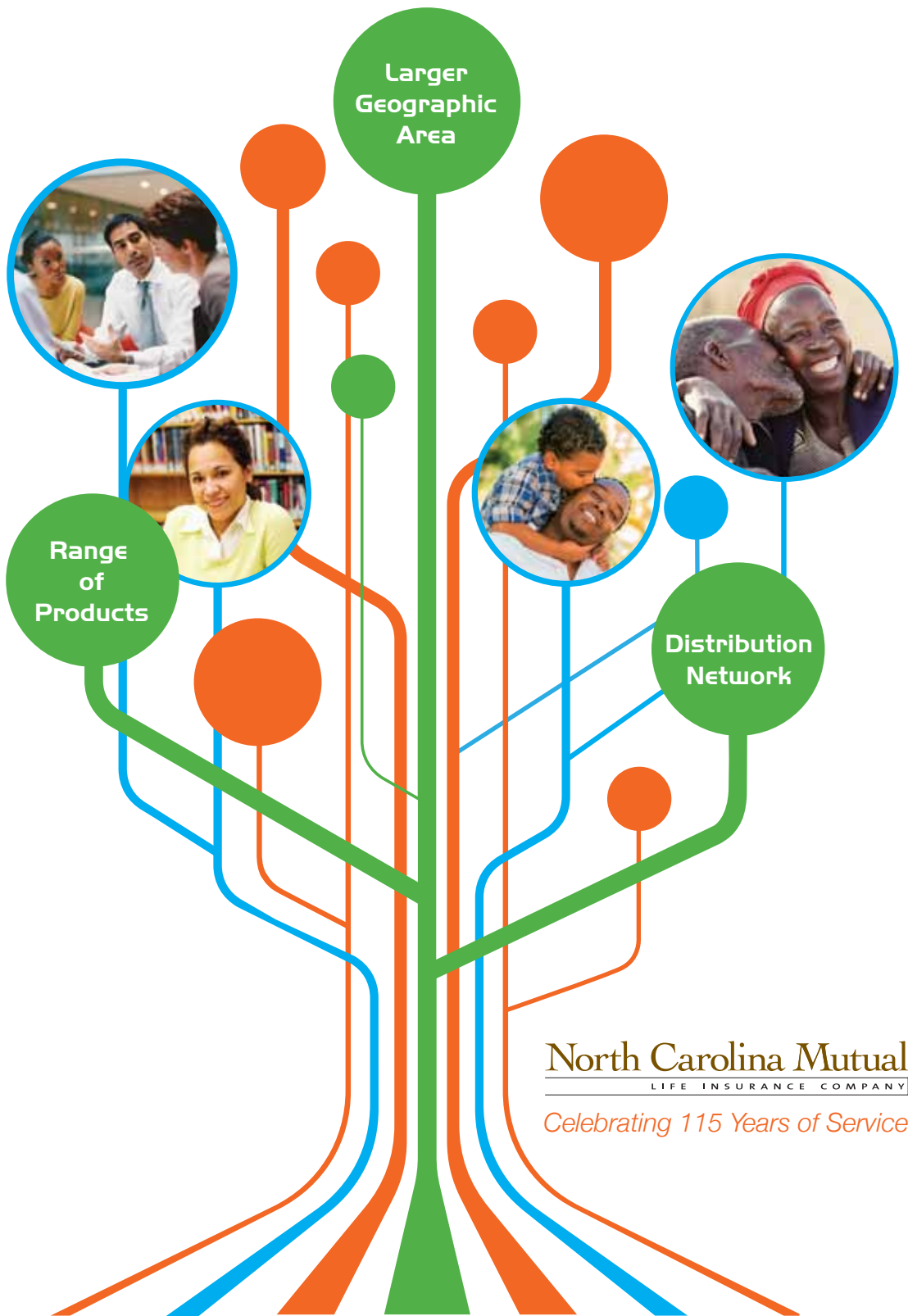


2013 ANNUAL REPORT



**BUILDING ON OUR PAST.
FOCUSING ON YOUR FUTURE.**



**Founded
in
1898**



115 YEARS

Building On Our Past

In 2013 North Carolina Mutual Life Insurance Company celebrated 115 years of service. We recognized our rich and storied history and a legacy of service rendered to generations of African American families and businesses.

