Incentive Stock Options, Non-Qualified Stock Options, or both types of Stock Options (in each case with or without Stock Appreciation Rights). To the extent that any Stock Option does not qualify as an Incentive Stock Option, it shall constitute a separate Non-Qualified Stock Option.

Anything in the Plan to the contrary notwithstanding, no term of this Plan relating to Incentive Stock Options shall be interpreted, amended or altered, nor shall any discretion or authority granted under the Plan be so exercised, so as to disqualify either the Plan or any Incentive Stock Option under Section 422 of the Code. Notwithstanding the foregoing, in the event an Optionee voluntarily disqualifies an option as an Incentive Stock Option within the meaning of Section 422 of the Code, the Committee may, but shall not be obligated to, make such additional grants, Awards or bonuses as the Committee shall deem appropriate, to reflect the tax savings to the Company which result from such disqualification.

Stock Options granted under the Plan shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem desirable:

a. *Stock Option Price.* The option price per share of Stock purchasable under a Stock Option shall be determined by the Committee at the time of grant, but shall not be less than the Fair Market Value of the Stock on the date of grant of the Stock Option; provided, however, if the Option is an Incentive Stock Option granted to a Ten Percent Shareholder, the option price per each share of stock subject to such Incentive Stock Option shall be no less than one hundred ten percent (110%) of the Fair Market Value of a share of Stock on the date such Incentive Stock Option is granted.

b. *Stock Option Term.* The term of each Stock Option shall be fixed by the Committee, but no Stock Option shall be exercisable more than ten (10) years after the date such Stock Option is issued.

c. *Exercisability.* Subject to paragraph (g) of this Section 5 with respect to Incentive Stock Options, Stock Options shall be exercisable at such time or times and subject to such terms and conditions as shall be

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determined by the Committee at the time of the grant; provided, however, that, notwithstanding anything in the Plan to the contrary, except pursuant to Section 5(h) of the Plan and in connection with a Change of Control, no Stock Option shall be exercisable prior to the first anniversary date of the granting of the option.

d. *Method of Exercise.* Stock Options which are then exercisable may be exercised in whole or in part at any time during the Option Period by Optionee, the legal representative of the Optionee, or the legatee under the Optionee's will through the giving of written notice of exercise to the Company specifying the number of shares to be purchased, accompanied by payment in full of the purchase price, in cash, by check or such other instrument as may be acceptable to the Committee; provided, however, the Committee shall accept no form of payment that would violate applicable law. As determined by the Committee, in its sole discretion, at or after grant, payment in full or in part may also be made in the form of unrestricted Stock already owned by the Optionee, Restricted Stock or with the value of a Non-Qualified Stock Option equal to the difference between the Fair Market Value on the date of payment and the exercise price of such Non-Qualified Stock Option (based, in each case, on the Fair Market Value of the Stock on the date the option is exercised, as determined by the Committee). If payment of the option exercise price of a Non-Qualified Stock Option is made in whole or in part in the form of Restricted Stock Award, the shares received upon the exercise of such Stock Option shall be restricted in accordance with the original term of the Restricted Stock Award in question, except that the Committee may direct that such shall apply only to the number of such shares equal to the number of shares of Restricted Stock surrendered upon the exercise of such option. No shares of unrestricted Stock shall be issued until full payment thereof has been made. An Optionee shall have the rights to dividends or other rights of a stockholder with respect to shares subject to the option when the Optionee has given written notice of exercise and has paid in full for such shares.

e. *Non-Transferability of Stock Options.* Except as otherwise set forth in the Section 5(e), no Stock Option shall be transferable by the Optionee otherwise than by will or by the laws of descent and distribution, and all Stock Options shall be exercisable, during the Optionee's lifetime, only by the Optionee. The Committee shall have the discretionary authority, however, to grant Non-Qualified Stock Options which would be transferable to members of an Optionee's immediate family, including trusts for the benefit of such family members and partnerships in which such family members are the only partners. In exercising such discretionary authority, the Committee may take into account whether the granting of such transferable options would require registration with the Securities and Exchange Commission under a form other than Form S-8. A transferred Stock Option may be exercised by the transferee only to the extent that the Optionee would have been able to exercise such Stock Option had the option not been transferred.

