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AMERUS
Group

FORESIGHT
FOCUS
EXECUTION

2003 ANNUAL REPORT

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AmerUs Group is one of America’s leading life insurance and annuity companies. We are intensely focused on our core businesses and are committed to delivering outstanding value for our customers, distributors, associates and shareholders.

Several years ago, we recognized that the markets for asset protection and accumulation products were undergoing dramatic changes. Customers were becoming more sensitive to levels of risk and associated returns. Investment markets were becoming increasingly volatile. Industry-wide, old products and strategies were failing to address consumer demand for upside opportunity with downside protection, as well as shareholder demands for higher returns.

We set out to create a new business model that would position AmerUs Group for success in this changing environment. A model built on well-conceived products, strong distribution and the ability to quickly and effectively execute on emerging opportunities. A model designed to strengthen capital levels and deliver quality, predictable top line growth in a variety of market conditions. A model supported by a disciplined, value-added investment process and an experienced, talented team of associates focused on delivering outstanding bottom-line results.

During 2003, the benefits of this new model became clear, as it produced significant, positive results for your company – underscoring our story of accurate FORESIGHT, disciplined FOCUS and results-oriented EXECUTION.

TO OUR SHAREHOLDERS:

Seven years may not seem like a long time for a company whose history dates back to 1896.

But in the seven years since our IPO came to market in 1997, we have transformed AmerUs Group from a small, successful regional player in the financial services industry to a nationwide leader in *both* the life insurance and annuity marketplaces.

We completed three acquisitions and two demutualizations. We divested our non-core businesses and recast our product portfolio from low-return traditional life and annuity products to higher-margin products designed to better serve the needs of our target markets. We reinvented our distribution systems, achieving multi-channel balance in our life insurance business and creating a powerful, predominantly owned sales force for our annuity business. Along the way, we delivered outstanding results to our shareholders.

During the seven years ended December 31, 2003, AmerUs Group assets grew seven-fold to \$22 billion. Life and annuity sales grew at compound annual growth rates of 25 percent and 67 percent respectively. Operating earnings grew at a compound annual growth rate of 20 percent. Operating return on equity steadily advanced from less than eight percent to 12 percent.

Our vision was to create a company that could deliver strong, sustainable earnings growth under a variety of market conditions. And our performance in 2003 suggests that this vision has already become reality, with future benefits emerging as we continue to execute our strategy.

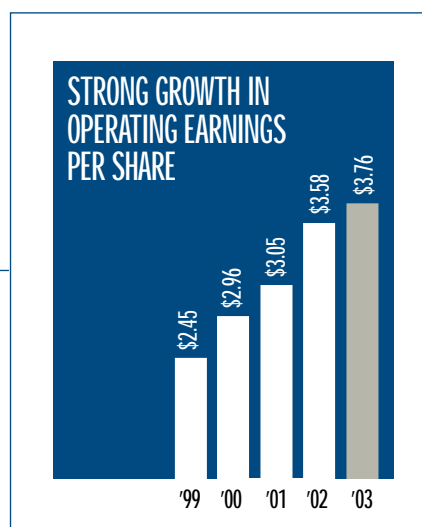
While low interest rates continued to pressure the fixed life insurance and annuity markets, our refined product, distribution and operating strategies enabled AmerUs Group to produce record adjusted net operating income of \$149 million in 2003. Net income advanced 156 percent over 2002 results to \$161.1 million. Book value (excluding accumulated other comprehensive income) grew more than 12 percent in 2003 to \$33.81 per share and we achieved our goal of 12 percent return on equity.

We also strengthened our management team, continued to streamline operations and positioned the company, strategically, tactically and financially, for additional success going forward.

The foresight to “do products right”

One of the strengths of AmerUs Group is product innovation. A sustainable product strategy must deliver value to the company, as well as to customers and distributors. That’s why all of our products are designed and managed to increase competitiveness, improve profitability, effectively manage risk and accelerate the emergence of earnings.

In 2003, we continued to refine our product offering to achieve these objectives. We made the difficult but appropriate decision to eliminate the par whole life product line, which no longer delivered acceptable margins. And we shifted our business away from term life products and traditional fixed annuities, which detract from the value of our enterprise in the



current low interest rate environment. We continued to improve our industry-leading equity-index products to deliver even greater security and long-term value for customers and the company.

We utilize a disciplined, “fast-follower” approach to product development, which means we won’t always be the first company to enter a new marketplace. Instead, we study competitors’ products and consumer demand, then enter a market only when we know we can effectively meet a well-defined need. We used this fast-follower approach in the equity-index market, which enabled us to quickly build a significant presence in that emerging and growing market. We studied what others were doing, then delivered a better design, a leading edge administrative system and a simple, conservative hedging strategy to effectively manage risk. We will continue to utilize this approach as market conditions and consumer preferences change.

