ING U.S., Inc.
Form S-1/A
March 18, 2014
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As filed with the Securities and Exchange Commission on March 18, 2014

Registration No. 333-194469

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1

to

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

ING U.S., INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**6311**	**52-1222820**

(State or Other Jurisdiction of Incorporation or Organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

230 Park Avenue

New York, New York 10169

(212) 309-8200

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Bridget M. Healy

Executive Vice President and

Chief Legal Officer

ING U.S., Inc.

230 Park Avenue

New York, New York 10169

(212) 309-8200

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Robert G. DeLaMater	**Joseph A. Hall**
Sullivan & Cromwell LLP	**Davis Polk & Wardwell LLP**
125 Broad Street	**450 Lexington Avenue**
New York, NY 10004	**New York, NY 10017**
(212) 558-4000	**(212) 450-4000**

Approximate date of commencement of proposed sale to the public:

As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer	¨	Accelerated filer	¨
Non-accelerated filer	x (Do not check if a smaller reporting company)	Smaller reporting company	¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Amount to be Registered[(1)]**	**Proposed Maximum Offering Price Per Share[(2)]**	**Proposed Maximum Aggregate Offering Price[(2)]**	**Amount of Registration Fee[(3)]**
Common stock, par value $0.01 per share	30,475,000	35.02	$1,067,234,500.00	$137,459.80

(1) Includes the number of shares of common stock that the underwriters have the option to purchase.
(2) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, based on the average of the high and low prices of the common stock on March 14, 2014, as reported on the NYSE.
(3) Of this amount, $12,880 has been previously paid.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. We and the Selling Stockholder may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting offers to buy these securities in any jurisdiction where such offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MARCH 18, 2014

Preliminary Prospectus

26,500,000 Shares

Common Stock

ING Groep N.V. (ING Group or the Selling Stockholder) is offering 26,500,000 shares of the common stock of ING U.S., Inc. ING U.S., Inc. will not receive any of the proceeds from the sale of the shares sold by the Selling Stockholder. Concurrently with the completion of this offering, we expect to repurchase from ING Group an additional number of shares of our common stock having an aggregate repurchase price of $250 million, at a price per share equal to the per share proceeds, before expenses, to the Selling Stockholder, as shown in the table below. See Summary Share Repurchase Program and Direct Share Buyback from ING Group .

Our common stock is listed on the New York Stock Exchange (NYSE) under the symbol VOYA . We expect to rebrand from ING U.S. to Voya Financial over time, beginning soon after this offering. See Business Our Brand . The last reported sale price of our common stock on the NYSE on March 17, 2014 was $35.60 per share.

Investing in our common stock involves risk. See Risk Factors on page 21 to read about factors you should consider before buying shares of our common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$	$
Underwriting discount[1]	$	$
Proceeds, before expenses, to the Selling Stockholder	$	$

(1) The underwriters will receive compensation in addition to the underwriting discount. See Underwriting .

To the extent that the underwriters sell more than 26,500,000 shares, the underwriters have the option to purchase up to an additional 3,975,000 shares from the Selling Stockholder at the public offering price less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on , 2014.

Morgan Stanley **Goldman, Sachs & Co.** **Citigroup** **BofA Merrill Lynch**

Prospectus dated , 2014.

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None of ING U.S., Inc., the Selling Stockholder, or the underwriters have authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses prepared by, or on behalf of, ING U.S., Inc. or to which ING U.S., Inc. has referred you. ING U.S., Inc., the Selling Stockholder and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

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NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. Forward-looking statements include statements relating to future developments in our business or expectations for our future financial performance and any statement not involving a historical fact. Forward-looking statements use words such as anticipate, believe, estimate, expect, intend, plan, and other words and terms of similar meaning in connection with a discu future operating or financial performance. Actual results, performance or events may differ materially from those projected in any forward-looking statement due to, among other things, (i) general economic conditions, particularly economic conditions in our core markets, (ii) performance of financial markets, including emerging markets, (iii) the frequency and severity of insured loss events, (iv) mortality and morbidity levels, (v) persistency and lapse levels, (vi) interest rates, (vii) currency exchange rates, (viii) general competitive factors, (ix) changes in laws and regulations and (x) changes in the policies of governments and/or regulatory authorities. Factors that may cause actual results to differ from those in any forward-looking statement also include those described under Risk Factors, Management s Discussion and Analysis of Financial Condition and Results of Operations Trends and Uncertainties and Business Closed Blocks CBVA.