f. *Termination of Employment for Cause.* Unless otherwise determined by the Committee at grant, if an Optionee's employment with the Company, any Subsidiary, or any Affiliate is terminated for Cause, all of such Optionee's unvested Stock Options shall terminate immediately at the date of the termination of employment.

g. *Limit on Value of Incentive Stock Option First Exercisable Annually.* The aggregate Fair Market Value (determined at the time of grant) of the Stock for which incentive stock options within the meaning of Section 422 of the Code are exercisable for the first time by an Optionee during any calendar year under the Plan (and/or any other stock option plans of the Company, any Subsidiary and any Affiliate) shall not exceed \$100,000.

h. *Termination of Employment.* All of the terms relating to the exercise, cancellation or other disposition of a Stock Option upon a termination of employment with or service to the Company or a Subsidiary or Affiliate of the Optionee, whether by reason of Disability, Retirement, death, or other termination shall be determined by the Committee. Such determination shall be made at the time of the grant of such Stock Option and shall be specified in the written agreement evidencing such Stock Option.

i. *Vesting.* The Committee shall determine the vesting period applicable to any Stock Option Award; provided, however, that no Stock Option shall vest prior to the first anniversary of the Award grant, except to the extent the Stock Option becomes exercisable under the proviso to Section 5 (c).

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**Section 6. *Stock Appreciation Rights.***

a. *Stock Appreciation Right Price.* The Stock Appreciation Right price per share of Stock shall be determined by the Committee at the time of grant, but shall not be less than the Fair Market Value of the Stock on the date of grant of the Stock Appreciation Right.

b. *Grant and Exercise.* Stock Appreciation Rights may or may not be granted in conjunction with all or part of any Stock Option granted under the Plan. In the case of a Non-Qualified Stock Option, such rights may be granted either at or after the time of the grant of such Non-Qualified Stock Options. In the case of an Incentive Stock Option, such rights may be granted only at the time of grant of such Incentive Stock Options. A Stock Appreciation Right or applicable portion thereof granted with respect to a given Stock Option shall terminate and no longer be exercisable upon the termination or exercise of the related Stock Option, except that, unless otherwise provided by the Committee at the time of grant, a Stock Appreciation Right granted with respect to less than the full number of shares covered by a related Stock Option shall only be reduced if and to the extent that the number of shares covered by the exercise or termination of the related Stock Option exceeds the number of shares not covered by the Stock Appreciation Right.

A Stock Appreciation Right granted in conjunction with all or part of any Stock Option may be exercised by an Optionee, in accordance with paragraph (b) of this Section 6, by surrendering the applicable portion of the related Stock Option. Upon such exercise and surrender, the Optionee shall be entitled to receive an amount determined in the manner prescribed in paragraph (b) of this Section 6. Stock Options which have been so surrendered, in whole or in part, shall no longer be exercisable to the extent the related Stock Appreciation rights have been exercised.

c. *Terms and Conditions.* Stock Appreciation Rights shall be subject to the terms and conditions, not inconsistent with the provisions of the Plan, as shall be determined from time to time by the Committee, including the following:

1. If granted in conjunction with a Stock Option, Stock Appreciation Rights shall be exercised only at such time or times and to the extent that the Stock Options to which they relate shall be exercisable in accordance with the provisions of Section 5 and this Section 6 of the Plan.

2. Subject to the term limit in paragraph (b) of Section 5 of the Plan, Stock Appreciation Rights not granted in conjunction with Stock Options shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee at the time of grant; provided, however, that notwithstanding anything contained in the Plan to the contrary, except pursuant to Section 6 (c) (8) of the Plan and in connection with any Change of Control, no Stock Appreciation Right shall be exercisable prior to first anniversary date of the granting of the Stock Appreciation Right.