At the close of 2003, AmerUs Group ranked first in the \$100 million equity-index life insurance market, with a 52 percent market share. We ranked second in the \$14 billion equity-index annuity market, with a nine percent market share.

During 2004, we will use our fast-follower approach to deliver a competitive lifetime no-lapse guarantee for our universal life products. We are better attuned to the marketplace than we’ve ever been. We are using our product discipline to selectively compete in the markets and segments that deliver the best risk/return profiles.

Focusing on more profitable life sales

During 2003, we significantly improved the margins in our life products—and still delivered our second-highest sales year ever, producing \$119 million in new life insurance premiums.

Over the last six years, AmerUs Group life insurance sales have grown at a compound annual growth rate of 14 percent, while total sales in the life insurance industry grew by an average of less than three percent over the same period of time.

As a result of our growth, AmerUs Group ranks among America’s top 15 providers of fixed life insurance. Our goal is to be among the top ten, and we are planning for ten percent growth in life insurance sales in 2004.

We continued to benefit from strong sales of our equity-index life insurance products in 2003, which grew 13 percent to \$52 million. These well-conceived products address consumer demand for upside opportunity and downside protection, while delivering faster emergence of earnings to the company. They have been embraced by both customers and distributors, and we expect sales of these products to continue to grow in 2004. According to Advantage Compendium, an independent research and consulting firm, AmerUs Group was far-and-away the national leader in equity-index life insurance sales in 2003.

During 2003, we accomplished a number of other goals designed to enhance earnings from our life insurance operations. We completed the integration of Indianapolis Life and reduced staff in our life insurance operations by 20 percent. We significantly strengthened our life group senior management team, while aligning our brands and distribution channels to reduce conflict and enhance future growth.

Growing multi-channel balance in life distribution

Because we believe our customers benefit from the knowledge and experience of professionally trained agents, we have always been an agent-based company. Agents like our innovative

products and advanced technology, as well as our willingness to listen to their ideas and respond to the needs of their clients. During 2003, we continued to enjoy success in attracting top producers to our growing enterprise. At the close of the year, more than 22,000 agents in four diversified distribution channels were under contract to sell our products.

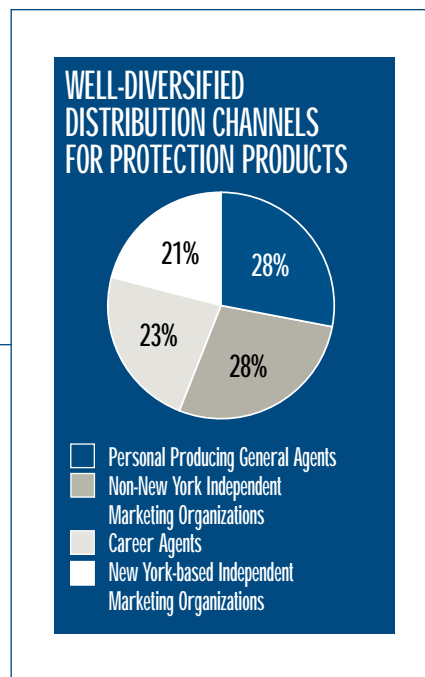
During the year, we also improved the quality of our distribution infrastructure –eliminating marginal producers and setting the stage for continued profitable growth.

Outstanding execution in our annuity business

The accumulation business is a strong complement to our protection business, and AmerUs Group continues to be a leader in America’s fixed annuity industry.

During 2003, we held new annuity sales at \$1.8 billion, which was in line with 2002 sales. We prudently decided not to grow sales, since low interest rates also continued to compress profit margins on existing business.

Instead, we literally turned our production on a dime – shifting new sales from traditional fixed annuities to equity-index annuities. Equity-index annuities not only deliver attractive returns and guarantees to customers, they also produce wider spreads than those available on fixed products and create greater long-term value for the company and our investors. Our goal was to grow equity-index annuities from a third of our sales in 2002 to two-thirds of our sales in 2003. We more than accomplished this objective, with equity-index sales exceeding 75 percent of our volume last year.



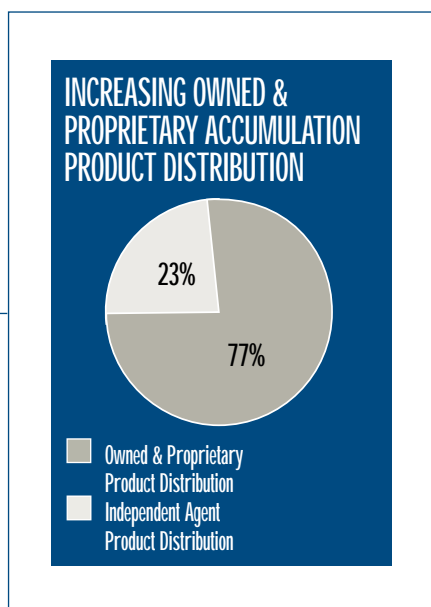
Controlled annuity distribution is a strategic advantage

We were able to achieve the dramatic shift to equity-index annuity products because of our structure and our culture. Rather than have contracts with thousands of agents—as many leading annuity companies do—our model is designed to work with a smaller number of professional agents who write significant amounts of business. By managing these agents primarily through company-owned marketing organizations, we can more quickly and effectively control our sales mix to take advantage of interest rate changes and marketplace opportunities.