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MARKET DATA

In this prospectus, we present certain market and industry data and statistics. This information is based on third-party sources which we believe to be reliable. Market ranking information is generally based on industry surveys and therefore the reported rankings reflect the rankings only of those companies who voluntarily participate in these surveys. Accordingly, our market ranking among all competitors may be lower than the market ranking set forth in such surveys. In some cases, we have supplemented these third-party survey rankings with our own information, such as where we believe we know the market ranking of particular companies who do not participate in the surveys.

In this prospectus, the term customers refers to retirement plan sponsors, retirement plan participants, institutional investment clients, retail investors, corporations or professional groups offering employee benefits solutions, insurance policyholders, annuity contract holders, individuals with contractual relationships with financial advisors and holders of Individual Retirement Accounts (IRAs) or other individual retirement, investment or insurance products sold by us.

Market data sources used with respect to our various segments include:

Retirement

Our Retirement segment sources our market segment leadership positions within the retirement industry from market surveys conducted by LIMRA, an insurance and financial services industry organization, and industry-recognized publications such as *Pensions & Investments*, *PlanSponsor Magazine* and *InvestmentNews.com.* Retirement tracks market segment leadership positions by assets under management (AUM) or assets under administration (AUA), number of defined contribution plans, number of defined contribution plan participants and sales (takeover assets and contributions).

Annuities

Our Annuities segment sources our market segment leadership positions within the annuities industry primarily from LIMRA market surveys. Annuities tracks market segment leadership positions by assets under management.

Investment Management

Our Investment Management segment sources our market segment leadership positions within the investment management industry from *Morningstar* fund data and industry-recognized publications such as *Cogent Research* and *Pension & Investments.* Investment Management tracks market segment leadership positions by AUM; percentage of mutual funds that exceed their Morningstar category average (asset weighted, five-year basis); percentage of mutual funds that have lower volatility than their Morningstar competitor average (asset weighted, five-year basis); and survey ranking on loyalty, favorable impression and nine brand attributes by clients (plan sponsors) among defined contribution investment managers.

Individual Life

Our Individual Life segment sources our market segment leadership positions within the individual life insurance industry primarily from LIMRA market surveys. Individual Life tracks market segment leadership positions by premiums sold.

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Employee Benefits

Our Employee Benefits segment sources our market segment leadership positions within the employee benefits industry from LIMRA market surveys and *MyHealthguide* newsletter rankings. Stop loss market rankings are derived from *MyHealthguide*, which does not include most managed healthcare providers in their market positions survey. The *MyHealthguide* survey is a recurring publication that compiles a ranking of medical stop loss providers and their most recently sourced annual premium data. Employee Benefits tracks market segment leadership positions by new premiums and in-force premiums.

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SUMMARY

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information that you should consider before deciding to invest in our common stock. Before investing in our common stock, you should carefully read this entire prospectus, including our Consolidated Financial Statements and the related notes thereto and the information set forth under the sections Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations, in each case included in this prospectus. Unless the context otherwise requires, we use in this prospectus the term ING U.S., Inc. to refer to ING U.S., Inc., and we use the terms Company, we, us and our to refer to ING U.S., Inc. together with its consolidated subsidiaries.

Our Company

We are a premier retirement, investment and insurance company serving the financial needs of approximately 13 million individual and institutional customers in the United States as of December 31, 2013. Our vision is to be America s Retirement Company . Our approximately 7,000 employees (as of December 31, 2013) are focused on executing our mission to make a secure financial future possible one person, one family and one institution at a time. Through our retirement, investment management and insurance businesses, we help our customers save, grow, protect and enjoy their wealth to and through retirement. We offer our products and services through a broad group of financial intermediaries, independent producers, affiliated advisors and dedicated sales specialists throughout the United States.

Our extensive scale and breadth of product offerings are designed to help Americans achieve their retirement savings, investment income and protection goals. Our strategy is centered on preparing customers for Retirement Readiness being emotionally and economically secure and ready for their retirement. We believe that the rapid aging of the U.S. population, weakening of traditional social safety nets, shifting of responsibility for retirement planning from institutions to individuals and growth in total retirement account assets will drive significant demand for our products and services going forward. We believe that we are well positioned to deliver on this Retirement Readiness need.