3. Upon exercise of a Stock Appreciation Right, an Optionee shall be entitled to receive up to, but not more than, an amount in cash or shares of Stock equal in value to the excess of the Fair Market Value of one share of Stock over the option price per share specified in the related Stock Option agreement (or the exercise price stated in the Stock Appreciation Right agreement for Stock Appreciation Rights not granted in conjunction with Stock Options) multiplied by the number of shares in respect of which the Stock Appreciation Right shall have been exercised, with the Committee having the right to determine the form of payment; provided, however, the Committee shall accept no form of payment that would violate applicable law.

4. Stock Appreciation Rights whether or not granted in conjunction with a Stock Option shall be transferable only when and to the extent that a Stock Option would be transferable under paragraph (e) of Section 5 of the Plan.

5. Upon the grant of a Stock Appreciation Right granted in conjunction with a Stock Option, the Stock Option or part thereof to which such Stock Appreciation Right is related shall be deemed to have been granted for the purpose of the limitation set forth in Section 3 of the Plan on the maximum number of shares subject to Awards which may be granted under the Plan in any one year and the maximum number of shares subject to Awards which may be granted to any one individual in any one year, but shall



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not be deemed to have been issued for purposes of the limitation set forth in Section 3 of the Plan on the total number of shares of Stock to be issued under the Plan to the extent the Optionee received cash to satisfy the Stock Appreciation Right.

6. A Stock Appreciation Right granted in connection with an Incentive Stock Option may be exercised only if and when the market price of the Stock subject to the Incentive Stock Option exceeds the exercise price of such Stock Option.

7. Stock Appreciation Rights not granted in conjunction with Stock Options shall be deemed to have been granted for purposes of the limitations set forth in Section 3 of the Plan on the total number of shares of stock subject to Awards which may be granted under the Plan in any one year and the maximum number of shares of stock subject to Awards which may be granted under the Plan to any individual in any one year and shall also be deemed to have been issued for purposes of the limitations set forth in Section 3 of the Plan on the total number of shares of stock to be issued under the Plan.

8. All of the terms relating to the exercise, cancellation or other disposition of a Stock Appreciation Right upon a termination of employment with, or service to, the Company or a Subsidiary or an Affiliate of the Participant receiving the Stock Appreciation Right, whether by reason of Disability, Retirement, death, or other termination shall be determined by the Committee. Such determination shall be made at the time of the grant of such Stock Appreciation Right and shall be specified in the written agreement evidencing such Stock Appreciation Right, unless otherwise determined by the Committee at the time of the grant. If the employment of a Participant receiving the Stock Appreciation Right is terminated for Cause, and such Stock Appreciation right is unvested, the Stock Appreciation Right shall terminate immediately as of the date of the termination of employment.

9. *Vesting.* The Committee shall determine the vesting period applicable to any Stock Appreciation Right Award; provided, however, that no Stock Appreciation Right Award shall vest prior to the first anniversary of the Award grant, except to the extent the Stock Appreciation Right becomes exercisable under the proviso to Section 6 (c) (2).

### **Section 7. *Restricted Stock.***

a. *Administration.* Shares of Restricted Stock or Restricted Stock Units may be issued alone or in addition to Awards granted under the Plan. The Committee shall determine the Participants to whom, and the time or times at which, Restricted Stock Awards will be made, the number of shares or units to be awarded, the price, if any, to be paid by the recipient of Restricted Stock Awards (subject to Sections 7(b) and (c) hereof), the time or times within which such Awards may be subject to forfeiture, and all other conditions of the Awards. The Committee may also condition the grant of a Restricted Stock Award upon the attainment of specified performance goals, or such other criteria as the Committee may determine, in its sole discretion. The provisions of the Restricted Stock Awards need not be the same with respect to each recipient. Notwithstanding anything contained in the Plan to the contrary and except pursuant to Section 7 (b) (4) hereof or in connection with a Change of Control, no Restriction Period (as defined below) shall be less than one year.

b. *Awards and Certificates.* The prospective Participants of a Restricted Stock Award shall not have any rights with respect to such Award, unless and until such recipient has executed an agreement evidencing the Award (a Restricted Stock Award Agreement ) and has delivered a fully executed copy thereof to the Company, and has otherwise complied with the then applicable terms and conditions.