Our controlled distribution strategy produces additional benefits for customers, producers and the company. The emphasis on active, professional agents has resulted in lower turnover among our producers as well as our customers. We eliminate the costs of licensing and serving thousands of unproductive agents, while creating exclusivity and greater value in our agent contract.

Solid, disciplined investment performance

During 2003, we took advantage of improving markets to generate \$1 billion in net investment income. In addition, we improved our credit quality, further diversified our risk, enhanced our asset allocation and significantly strengthened our



MESSAGE FROM ROGER K. BROOKS CHAIRMAN AND CEO

One of our most important events in 2003 was the appointment of Tom Godlasky as president and chief operating officer of AmerUs Group. This resulted from a very disciplined succession process which was put in place by our board of directors to ensure that we have strong management continuity in the company.

Tom is well-qualified for this new role and he has my full confidence and support. Tom joined the company in 1995, and has played a key leadership role in our strategic transformation. He has over 23 years of management experience and has provided excellent results-oriented leadership for a number of our core functions including our investment operations, information technology division, corporate-wide operational improvement initiative, and others.

Because Tom is now leading the daily operations of the company, I have more time to devote to strategic issues in my role of chairman and chief executive officer. Tom and I have a common set of goals and are committed to creating value for our constituents.

Thomas C. Godlasky
President and COO



capital position. As a result of these efforts, we continue to have a strong, high-quality investment portfolio supporting our products.

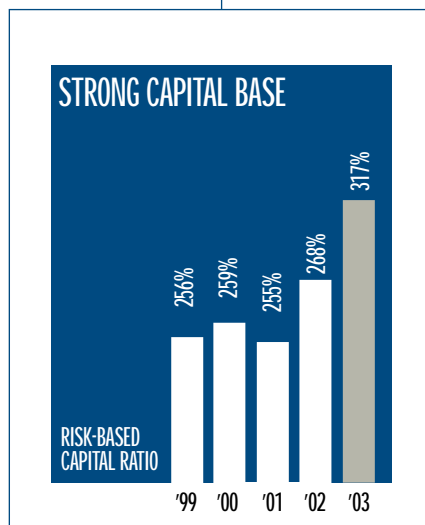
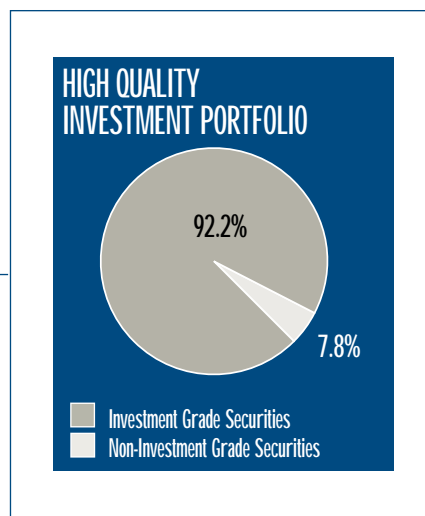
Throughout the year, we worked to refine our mix of assets – reducing lower-rated securities and lowering single-issuer credit exposure, while freeing up and enhancing capital. Our investment and asset-liability disciplines are strong, and we are focused on managing risks and building long-term value for our shareholders.

As evidence of this focus, our risk-based capital ratio grew to 317 percent in 2003, above our target of 300 percent. To maintain this superior capital position, we are now pricing all of our products at the 300 percent risk-based capital level.

Our corporate governance: as important and as strong as ever

We believe that effective corporate governance is the cornerstone of our company. We have always had strong, independent directors who are committed to overseeing company management and ensuring that the interests of the shareholders are served. The composition of our board, its processes, committees and overall spirit ensure that you, our shareholders, are fully represented.

Our directors are talented individuals whose interests are aligned with those of our shareholders. Earlier this year we were very pleased to add Stephen Strome, chairman and chief executive officer of the Handleman Company, to AmerUs Group's board. He is a respected leader and visionary in the prerecorded music distribution industry, and we look forward to benefiting from his creativity and experience as we go forward.



At our annual meeting this year, John Albers, a 21-year board member, will retire. John has played a key role in the leadership of our board. While his contributions are too numerous to list in full, his guidance during our transition from a mutual insurance company to a publicly-held stock insurance company and his sound judgment on corporate governance principles have been a critical part of our success. We thank John for his service and contributions.