Today, we rely on that legacy of service as a foundation to focus on the future. We have a history of forging into new territory, and we continue that tradition today as we develop new products and services and enter new geographic areas. We remain committed to meeting the needs of our policyholders and to upholding our reputation for commitment to the communities we serve and the outstanding service we provide.

**A
Legacy
of
Service**





Message from the President

Our milestone 115th year of business was a year of exciting initiatives for North Carolina Mutual. In 2013, we continued to execute on the business model that we implemented in 2012, resulting in new opportunities in several key areas.

We focused our efforts this year on an expansion of our distribution capabilities, both in terms of our agency relationships and the number of products we offer. We established strategic partnerships with several well-known national brands, including Aon Hewitt Navigators and Premier Companies, Inc., that greatly expand our access to new geographic markets. Thanks to these partnerships, we now have servicing and marketing capabilities in all 50 states, giving us the ability for greater distribution of our services. These alliances also expand the range of products and services we can offer to our customers, in particular allowing us to offer financial solutions, including Medicare options, to the rapidly growing senior market.

We also made several changes that improve our back-office service and support functions. Most important was the implementation of a new enterprise-wide policy administration system, resulting in more efficient servicing capabilities and enhancing our overall operating efficiency. These efficiencies resulted from our efforts to streamline distribution by leveraging

the capabilities of our partners. As a result of these improvements, we have been able to reduce our overhead by approximately 18 percent for 2014. Although these cost reductions will benefit us greatly during 2014, implementing them negatively impacted our 2013 earnings.

The funeral services industry offers an exciting area of growth for North Carolina Mutual. We have provided advance funding to funeral homes for a number of years, and in 2013 we expanded the range of funeral services we offer to include pre-need insurance, pre-planning services, and mortgages. This expansion allows us to better meet the needs of our funeral home partners and their customers.

In October we celebrated 115 years of service to our policyholders. We marked this significant milestone with a month of celebrations and special events, culminating in a presentation by Chris Gardner, author of the acclaimed book “The Pursuit of Happiness.” Mr. Gardner’s presentation, “Spiritual Genetics and the American Dream,” detailed some of the steps he took and the obstacles he faced in overcoming poverty and homelessness to create the life he wanted to live. This successful event was attended by members of our founding families, longtime employees, elected officials and members of the media.

James H. Speer, Jr.

“As we reflect on our storied history, we are thankful that it provides us with the foundation to focus on a future of continued growth in 2014 and beyond.”



North Carolina Mutual and Our Agents

North Carolina Mutual's insurance agents have long been the backbone of the company. C.C. Spaulding, the company's third president, began his career as a part-time agent with the company. North Carolina Mutual Insurance Agency, launched in 2010, is a wholly-owned subsidiary of North Carolina Mutual Life Insurance Company. Through established strategic alliances, we have distribution capabilities in all 50 states and can provide access to new products and new markets.

Tom Sims has been in the insurance business for 41 years. He is located in Montgomery, Alabama.

"I was formerly an agent with Booker T. Washington Insurance Company and came to North Carolina Mutual when they acquired the policies and agent force of Booker T. Washington in 2008. Working with North Carolina Mutual has given me the opportunity to offer a wider range of insurance products to my customers. I particularly enjoy the final expense market and work mostly with older individuals.

"North Carolina's rich history is a cornerstone of my sales efforts, and one of the main reasons Booker T. Washington sold their portfolio to North Carolina Mutual. They have a very well-respected name in Alabama.

"Helping my clients reach their financial goals can be very fulfilling. When we pay a death claim for someone of modest means, the family is often very grateful for my efforts to make sure they had funds when necessary.

"If you are someone who enjoys flexibility in your career, who likes to control your own time and knows how to manage it, I would recommend a career as an agent with North Carolina Mutual."

In 2013, North Carolina Mutual expanded our carrier base, allowing us to increase our distribution capabilities, both in terms of a broader network of agents and a greater breadth of financial solutions we can offer to the communities we support. We established relationships with well-known national partners such as Premier Companies, Inc. and Aon Hewitt Navigators. In 2014 we continue to expand our product offering to include both consumer and commercial property and casualty coverage.

North Carolina Mutual offers a full array of life and health insurance products. One key area of focus is the rapidly growing senior market. With our expanded capabilities, we can offer seniors financial solutions including life insurance, Medicare options, and pre-planning services related to their final arrangements. This is a good fit with a segment of the community that is already familiar with our strong brand.