1. Restricted Stock Awards must be accepted within a period of sixty (60) days (or such shorter period as the Committee may specify) after the Award date by executing a Restricted Stock Award Agreement and paying whatever price, if any, is required.

2. A stock certificate in respect of shares of Restricted Stock shall be issued in the name of each Participant who is awarded Restricted Stock. Such certificate shall be registered in the name of the





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Participant, and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award, substantially in the following form:

The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) of the AmerUs Group Co. Stock Incentive Plan and a Restricted Stock Award Agreement entered into between the registered owner and the Company. Copies of such Plan and Agreement are on file on in the offices of the Company, (699 Walnut St, Des Moines, Iowa 50309).

3. The Committee shall require that the stock certificates evidencing such shares of Restricted Stock be held in custody by the Company until the restrictions thereon have lapsed, and that, as a condition of any Award of Restricted Stock, the Participant shall have delivered a stock power, endorsed in blank, relating to the Stock covered by such Award.

4. All of the terms relating to the satisfaction of specified performance goals and the termination of any period designated by the Committee during which the Stock or units subject to the Restricted Stock Award may not be sold, transferred, pledged or assigned, or any cancellation or forfeiture of such Restricted Stock Award upon a termination of employment with or service to the Company or any Subsidiary or any Affiliate of the holder of such Restricted Stock Award, whether by reason of Disability, retirement, death or other termination shall be set forth in the written agreement relating to such Restricted Stock Award. Unless otherwise determined by the Committee at grant, if a holder's employment with the Company, any Subsidiary, or any Affiliate terminates or is involuntarily terminated with Cause, the portion of the Restricted Stock Award which is subject to a Restriction Period on the effective date of such holder's termination of employment or service shall be forfeited by such holder and such portions shall be canceled by the Company.

c. *Restrictions and Conditions.* Any Restricted Stock Award pursuant to this Section 7 shall be subject to the following restrictions and conditions:

1. Subject to the provisions of the Plan and the Restricted Stock Award Agreements, during such period as may be set by the Committee commencing on the grant date (the Restriction Period), the Participant shall not be permitted to sell, transfer, pledge or assign Restricted Stock or Restricted Stock Units awarded under the Plan. Subject to the limitation contained in the last sentence of Section 7(a) of the Plan, the Committee may, in its sole discretion, provide for the lapse of such restrictions in installments and may accelerate or waive such restrictions in whole or in part based on performance and/or such factors as the Committee may determine, in its sole discretion.

2. Except as provided in paragraph c (1) of this Section 7, the Participant shall have, with respect to the shares of Restricted Stock, all of the rights of a stockholder of the Company, including the right to vote and receive any dividends, and with respect to Restricted Stock Units, a Participant shall have no right to vote or receive dividends until such time as the shares of Stock attributable to such Restricted Stock Unit have been issued. Dividends paid in Stock or other securities of the Company or Stock received in connection with a stock split with respect to Restricted Stock Awards shall be subject to the same restrictions as on such Restricted Stock or Restricted Stock Unit, as the case may be. Certificates for shares of unrestricted Stock shall be delivered to the Participant promptly after, and only after, the period of forfeiture shall expire without forfeiture in respect to any Restricted Stock Award.

d. *Limitation on Restricted Stock Awards.* Notwithstanding anything in the Plan to the contrary, the maximum number of shares of Restricted Stock or Restricted Stock Units issuable under this plan shall be 450,000 shares of Stock; provided, however, that if any Restricted Stock is issued at the termination of a Restricted Stock Unit's Restriction Period, such Restricted Stock shall not be counted against such maximum to the extent the grant of the original Restricted Stock Unit was counted against such maximum.