Focusing on the future

In 2004, we will continue to focus our resources on our two core segments—protection and asset accumulation. We will continue to manage these businesses in ways that enable us to maintain a market leadership position in our target sectors while providing value to our customers, distributors, associates and shareholders. If the current low interest rate environment persists, achieving our targeted profit levels in our traditional spread businesses could be challenging. However, we will actively manage our businesses to minimize this impact.

Our plans include long-term goals of 11 to 13 percent compound annual growth in operating earnings, 13 to 14 percent operating return on equity, and 10 to 12 percent compound annual growth in life and annuity sales. We are committed to delivering consistent, predictable, high-quality earnings growth.

We will continue to benefit from the skills and experience of our management team and associates across America, whose foresight, focus and ability to execute serve us well. We are positioned among the very best in our industry, but our work is not done.

We will continue to execute our growth strategies, maintain our operational and financial discipline and efficiently manage our operations to deliver growing value to you.

Thank you for your continued trust and confidence.



Roger K. Brooks
Chairman and CEO

Thomas C. Godlasky
President and COO



AmerUs Group Consolidated Balance Sheets

(\$ in thousands)

	DECEMBER 31,	
	2003	2002
Assets		
Investments:		
Securities available-for-sale at fair value:		
Fixed maturity securities	\$ 13,944,961	\$ 13,328,902
Equity securities	74,890	63,345
Short-term investments	28,556	32,318
Securities held for trading purposes at fair value:		
Fixed maturity securities	2,089,502	1,843,868
Equity securities	1,652	—
Short-term investments	591	—
Mortgage loans	968,572	883,034
Real estate	33	476
Policy loans	494,646	496,753
Other investments	339,436	283,794
Total investments	17,942,839	16,932,490
Cash and cash equivalents	274,150	102,612
Accrued investment income	205,492	185,660
Premiums, fees and other receivables	42,761	13,082
Reinsurance receivables	663,452	865,930
Deferred policy acquisition costs	1,120,130	884,239
Value of business acquired	419,582	454,159
Goodwill	224,075	218,995
Property and equipment	48,849	74,188
Other assets	311,305	296,994
Separate account assets	261,657	235,913
Assets of discontinued operations	27,950	29,403
Total assets	\$ 21,542,242	\$ 20,293,665

AmerUs Group Consolidated Balance Sheets

(\$ in thousands)

	DECEMBER 31,	
	2003	2002
Liabilities and stockholders' equity		
Liabilities:		
Policy reserves and policyowner funds:		
Future life and annuity policy benefits	\$ 16,994,255	\$ 16,244,016
Policyowner funds	1,306,160	1,335,144
	<u>18,300,415</u>	<u>17,579,160</u>
Accrued expenses and other liabilities	443,589	261,147
Dividends payable to policyowners	321,233	303,062
Policy and contract claims	58,880	39,569
Income taxes payable	50,274	61,325
Deferred income taxes	80,861	16,499
Notes payable	596,101	511,353
Separate account liabilities	261,657	235,913
Liabilities of discontinued operations	19,421	22,689
	<u>20,132,431</u>	<u>19,030,717</u>
Total liabilities	20,132,431	19,030,717
Stockholders' equity:		
Preferred Stock, no par value, 20,000,000 shares authorized, none issued	—	—
Common Stock, no par value, 230,000,000 shares authorized;		
43,836,608 shares issued and 39,194,602 shares outstanding in 2003;		
43,656,280 shares issued and 39,011,578 shares outstanding in 2002	43,836	43,656
Additional paid-in capital	1,184,237	1,179,646
Accumulated other comprehensive income	84,519	88,522
Unearned compensation	(1,361)	(458)
Unallocated ESOP shares	—	(1,443)
Retained earnings	255,006	109,517
Treasury stock, at cost (4,642,006 shares in 2003 and 4,644,702 in 2002)	(156,426)	(156,492)
	<u>1,409,811</u>	<u>1,262,948</u>
Total stockholders' equity	1,409,811	1,262,948
Total liabilities and stockholders' equity	\$ 21,542,242	\$ 20,293,665

AmerUs Group Consolidated Statements of Income

(\$ in thousands, except share data)

	FOR THE YEARS ENDED DECEMBER 31,	
	2003	2002
Revenues		
Insurance premiums	\$ 297,188	\$ 351,300
Product charges	181,354	144,494
Net investment income	1,001,914	1,001,257
Realized/unrealized gains (losses) on investments	131,291	(149,919)
Other income	68,298	68,513
	1,680,045	1,415,645
Benefits and expenses		
Policyowner benefits	940,158	871,892
Underwriting, acquisition and other expenses	155,468	162,267
Demutualization costs	—	1,186
Restructuring costs	23,294	21,225
Amortization of deferred policy acquisition costs and value of business acquired	193,340	139,565
Dividends to policyowners	98,393	104,866
	1,410,653	1,301,001
Income from continuing operations	269,392	114,644
Interest expense	30,154	25,487
Income before income tax expense	239,238	89,157
Income tax expense	78,610	28,375
Net income from continuing operations	160,628	60,782
Income from discontinued operations, net of tax	1,815	2,084
Net income before cumulative effect of change in accounting	162,443	62,866
Cumulative effect of change in accounting, net of tax	(1,296)	—
Net income	\$ 161,147	\$ 62,866
Net income from continuing operations per common share:		
Basic	\$ 4.10	\$ 1.52
Diluted	\$ 4.05	\$ 1.50
Net income per common share:		
Basic	\$ 4.11	\$ 1.57
Diluted	\$ 4.07	\$ 1.56
Weighted average common shares outstanding:		
Basic	39,175,924	39,972,328
Diluted	39,618,217	40,398,378