The insurance industry is in a constant state of change. As we celebrate 115 years of service, we understand the importance of exploring new ways to reach a greater number of people. Our experienced and vital agent force is one of the ways we work toward that goal.

“If you are someone who enjoys flexibility in your career, who likes to control your own time and knows how to manage it, I would recommend a career as an agent with North Carolina Mutual.” — Tom Sims





North Carolina Mutual and Funeral Homes

Since our founding in 1898, North Carolina Mutual has had a close relationship with the funeral industry. Historically, we partnered with African American funeral homes when no one else would insure our community, and this relationship has endured for generations.

Gregory B. Levett, Sr. is the President and CEO of Gregory B. Levett & Sons Funeral Home and Crematory, Inc. and a member of the North Carolina Mutual Board of Directors. He is the third generation in his family to work in the funeral industry.

“My grandfather worked in a funeral home, and my father was the first in my family to be a mortician. I have six siblings, all of whom work in the funeral business. I started out as an insurance agent before opening my first funeral home in 1980 at the age of 30. I have held several leadership positions in local, state and national funeral home organizations.

“I’ve been executing financing of funeral funding since 1997, and this has provided a great improvement to my cash flow. In addition, our funeral homes also offer pre-need services, those services allowing an individual to pre-plan and pre-fund a funeral. I firmly believe that pre-need services represent the

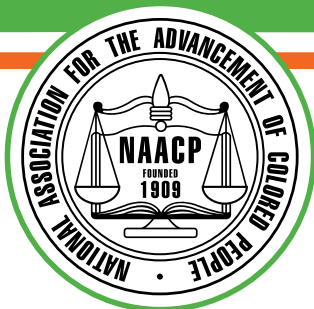
future of our industry, and those funeral homes that do not offer these services will not survive.”

“I joined the North Carolina Mutual Board of Directors at a time when they were looking for someone with a national reputation to advise them on the funeral home industry, and I feel that this has been a good marriage. Being on the board has reignited my passion for what I do, and has helped me talk to other companies that do not offer funeral funding. At the same time, serving on the board has challenged me to help North Carolina Mutual take their funeral services funding to the next level. Since joining North Carolina Mutual I have been able to tell their great story and share their history from the funeral home perspective — something that hasn’t happened in the past.”

In 2013, North Carolina Mutual expanded the portfolio of services offered to funeral homes to include pre-need insurance, pre-planning services, and mortgages. This is just one of the ways in which we continue to create more diverse product offering for our clients.

“I joined the North Carolina Mutual Board of Directors at a time when they were looking for someone with a national reputation to advise them on the funeral home industry... Being on the board has reignited my passion for what I do.” — Gregory B. Levett, Sr.





North Carolina Mutual and Community Partners

As a center of influence in the African American community, North Carolina Mutual is proud of our relationships with key community organizations. We have been partners with the NAACP and the National Urban League for more than 100 years, and we have strong ties with faith-based organizations and with Historically Black Colleges and Universities.

Vivian Timlic is the Executive Director of the Durham branch of the NAACP.

“North Carolina Mutual and the Durham branch of the NAACP have historically partnered for various fundraising events, to the mutual benefit of both organizations. We have benefitted from this relationship through an increased number of attendees at our annual Freedom Fund banquet. In addition, North Carolina Mutual agents often participate in our fundraising efforts by donating a portion of their income, not just to the Durham branch of the NAACP but to other local chapters as well.

“North Carolina Mutual has a strong tradition of service to the community and exhibits those beliefs through their efforts with our organization. They participate in the HKonJ movement, or Historic Thousands on Jones Street, taking part in our annual February march.

“The coming together of these two historic African American organizations has made a difference in the lives of many individuals, not just African Americans. These individuals have received recognition that might not otherwise have occurred. The community benefits when individuals and families are referred to our organization for assistance. And, in addition, our partnership has resulted in the ability to refer customers to the small businesses in our community, helping them to be successful.”

We at North Carolina Mutual know that our relationships with this and other organizations are of critical importance. Working together, we continue to expand the opportunities and the financial education we offer to the African American community. These long-lasting partnerships allow us to serve organizations of all sizes in meeting the financial needs of their clients.

Statement of Inclusiveness

North Carolina Mutual Life Insurance Company has its roots in the African American community and has existed for more than 115 years as the result of the extraordinary entrepreneurial spirit of its founders and their successors.