**Section 7A. Cash Incentive Units**

a. Cash Incentive Units may be issued alone or in addition to Awards granted under the Plan. The Committee shall determine the Participants to whom Cash Incentive Units shall be granted and the number

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of Cash Incentive Units to be the subject of each Award. Subject to the terms of this Section 7A, the Award of Cash Incentive Units under the Plan entitles the Participant to receive value for the units at the end of a Performance Period to the extent provided under the Award. The number of Cash Incentive Units earned, and value received from them, will be contingent on the degree to which the performance goals established at the time of grant of the Award are met.

b. For each such Participant, the Committee will determine (a) the value of Cash Incentive Units, which may be stated either in cash or in units representing shares of Stock, (b) the performance goals to be used for determining whether the Cash Incentive Units are earned, (c) the Performance Period during which the performance goals will apply, (d) the relationship between the level of achievement of the performance goals and the degree to which Cash Incentive Units are earned, and (e) whether, during or after the Performance Period, any revision to the performance goals or Performance Period should be made to reflect significant events or changes that occur during the Performance Period

c. Settlement of Cash Incentive Units shall be subject to the following:

1. The Committee will compare the actual performance to the performance goals established for the Performance Period and determine the number of Cash Incentive Units as to which settlement is to be made, and the value of such Cash Incentive Units; and

2. Settlement of Cash Incentive Units earned shall be wholly in cash to be distributed in a lump sum or installments, as determined by the Committee, in its sole discretion.

d. Except as otherwise determined by the Committee, any Award of Cash Incentive Units which is not earned by the end of the Performance Period shall be forfeited. If a Participant's employment with or service to the Company, any Subsidiary, or any Affiliate is terminated during a Performance Period, the Committee may determine that the Participant will be entitled to settlement of all or any portion or none of the Cash Incentive Units as to which he or she would otherwise be eligible, and may accelerate the determination of the value and settlement of such Cash Incentive Units or make such other adjustments as the Committee, in its sole discretion, deems desirable.

**Section 8. *Amendments and Termination.***

Subject to the next sentence, the Board may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which would impair the right of an Optionee or Participant under a Stock Option, Stock Appreciation Right, Restricted Stock Award or Cash Incentive Unit theretofore granted, without the Optionee's or Participant's consent. The Board may not materially alter or amend the Plan without the prior approval of the stockholders. Material amendments shall include without limitation any alteration or amendment that would:

a. Except as expressly provided in this Plan, increase the total number of shares reserved for the purpose of the Plan;

b. Decrease the price of any Stock Option or Stock Appreciation Right to less than the Fair Market Value on the date of the granting of the Stock Option or Stock Appreciation Right;

c. Change the class of persons who may be Participants eligible to participate in the Plan;

d. Extend the maximum Stock Option Term under paragraph (b) of Section 5 of the Plan, or

e. Change the vesting period for a Stock Option or Stock Appreciation Right or a Restriction Period to a period of less than one year or render a Stock Option or Stock Appreciation Right exercisable prior to the first anniversary of such award.

The Committee may in a manner not inconsistent with this Plan, amend the terms of any Award or option theretofore granted, prospectively or retroactively, but no amendment shall impair the rights of any holder without his consent.

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**Section 9. *Unfunded Status of the Plan.***

The Plan is intended to constitute an unfunded plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant or Optionee by the Company, nothing set forth herein shall give any such Participant or Optionee any rights that are greater than those of a general creditor of the Company. In its sole discretion the Committee may authorize the creation of trusts or other arrangements to meet the obligations created under the Plan to deliver Stock or payments in lieu thereof with respect to Awards hereunder, provided, however, that the existence of such trusts or other arrangements is consistent with the unfunded status of the Plan.

**Section 10. *General Provisions.***

All certificates for shares of Stock delivered under the Plan shall be subject to such stock transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the Commission, any stock exchange upon which the stock is listed, and any applicable Federal or state securities law, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

**Section 11. *Effective Date of Plan.***

The Plan shall be effective on the date that it is approved by a majority vote of the holders of the Company's voting common stock.

**Section 12. *Term of Plan.***

No Stock Option, Stock Appreciation Right, Restricted Stock Award or Cash Incentive Unit shall be granted pursuant to the Plan on or after the tenth anniversary of the date of stockholder approval, but Awards previously granted may extend beyond that point.

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**APPENDIX D**

**LONG-TERM INCENTIVE PLAN PROCEDURES FOR GRANTING AWARDS**

**Introduction -Performance Unit Approach**

The AmerUs Group Co. Long-Term Incentive Plan ( LTIP ) is a multi-year performance plan, under which an LTIP participant ( Participant ) receives a target award ( Award ) of units ( Units ). Awards under the LTIP are intended to meet the requirements for deductibility under Section 162(m) of the Internal Revenue Code of 1986 ( Section 162(m) ) as performance-based compensation.