AmerUs Group Consolidated Statements of Stockholders' Equity

(\$ in thousands)

	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	UNEARNED COMPENSATION	UNALLOCATED ESOP SHARES	RETAINED EARNINGS	TREASURY STOCK	TOTAL STOCK- HOLDERS' EQUITY
Balance at December 31, 2001	\$ 43,506	\$ 1,177,688	\$ 12,669	\$ (727)	\$ (224)	\$ 62,187	\$ (56,582)	\$1,238,517
2002:								
Net income	—	—	—	—	—	62,866	—	62,866
Net unrealized gain on securities	—	—	73,646	—	—	—	—	73,646
Net unrealized gain on derivatives designated as cash flow hedges	—	—	3,434	—	—	—	—	3,434
Stock issued under various incentive plans, net of forfeitures	150	5,730	—	269	—	—	1	6,150
Stock issued under exercise of warrants	—	(3,802)	—	—	—	—	12,205	8,403
Purchase of ESOP shares and treasury stock	—	—	—	—	(2,522)	—	(112,116)	(114,638)
Dividends declared on common stock	—	—	—	—	—	(15,536)	—	(15,536)
Allocation of shares in leveraged ESOP	—	30	—	—	1,303	—	—	1,333
Minimum pension liability adjustment	—	—	(1,227)	—	—	—	—	(1,227)
Balance at December 31, 2002	43,656	1,179,646	88,522	(458)	(1,443)	109,517	(156,492)	1,262,948
2003:								
Net income	—	—	—	—	—	161,147	—	161,147
Net unrealized gain on securities	—	—	1,971	—	—	—	—	1,971
Net unrealized gain on derivatives designated as cash flow hedges	—	—	2,476	—	—	—	—	2,476
Change in accounting transfer of unrealized gain on available-for-sale securities to trading	—	—	(5,204)	—	—	—	—	(5,204)
Stock issued under various incentive plans, net of forfeitures	180	11,717	—	(903)	—	—	66	11,060
PRIDES purchase contract adjustment and allocated fees and expenses	—	(7,280)	—	—	—	—	—	(7,280)
Dividends declared on common stock	—	—	—	—	—	(15,658)	—	(15,658)
Allocation of shares in leveraged ESOP	—	154	—	—	1,443	—	—	1,597
Minimum pension liability adjustment	—	—	(3,246)	—	—	—	—	(3,246)
Balance at December 31, 2003	\$ 43,836	\$ 1,184,237	\$ 84,519	\$ (1,361)	\$ —	\$ 255,006	\$ (156,426)	\$ 1,409,811

AmerUs Group Consolidated Statements of Cash Flows

(\$ in thousands)

	FOR THE YEARS ENDED DECEMBER 31,	
	2003	2002
Cash flows from operating activities:		
Net income	\$ 161,147	\$ 62,866
Adjustments to reconcile net income to net cash provided by operating activities:		
Cumulative effect of change in accounting	1,296	—
Product charges on universal life and annuity products	(153,252)	(129,387)
Interest credited to policyowner account balances	472,881	492,781
Change in option value of equity-indexed products and market value adjustments on total return strategy annuities	65,741	(28,759)
Realized/unrealized (gains) losses on investments	(131,291)	149,919
DAC and VOBA amortization	193,340	139,565
DAC and VOBA capitalized	(400,802)	(408,218)
Change in:		
Accrued investment income	(19,832)	(11,422)
Reinsurance receivables	279,552	(129,638)
Securities held for trading purposes:		
Fixed maturities	(219,310)	321,836
Equity securities	(1,606)	12,013
Short-term investments	(596)	4,221
Liabilities for future policy benefits	(228,261)	473,039
Accrued expenses and other liabilities	181,595	(40,684)
Policy and contract claims and other policyowner funds	111,374	30,769
Income taxes:		
Current	(11,051)	14,837
Deferred	66,849	(24,363)
Other, net	27,109	(9,321)
Net cash provided by operating activities	<u>394,883</u>	<u>920,054</u>
Cash flows from investing activities:		
Purchase of fixed maturities available-for-sale	(10,430,571)	(8,269,367)
Proceeds from sale of fixed maturities available-for-sale	7,467,468	5,736,480
Maturities, calls and principal reductions of fixed maturities available-for-sale	2,354,539	959,293
Purchase of equity securities	(12,721)	(66,408)
Proceeds from sale of equity securities	14,926	771
Change in short-term investments, net	(108)	(17,216)
Purchase of mortgage loans	(202,721)	(64,416)