We believe that we help our customers achieve four essential financial goals, as they prepare for, enter and enjoy their retirement years.

Save. Our products enable our customers to save for retirement by establishing investment accounts through their employers or individually.

Grow. We provide advisory programs, Individual Retirement Accounts (IRAs), fixed annuities, brokerage accounts, mutual funds and accumulation insurance products to help our customers achieve their financial objectives.

Protect. Our specialized retirement and insurance products, such as universal life (UL), indexed universal life (IUL), term life and stable value products, allow our customers to protect against unforeseen life events and mitigate market risk.

Enjoy. Our income products such as target date funds, guaranteed income funds, fixed annuities, IRAs, mutual funds and accumulation insurance products enable our customers to meet income needs through retirement and achieve wealth transfer objectives.

We tailor our products to meet the unique needs of our individual and institutional customers. Our individual businesses are primarily focused on the middle and mass affluent markets; however we serve customers across the full income spectrum, especially in our Institutional Retirement Plans business, Retail and Alternative Fund businesses, and Employee Benefits segment. Similarly, our institutional businesses serve a broad range of customers, with customized offerings to the small-mid, large and mega market segments.

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We believe that with our leading market positions, investment expertise, and distribution reach we are well positioned to generate attractive risk-adjusted returns and earnings growth for our shareholders over time.

We operate our principal businesses through three business lines: Retirement Solutions, Investment Management and Insurance Solutions. We refer to these business lines as our ongoing business . In addition, we also have Closed Blocks and Corporate reporting segments. Closed Blocks consists of three businesses where we have placed our portfolios in run-off Closed Block Variable Annuity, or CBVA, Closed Block Institutional Spread Products and Closed Block Other. Our Corporate segment includes our corporate activities and corporate-level assets and financial obligations.

The following chart presents the key products we offer across each of our businesses.

Retirement Solutions. We are a leading provider of retirement services and products in the United States, with $131.9 billion of assets under management (AUM) and $237.8 billion of assets under administration (AUA) as of December 31, 2013. We provide an extensive product range addressing both the accumulation and income distribution needs of customers, through a broad distribution footprint of nearly 2,400 affiliated representatives and thousands of non-affiliated agents and third party administrators (TPAs) as of December 31, 2013. Our Retirement Solutions business comprises two financial reporting segments: Retirement and Annuities.

Retirement provides tax-deferred, employer-sponsored retirement savings plans and administrative services to approximately 47,000 plan sponsors covering more than 5 million plan participants in corporate, education, healthcare and government markets as of December 31, 2013. Retirement also provides IRAs, and other retail financial products as well as comprehensive financial advisory services to individual customers. We serve a broad spectrum of employers ranging from small companies to the very largest of corporations and government entities. As of the latest Pensions and Investments survey published in March 2013, we rank second in the U.S. defined contribution plan market by number of record kept plan sponsors, third by number of plan participants served, and fifth by assets under management and administration as of September 30, 2013. Retirement had $343 billion of AUM and AUA as of December 31, 2013, of which $93 billion was full service business, $247 billion was recordkeeping and stable value business and $3 billion was Individual Markets business.

Annuities provides fixed and indexed annuities, tax-qualified mutual fund custodial products and payout annuities for pre-retirement wealth accumulation and post-retirement income management sold through multiple channels, and had $26.6 billion of AUM as of December 31, 2013.

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Investment Management. We are a prominent full-service asset manager with $199.3 billion of AUM and $58.5 billion of AUA as of December 31, 2013, delivering client-oriented investment solutions and advisory services. We serve both individual and institutional customers, offering them domestic and international fixed income, equity, multi-asset and alternative investment products and solutions across a range of geographies, investment styles and capitalization spectrums.

As of December 31, 2013, we managed $120.3 billion in our commercial business (comprised of $75.2 billion for third-party institutions and individual investors, and $45.1 billion in separate account assets for our Retirement Solutions, Insurance Solutions and Closed Block businesses) and $79.0 billion in general account assets. We are particularly focused on growing our commercial business, in which we achieved 8.6% organic AUM growth for the year ended December 31, 2013.