Awards shall be made under the AmerUs Group Co. 2003 Stock Incentive Plan or any successor stock incentive plan providing for such Awards ( Stock Incentive Plan ). Units shall consist of any form of award permitted by the Stock Incentive Plan.

Each Award has an initial value equal to the number of Units in the Award multiplied by the closing price for a share of AmerUs Group Co. (the Company ) common stock on the date of grant of such Award. The maximum initial value of any Award granted to any one Participant in any calendar year is the lesser of 300% of such Participant s base salary at the time of Award or \$3 million. The maximum number of Units that may be earned by any Participant is 200% of the target Units in any Award. The actual number of Units earned by the Participant relative to the Award is contingent upon the achievement of long-term performance goals. The final value of the Award to the Participant will vary based upon the level of performance achieved over the associated performance period ( Performance Period ) and the value of the Company s stock price at the end of the Performance Period.

**All Awards and all payments under such Awards are contingent upon shareholders of the Company approving the material terms of these LTIP procedures as required by Section 162(m).**

**Eligibility**

Eligibility is restricted to officers of the Company, its subsidiaries and its affiliates. The Committee will determine LTIP eligibility based on an officer s ability to contribute to key corporate objectives and accountability for the Company s overall performance. Eligibility remains discretionary and can be amended for future Awards at any time.

**Performance Unit Awards**

Awards will consist of a specified number of Units earned for target performance, and also describe the range of Units earned for performance above and below target performance goals. The number of Units awarded to a Participant can vary for each Award and associated Performance Period.

A Participant will receive written notification ( Notice of Award ) regarding the number of Units they have been awarded as soon as practically possible after the beginning of a Performance Period.

**Performance Period**

The Company plans to assess performance over a three-year Performance Period to determine the ultimate value of Units awarded and number of Units earned under the LTIP. However, the Committee may in their discretion determine to designate a different length of Performance Period.

**Scorecard Performance Measurement Approach**

The Company will use a scorecard approach to determine the number of Units earned. The scorecard approach provides flexibility in establishing financial and stock-based goals and in tailoring the specific measurement areas for each new Award under the LTIP.

Within 90 days of the start of the applicable Performance Period, or such earlier time as required to comply with Section 162(m), the Committee shall specify in writing, by resolution or otherwise, for each

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Participant (i) the performance measures and goals for each performance measure reflecting minimum threshold, target and maximum performance expectations and (ii) the relative weighting of these measures within the performance scorecard framework. Each performance measure and its associated goals may apply to a portion of the target Award with respect to a Performance Period. The performance measures and/or the goals can vary between Performance Periods. In order to comply with Section 162(m), any such performance goal shall be an objective goal, the attainment of which is substantially uncertain at the time of grant.

The performance measures upon which the payment of an Award may be based shall be limited to:

Net income or adjusted net operating income (before or after taxes)

Net income per share (before or after taxes)

Adjusted net operating income per share (before or after taxes)

Revenue growth

Return on assets, equity or invested capital

Gross or operating margins

Expenses or reduction in expenses

Increase in surplus

Book value (including or excluding Accumulated Other Comprehensive Income ( AOCI ) and/or dividend payments)

Book value per share (including or excluding AOCI and or dividend payments)

Share price

Total shareholder return

Any performance measure and goal may be measured either annually or cumulatively over the Performance Period and be used to measure the performance of the Company as a whole, any affiliate, any business unit, any line of business or any combination thereof. Performance measures and goals may be based on absolute performance, percentage or amount of change and/or in comparison to peer companies. Details of the performance measures, weightings and goals pursuant to each Award will be included in the Notice of Award.