AmerUs Group Consolidated Statements of Cash Flows *(continued)*

(\$ in thousands)

	FOR THE YEARS ENDED DECEMBER 31,	
	2003	2002
Proceeds from repayment and sale of mortgage loans	\$ 123,033	\$ 130,855
Purchase of real estate and other invested assets	(323,676)	(28,872)
Proceeds from sale of real estate and other invested assets	328,002	61,661
Change in policy loans, net	2,107	9,565
Other assets, net	(9,800)	4,684
Net cash used in investing activities	<u>(689,522)</u>	<u>(1,542,970)</u>
Cash flows from financing activities:		
Deposits to policyowner account balances	2,220,545	2,180,925
Withdrawals from policyowner account balances	(1,825,472)	(1,630,869)
Change in debt, net	(61,596)	(38,703)
Dividends to shareholders	(15,658)	(15,536)
Stock issued under various incentive plans, net of forfeitures	11,060	14,553
Purchase of treasury stock	—	(114,638)
Proceeds from issuance of OCEANs	—	179,593
Proceeds from issuance of PRIDES	135,701	—
Purchase of company-obligated mandatorily redeemable capital securities	—	(20,805)
Adoption and allocation of shares in leveraged ESOP	1,597	1,333
Transfer of pension obligation to trustee	—	(9,481)
Other, net	—	(220)
Net cash provided by financing activities	<u>466,177</u>	<u>546,152</u>
Net increase (decrease) in cash	171,538	(76,764)
Cash and cash equivalents at beginning of period	102,612	179,376
Cash and cash equivalents at end of period	<u>\$ 274,150</u>	<u>\$ 102,612</u>
Supplemental disclosure of cash activities:		
Interest paid	\$ 32,516	\$ 25,408
Income taxes paid	<u>\$ 25,422</u>	<u>\$ 22,351</u>

AmerUs Group Ratings (as of March 15, 2004)

Major Operating Subsidiaries

FINANCIAL STRENGTH	AmerUs Life	Bankers Life	American Investors Life	Indianapolis Life
A.M. Best	A	A	A	A
Moody's	A3	Not rated	A3	A3
Standard & Poor's	A+	A+	A+	A+

CREDIT RATINGS	Senior Debt	Senior Subordinated Debt	Capital Securities
A.M. Best	bbb	bbb-	bb+
Moody's	Baa3	Ba1	Ba1
Standard & Poor's	BBB+	BBB	BBB-

A.M. Best's and Moody's financial strength and credit rating outlook is currently negative.

Common Stock Prices and Dividends

	High	Low	Dividends
2003			
First Quarter	\$ 30.70	\$ 22.94	\$ —
Second Quarter	28.41	24.44	—
Third Quarter	35.89	27.70	—
Fourth Quarter	38.00	34.48	0.40
2002			
First Quarter	\$ 39.50	\$ 34.00	\$ —
Second Quarter	39.90	34.45	—
Third Quarter	37.21	28.21	—
Fourth Quarter	32.26	25.87	0.40

DIVIDENDS

AmerUs Group currently has an annual dividend policy at a rate of \$0.40 per share payable in December of each year.

This policy is subject to board of director approval.

AmerUs Group at a Glance

PROTECTION SEGMENT

COMPANY	PROFILE	CHANNELS	PRODUCTS
AmerUs Life Insurance Company Des Moines, Iowa	<ul style="list-style-type: none"> Licensed in 49 states and the District of Columbia Founded in 1896 \$43.2 billion of insurance in force \$5.9 billion in statutory assets 	<ul style="list-style-type: none"> Eight regional vice presidents 1,200 preferred producers 2,500 personal producing general agents 	<ul style="list-style-type: none"> Equity-Index Life Insurance Universal Life Insurance Term Life Insurance Interest-Sensitive Life Insurance Equity-Index Annuities Traditional Fixed Annuities
Indianapolis Life Insurance Company Indianapolis, Indiana	<ul style="list-style-type: none"> Licensed in 48 states and the District of Columbia Founded in 1905 \$36.7 billion of insurance in force \$3.9 billion in statutory assets 	<ul style="list-style-type: none"> Seven regional vice presidents 2,300 personal producing general agents 67 independent marketing organizations 9,500 independent agents 	<ul style="list-style-type: none"> Equity-Index Life Insurance Interest-Sensitive Life Insurance Universal Life Insurance Term Life Insurance Traditional Fixed Annuities
Bankers Life Insurance Company of New York Woodbury, New York	<ul style="list-style-type: none"> Licensed in 13 states Founded in 1958 \$18.0 billion of insurance in force \$500 million in statutory assets 	<ul style="list-style-type: none"> Four regional vice presidents 150 personal producing general agents 6,800 independent agents 	<ul style="list-style-type: none"> Universal Life Insurance Equity-Index Life Insurance Interest-Sensitive Life Insurance Term Life Insurance Traditional Fixed Annuities