North Carolina Mutual views inclusiveness, equality and equal opportunity as bedrock principles of its corporate culture. Its management is committed to diversity in the workplace and to creating a work environment where interaction between persons of different racial and cultural backgrounds promotes creativity and enhances productivity. This benefits North Carolina Mutual, its employees, its business partners and its policyholders.

Conversely, it expressly rejects any policies or actions which discriminate on the basis of race, ethnicity, gender, age, socioeconomic status or in any other way. It rejects any practices that deny the basic humanity and equality of people and serve as impediments to social and economic advancement and self-fulfillment.

Board of Directors

Bert Collins,

Chairman of the Board
> Former President & Chief Executive Officer, North Carolina Mutual

Carol Moseley Braun

- > Founder & President, Good Food Organics
- > Ambassador to New Zealand and Samoa (Retired)
- > Member, United States Senate (Retired)
- > Attorney, CMB One, LLC

Willie T. Closs, Jr.

- > Former Executive Vice President & Chief Marketing Officer, North Carolina Mutual
- > Certified Public Accountant

Joe L. Dudley, Sr.

- > Founder, Dudley Beauty Corporation, LLC

Elliott S. Hall

- > Attorney, Detroit law firm of Dykema Gossett
- > Former Senior Vice President, Ford Motor Company

Sandra Miller Jones

- > Founder and Chair, Segmented Marketing Services, Inc.

Gregory B. Levett, Sr.

- > Founder & Chief Executive Officer, Gregory B. Levett & Sons Funeral Home & Crematory, Inc.

Theodore W. Long, Jr.

- > Certified Public Accountant
- > Partner, Ernst & Young (Retired)

Richard H. Moore

- > Chief Executive Officer, First Bancorp
- > Former North Carolina State Treasurer

Don M. Royster, Sr.

- > Former President, Unitrin Career Agency Insurance Companies (United, Reliable, Union National, Mutual Savings)

James H. Speed, Jr.

- > President and Chief Executive Officer, North Carolina Mutual

Dr. Phail Wynn, Jr.

- > Vice President, Durham and Regional Affairs, Duke University

Nathan T. Garrett*

- > Certified Public Accountant and Attorney (Retired)

Officers

Arthell D. Davis

- > Vice President of Group Marketing Operations

Richard L. Hall

- > Senior Vice President and Chief Operating Officer

Gracie Johnson-Lopez

- > Senior Vice President of Administration and Human Resources

Michael Lawrence, CPA

- > Vice President, Chief Financial Officer and Treasurer

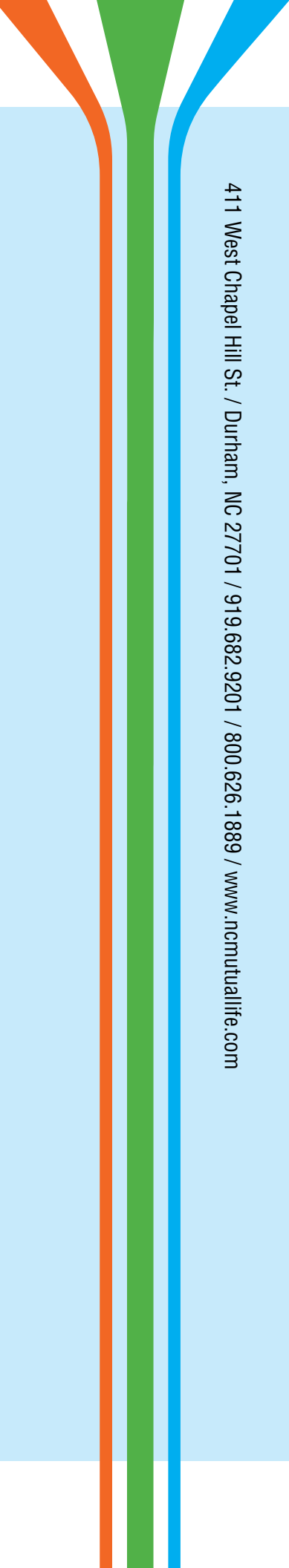
Kimberly W. Moore, Ph.D.

- > Director of Marketing and External Affairs

James H. Speed, Jr.

- > President & Chief Executive Officer, North Carolina Mutual

**Emeritus Member*



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LIFE INSURANCE COMPANY