**Performance Assessment**

No Award shall be payable unless the Committee certifies in writing, by resolution or otherwise, that the performance measure(s) applicable to such Award were satisfied. Performance assessment will occur at the conclusion of the applicable Performance Period following the completion of the Company's audited financial results and will be communicated to Participants as soon as practically possible. In no case may the Committee increase the value of an Award, but the Committee may reduce the value of an Award. The Committee may, but is not required to, make periodic assessments of performance relative to goals and communicate the Company's progress in reaching its performance goals to Participants (e.g., semi-annual or annual updates).

**Payment**

Awards will be paid in Company common stock, or such other method as set forth in Notice of Award. No interest or dividends shall accrue or be payable with respect to any Award for the period between the conclusion of the Performance Period and the actual payment date.



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### **Effect of Certain Transactions**

The Committee may provide that any evaluation of attainment of a performance measure may include or exclude any of the following events that occurs during the relevant Performance Period: (a) asset write downs; (b) litigation or claim judgments or settlements; (c) the effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results; (d) any reorganization and restructuring programs; (e) extraordinary nonrecurring items; and (f) acquisitions or dispositions. Such inclusions or exclusions would need to be prescribed in an objective, pre-established, non-discretionary manner at the time of the Award in order to meet the requirements of Section 162(m) for deductibility.

In the event of a Change of Control of the Company, all non-vested Units shall vest immediately and be paid out based upon the Committee's assessment of the progress towards the achievement of the performance goals at such time of the event. Change of Control shall have the meaning set forth in Stock Incentive Plan.

### **MANAGEMENT INCENTIVE PLAN PROCEDURES FOR GRANTING AWARDS**

#### **General**

Section 162(m) of the Internal Revenue Code ( Section 162(m) ) precludes a deduction by any publicly held corporation for compensation paid to the CEO and the next four highest compensated executives to the extent the annual compensation exceeds \$1 million. However, if compensation qualifies as performance-based, it is not subject to the \$1 million limitation.

In order for annual bonuses under the Company's Management Incentive Plan ( MIP ) to certain executive officers of the Company, its subsidiaries and its affiliates to be deemed performance-based compensation, the Company each year will create a bonus pool in which such executives will be awarded compensation under the MIP equal to 5% of Adjusted Net Operating Income (the Bonus Pool ).

The Bonus Pool shall be calculated using the Adjusted Net Operating Income ( ANOI ) that is disclosed to stock analysts for such year, and is generally defined as net income as adjusted to eliminate certain items that do not reflect results from continuing operations. Such items may but need not include: open block realized/unrealized gains and losses; DAC and VOBA associated with the open block realized/unrealized gains and losses; non-insurance gains and losses; DAC and VOBA associated with the open block realized/unrealized gains and losses; non-insurance tax provisions; discontinued operations and the cumulative effect of change in accounting.

In order to for MIP bonuses from the Bonus Pool to be considered performance-based compensation, the procedures set forth below are to be followed:

1. Within 90 days of the start of the year or such earlier time as required to comply with Section 162(m), the Committee shall in writing, by resolution or otherwise:

a. Affirm the formula for determining the size of the Bonus Pool

b. Specify the executives that will be entitled to participate in the Bonus Pool (each a Participant ) and

c. For each Participant, specify a maximum award, expressed as a percentage of the Bonus Pool. The maximum award shall include any match under the Company's MIP Deferral Plan. The maximum percentage that may be paid to anyone Participant will not exceed 40% of the Bonus Pool. The total of the maximum percentages for all Participants shall not exceed 100% of the Bonus Pool.

2. Following the end of the applicable year, and before any payments are made to a Participant under the MIP, the Committee shall certify in writing (i) that the Company had positive ANOI for the year and (ii) the size of the Bonus Pool.

3. Following the end of the applicable year, the Committee may determine to grant any Participant a MIP bonus, which may not exceed the amount equal to such Participants maximum percentage specified in

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1(c) above multiplied by the Bonus Pool. The Committee may reduce or eliminate any MIP bonus granted to any Participant based on any factors determined by the Committee, including individual performance goals established for such Participant.

Amounts paid out of the Bonus Pool will otherwise be paid in accordance with the terms of the MIP. Other than as set forth herein, all terms of the MIP shall govern the Bonus Pool.