ACCUMULATION SEGMENT

COMPANY	PROFILE	CHANNELS	PRODUCTS
American Investors Life Insurance Company Topeka, Kansas	<ul style="list-style-type: none"> Licensed in 49 states and the District of Columbia Founded in 1965 \$1.8 billion in annual premium \$8.0 billion in statutory assets 	<ul style="list-style-type: none"> 6,000 licensed independent agents/brokers 10 independent marketing organizations 	<ul style="list-style-type: none"> Equity-Index Annuities Traditional Fixed Annuities

Executive Officers *AmerUs Group (unless otherwise indicated)*

Roger K. Brooks Chairman and Chief Executive Officer **Thomas C. Godlasky** President and Chief Operating Officer **Gregory D. Boal** Executive Vice President and Chief Investment Officer **Brian J. Clark** Executive Vice President and Chief Product Officer **Victor N. Daley** Executive Vice President and Chief Administration and Human Resources Officer **Mark V. Heitz** President and Chief Executive Officer—AmerUs Annuity Group **Gary R. McPhail** President and Chief Executive Officer—AmerUs Life Insurance Group **Melinda S. Urion** Executive Vice President and Chief Financial Officer

Board of Directors



Roger K. Brooks
Chairman and CEO,
AmerUs Group

Thomas C. Godlasky
President and COO,
AmerUs Group

John R. Albers^{3,4}
President and CEO,
Fairfield Enterprises, Inc.

David A. Arledge^{1,2,4}
Chairman, Realty Group
of Naples, LLC

**Alecia A.
DeCoudreaux**^{2,3}
Secretary and Deputy
General Counsel,
Eli Lilly and Company

Thomas F. Gaffney^{2,4}
Principal, The Anderson
Group, Inc.



John W. Norris Jr.^{2,3}
Chairman, Lennox
International, Inc.

Andrew J. Paine Jr.^{1,5}
Former President and
CEO, NBD Bank, N.A.

Jack C. Pester^{1,3}
Chairman and CEO, Pester
Marketing Company

Stephen Strome⁴
Chairman and CEO,
Handleman Company

John A. Wing^{4,5}
Partner, Dancing
Lion Partners

**F. A. "Art"
Wittern, Jr.**^{1,5}
Chairman and CEO,
The Wittern Group

¹ Audit Committee member ² Human Resources and Compensation Committee member ³ Nominating and Corporate Governance Committee member
⁴ Finance and Strategy Committee member ⁵ Investment and Risk Management Committee member

Shareholder Information

SECURITY LISTINGS

Common Stock: AMH (NYSE)
Preferred: AMH A (NYSE)

REGISTRAR AND TRANSFER AGENT

Mellon Investor Services LLC
85 Challenger Road
Ridgefield Park, NJ 07660
(800)304-9709
www.melloninvestor.com

Foreign shareholders:
(201)329-8660
TDD for hearing impaired:
(800)231-5469
TDD for foreign shareholders:
(201)329-8354

INDEPENDENT AUDITORS

Ernst & Young LLP
801 Grand Avenue
Des Moines, IA 50309

INFORMATION ON THE INTERNET

Information about AmerUs Group is available on the Internet. Visit our home page at: www.amerus.com

ANNUAL MEETING

The annual meeting of shareholders will be held on Thursday, May 13, 2004, at 2 p.m. CDT at:

AmerUs Conference Center
Hub Tower, 3rd Floor
699 Walnut Street
Des Moines, IA

Shareholders of record at the close of business on March 8, 2004, will be entitled to vote.

FINANCIAL AND INVESTOR INFORMATION

A copy of the most recent annual report and Form 10-K, as filed with the Securities and Exchange Commission, has been included for our shareholders of record for the annual meeting and will be provided free of charge to shareholders upon request. Written requests should be directed to:

Martin P. Ketelaar
Vice President, Investor Relations
AmerUs Group Co.
P.O. Box 1555
Des Moines, IA 50306-1555
(515)362-3693 phone
(515)362-3648 fax
marty.ketelaar@amerus.com

ELECTRONIC ACCESS TO YOUR ACCOUNT

Shareholders may access their accounts electronically through the following website: www.melloninvestor.com under the Investor ServiceDirectSM section. A partial listing of features available includes:

- selling your shares
- printing duplicate tax information
- certifying your taxpayer identification number
- changing your address
- requesting dividend reinvestment enrollment materials

Forward Looking Statements

This Annual Report contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. In some cases forward-looking statements may be identified by the use of words such as "may," "will," "plan," "intend," "believe," "expect," "estimate," "continue," and similar expressions that refer to the future. Estimates, forecasts and other forward-looking statements included in this Annual Report are based on many assumptions about complex economic and operating factors that cannot be predicted accurately, and are subject to factors that may cause actual results to differ materially from the views, beliefs and projections expressed in those statements. Forward-looking statements speak only as of the date the statement was made. AmerUs Group Co. undertakes no obligation to update or revise any forward-looking statement. For further information on the factors that could cause actual results to differ from the company's expectations as well as other factors that could affect the company's financial statements, please refer to the company's filings with the Securities and Exchange Commission.