We have a highly scalable business model and are among the twenty largest managers of institutional tax-exempt assets in the U.S. and ranked number one among defined contribution investment managers in client loyalty and favorability in 2011.

As of December 31, 2013, our retail mutual fund portfolio assets totaled $24.9 billion. On a five year asset weighted basis, 73% of our Investment Management managed funds (i.e., variable portfolios and mutual funds) beat their Morningstar category average and 81% had lower volatility than their Morningstar competitor average as of December 31, 2013.

Insurance Solutions. We are one of the top providers of life insurance in the United States. Based on the LIMRA survey as of December 31, 2013, for premiums sold, our term and universal life products ranked thirteenth and twenty-fourth, respectively. The rankings reflect our recent focus on selling more capital efficient products, such as accumulation focused UL. We were also the sixth ranked provider of medical stop loss coverage in the United States based on annual premiums as reported by *MyHealthguide* in June 2013. Our Insurance Solutions business comprises two financial reporting segments: Individual Life and Employee Benefits.

Individual Life provides wealth protection and transfer opportunities through universal, variable, whole life and term life products, distributed through independent channels to meet the needs of a broad range of customers from the middle-market through affluent market segments. As of December 31, 2013, the Individual Life distribution model is supported by independent life sales agents (over 2,200 independent general agents with access to over 96,000 producers), strategic distribution (approximately 35 independent managing directors supporting approximately 7,200 additional producers) and specialty markets (95 general agents with access to over 7,100 producers).

Employee Benefits provides stop loss, group life, voluntary employee-paid and disability products to mid-sized and large businesses. As of December 31, 2013, the Company has 58 employee benefits sales representatives, across 19 sales offices, with average industry experience of 17 years. Approximately 58.3%, 23.4% and 10.3% of Employee Benefit sales were attributed to stop loss, life and voluntary products, respectively, for the year ended December 31, 2013.

Closed Blocks. We separated our CBVA and Closed Block Institutional Spread Products segments from our other operations and made a strategic decision to stop actively writing new retail variable annuity products with substantial guarantee features and to run-off the institutional spread products portfolio over time. Accordingly, these segments have been classified as closed blocks and are managed separately from our ongoing business.

CBVA. In 2009, we decided to cease sales of retail variable annuity products with substantial guarantee features (the last policies were issued in early 2010) and placed this portfolio in run-off. Subsequently, we refined our hedge program to seek to dynamically protect regulatory and rating agency capital of the variable annuities block for adverse equity market movements. In addition, since 2010, we have increased statutory reserves considerably, added significant interest rate risk protection and have more closely aligned our policyholder behavior assumptions with experience. Our focus in managing our

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CBVA segment is on protecting regulatory and rating agency capital from equity market movements via hedging and judiciously looking for opportunities to accelerate the run-off of the block, where possible. We believe that our hedge program, combined with our statutory reserves of $3.3 billion as of December 31, 2013, related to the variable annuity block, provides adequate resources to fund a wide range of, but not all, possible market scenarios as well as a margin for adverse policyholder behavior.

Closed Block Institutional Spread Products. In 2009, we also placed the institutional spread products portfolio in run-off. As of December 31, 2013, remaining assets in the institutional spread products portfolio had an amortized cost of $2.5 billion, down from a peak of $14.3 billion in 2008.

As of December 31, 2013, we had $510.5 billion in total AUM and AUA and total shareholders equity, excluding accumulated other comprehensive income/(loss) (AOCI) and noncontrolling interests, of $11.4 billion. In the year ended December 31, 2013, we generated $758.1 million of income (loss) before income taxes, $600.5 million of net income (loss) available to ING U.S., Inc. s common shareholders and $1.3 billion of operating earnings before income taxes. Operating earnings before income taxes is not a financial measure recognized under U.S. generally accepted accounting principles (U.S. GAAP).

The following table presents the relative contributions of each of our reporting segments to our AUM and AUA, and to total operating earnings before income taxes for the year ended December 31, 2013. See Management s Discussion and Analysis of Financial Condition and Results of Operations Results of Operations Company Consolidated for a reconciliation of operating earnings before income taxes to Income (loss) before income taxes.