**The Bonus Pool and all payments out of the Bonus Pool are contingent upon shareholders of the Company approving the material terms of these procedures as required by Section 162(m).**

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**THE BOARD OF DIRECTORS OF AMERUS GROUP CO. RECOMMENDS THAT YOU VOTE FOR ALL IN PROPOSAL 1, AND FOR PROPOSALS 2, AND 4** Please Mark Here for Address Change or Comments **SEE REVERSE SIDE**

1. Election of Directors (Mark only one box):

Nominees:

- 01 Thomas F. Gaffney
- 02 Louis A. Holland
- 03 Ward M. Klein
- 04 Andrew J. Paine Jr.
- 05 Jack C. Pester
- 06 Heidi L. Steiger

2. Proposal to amend the Company's 2003 Stock Incentive Plan

FOR	AGAINST	ABSTAIN
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. Proposal to approve performance-based procedures to be followed in granting incentive compensation awards.

FOR	AGAINST	ABSTAIN
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Instruction: To withhold authority to vote for any individual nominee, mark **FOR ALL EXCEPT** and write that nominee's name in the space provided below.

4. Proposal to ratify the appointment of Ernst & Young LLP as independent auditors of the Company for the 2005 fiscal year.

FOR	AGAINST	ABSTAIN
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

\_\_\_\_\_  
**Signature** \_\_\_\_\_ **Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**NOTE: Please sign as your name is printed on this card. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please sign with full title.**

**5 FOLD AND DETACH HERE 5**

**Vote by Internet or Telephone or Mail  
 24 Hours a Day, 7 Days a Week**

**Internet and telephone voting is available through 11:59 PM Eastern Time  
 the day prior to annual meeting day.**

**Your Internet or telephone vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.**

**Internet**  
<http://www.proxyvoting.com/amh>

**Telephone**  
**1-800-540-5760**

**Mail**  
Mark, sign and date  
your proxy card  
and  
return it in the  
enclosed postage-paid  
envelope.

**OR**

**OR**

Use the Internet to vote your proxy.  
Have your proxy card in hand when  
you access the web site.

Use any touch-tone telephone to  
vote your proxy. Have your proxy  
card in hand when you call.

**If you vote your proxy by Internet or by telephone,  
you do NOT need to mail back your proxy card.**

**You can view the Annual Report and  
Proxy Statement on the Internet at  
<http://www.amerus.com/invrel/2005annual.cfm>**

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**PROXY FOR ANNUAL MEETING  
THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF  
AMERUS GROUP CO.**

The undersigned hereby appoints Roger K. Brooks and James A. Smallenberger proxies, each with power to act without the other and with power of substitution, and hereby authorizes them to represent and vote, as designated on the other side, all the shares of stock of AmerUs Group Co. standing in the name of the undersigned with all powers which the undersigned would possess if present at the Annual Meeting of Shareholders of AmerUs Group to be held April 28, 2005 or any adjournments thereof.

**PROXIES WILL BE VOTED AS DIRECTED OR SPECIFIED. IF NO CHOICE IS SPECIFIED, THIS PROXY WILL BE VOTED FOR ALL NOMINEES FOR DIRECTOR, FOR ITEMS 2, 3 AND 4, AND IN THE DISCRETION OF THE NAMED PROXIES ON ALL OTHER MATTERS.**

**IF YOU DO NOT VOTE VIA THE INTERNET OR BY TELEPHONE,  
SIGN AND DATE THIS PROXY ON THE REVERSE SIDE  
AND RETURN IT IN THE ENCLOSED ENVELOPE.  
(Continued, and to be signed and dated, on the reverse side)**

**Address Change/Comments (Mark the corresponding box on the reverse side)**

**5 FOLD AND DETACH HERE 5**

**Visit us on the web at <http://www.melloninvestor.com/isd>**

**Access your account online**

Access your AmerUs Group Co. shareholder account online via Investor ServiceDirect®(ISD).

Mellon Investor Services LLC, Transfer Agent for AmerUs Group Co., now makes it easy and convenient to get current information on your shareholder account:

View account status  
View certificate history  
View book-entry information

View payment history for dividends  
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Establish/change your PIN

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