Non-GAAP Measures

The company presents financial information excluding certain items in addition to GAAP results in order to provide supplemental information on the company's operating performance. The non-GAAP measures should not be viewed as a substitute for the most directly comparable GAAP measures. Non-GAAP measures included in this Annual Report are adjusted net operating income, operating earnings per share, book value per share excluding accumulated other comprehensive income, operating return on equity and sales. Sales have no comparable GAAP financial measure as revenue is driven by prior period as well as current period sales. Projected operating income and projected operating return on equity cannot be reconciled to comparable GAAP measures due to the fact that management does not project certain items included in GAAP net income due to their unpredictability. For all other non-GAAP measures, a reconciliation to the comparable GAAP financial measure is below.

	AmerUs Life Holdings, Inc. 1997	AmerUs Life Holdings, Inc. 1998	AmerUs Life Holdings, Inc. 1999	AmerUs Group Co. 2000	AmerUs Group Co. 2001	AmerUs Group Co. 2002	AmerUs Group Co. 2003
<i>\$ in millions, except per share amounts</i>							
Net income	\$ 58,059	\$ 62,829	\$ 66,654	\$ 51,840	\$ 72,907	\$ 62,866	\$ 161,147
Non-core realized losses (gains)	(9,431)	6,182	4,500	5,153	25,475	66,386	(20,941)
Net amortization of DAC and VOBA due to non-core realized gains or losses	423	(129)	1,387	(4,028)	(3,613)	(10,869)	5,989
Net effect of accounting differences from the adoption of SFAS 133	—	—	—	—	6,417	14,638	(8,553)
Reorganization costs	—	—	1,762	10,063	969	1,186	—
Restructuring costs	—	—	—	—	5,476	13,225	14,989
Other income from non-insurance operations	—	—	—	(717)	(1,820)	(2,898)	(2,557)
Cumulative effect of change in accounting	—	—	—	—	8,236	—	1,296
Non-recurring reinsurance adjustments	—	—	—	—	—	—	(2,505)
Adjusted Net Operating Income (ANOI)	\$ 49,051	\$ 68,882	\$ 74,303	\$ 62,311	\$ 114,047	\$ 144,534	\$ 148,865
Diluted per share amounts:							
Net income	\$ 2.46	\$ 1.86	\$ 2.20	\$ 2.46	\$ 1.95	\$ 1.56	\$ 4.07
Adjusted Net Operating Income	\$ 2.08	\$ 2.04	\$ 2.45	\$ 2.96	\$ 3.05	\$ 3.58	\$ 3.76
Weighted average common shares outstanding:							
Diluted	23,572,259	33,695,752	30,306,649	21,035,518	37,453,428	40,398,378	39,618,217
Stockholders' equity:							
Stockholders' equity, January 1	457,510	927,991	850,198	772,030	827,955	1,238,517	1,262,948
less accumulated other comprehensive income (AOCI)	(35,300)	(55,747)	(26,711)	67,974	17,188	(12,669)	(88,522)
Stockholders' equity, excluding AOCI, January 1	422,210	872,244	823,487	840,004	845,143	1,225,848	1,174,426
Stockholders' equity, December 31	927,991	850,198	733,000	827,955	1,238,517	1,262,948	1,409,811
less AOCI	(55,747)	(26,711)	135,964	17,188	(12,669)	(88,522)	(84,519)
Stockholders' equity, excluding AOCI, December 31	872,244	823,487	868,964	845,143	1,225,848	1,174,426	1,325,292
Operating return on equity:							
Average stockholders' equity excluding AOCI	647,227	847,866	846,226	842,574	1,035,496	1,200,137	1,249,859
Operating return on equity using ANOI	7.6%	8.1%	8.8%	7.4%	11.0%	12.0%	11.9%
ANOI before minority interest				86,117			
Operating return on equity using ANOI before minority interest				10.2%			
GAAP return on equity:							
Average stockholders' equity	692,751	889,095	791,599	799,993	1,033,236	1,250,733	1,336,380
Return on equity	8.4%	7.1%	8.4%	6.5%	7.1%	5.0%	12.1%
Book value per share:							
Number of shares outstanding at year-end							39,194,602
Book value per share excluding AOCI							\$ 33.81
Book value per share on GAAP basis							\$ 35.97



AmerUs Group
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Des Moines, IA 50306-1555
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