Business Line and Segments	AUM and AUA (As of December 31, 2013) $ in millions	Total Operating Earnings Before Income Taxes (Year Ended December 31, 2013) $ in millions	%
Retirement Solutions:			
Retirement	$ 343,014.0	$ 595.8	47.0%
Annuities	26,646.7	293.8	23.2
Investment Management	257,748.8	178.1	14.0
Insurance Solutions:			
Individual Life	15,995.6	254.8	20.1
Employee Benefits	1,755.1	106.1	8.3
Eliminations/Other	(183,585.9)		
Total Ongoing Business	**$ 461,574.3**	**$ 1,428.6**	**112.6%**
Corporate		(210.6)	(16.6)
Closed Blocks[(1)]	48,953.5	50.6	4.0
Total ING U.S.	**$ 510,527.8**	**$ 1,268.6**	**100.0%**

(1) Our CBVA segment is managed to focus on protecting regulatory and rating agency capital rather than achieving operating metrics and, therefore, its results of operations are not reflected within operating earnings before income taxes.

Recent Events

Redomestication of SLDI. Effective December 20, 2013, our reinsurance subsidiary, Security Life of Denver International Limited (SLDI) redomesticated from the Cayman Islands to the State of Arizona. SLDI was approved as an Arizona-domiciled captive reinsurer by the Arizona Department of Insurance (ADOI). For additional information, See Regulation Insurance Regulation .

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Amended and Restated Revolving Credit Agreement. On February 14, 2014, we revised the terms of our Revolving Credit Agreement (the Revolving Credit Agreement), dated as of April 20, 2012, by entering into an Amended and Restated Revolving Credit Agreement (the Amended and Restated Credit Agreement) with a syndicate of banks. The Amended and Restated Credit Agreement modifies the terms of the Revolving Credit Agreement by extending the term of the agreement to February 14, 2018, reducing the total amount of Letters of Credit (LOCs) that may be issued thereunder from $3.5 billion to $3.0 billion and reducing the current cost of LOC issuance fees from 200 basis points (bps) to 175 bps.

First Quarter of 2014

The following information constitutes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The trends discussed below may or may not be realized, because they are based on information for a partial reporting period as well as on judgments or assumptions that may prove incorrect. As a result, our results for the first quarter of 2014 may vary significantly from those which would be expected based on the discussion below. See Risk Factors and Note Regarding Forward-Looking Statements for a discussion of some of the factors that may adversely impact these or other future results.

As discussed in connection with the announcement of our financial results for the fourth quarter of 2013, our results for that quarter included certain higher-than-expected income and certain better-than-expected underwriting results which, in the aggregate, increased our operating earnings before income taxes for that quarter. The net effect of these variances from expectations was that fourth quarter 2013 operating earnings before income taxes of $304.9 million were higher than our expected run rate due to factors which, in our models, are not expected to recur at the same levels.

These items in the fourth quarter of 2013 included the following items that we do not expect to recur:

- A $9 million net gain from a Lehman Brothers bankruptcy settlement and losses from disposal of certain Low Income Housing Tax Credit partnerships, net of applicable amortization of DAC/VOBA and other intangibles; and

- A $14 million prepayment expense that reduced earnings in our Closed Block Institutional Spread Products segment as a result of early termination of certain Federal Home Loan Bank funding agreements; for the full year 2014 we expect Closed Block Institutional Spread Products segment operating earnings before income taxes to be in the range of $7 to $12 million.

These items in the fourth quarter of 2013 also included items subject to significant variability which deviated from our long term expectations:

- Prepayment fee income for the ongoing business was approximately $7 million higher than expected, prior to related amortization of DAC/VOBA and other intangibles;

- Alternative investment income for the ongoing business was approximately $24 million higher than the long term expected return of 9%;

- Approximately $8 million in higher underwriting income due to the group life loss ratio of 72%, when compared to the long-term expected range of 77% to 80%; and

- Approximately $22 million in favorable DAC/VOBA and other intangibles unlocking.

As it relates to expected first quarter of 2014 performance, we have not prepared any consolidated financial statements as of any date or for any period subsequent to December 31, 2013. We have limited information about January and February 2014 results, which is incomplete, and minimal to no information related to March 2014 performance. We observed that the variances from expectations we experienced during the fourth quarter of 2013

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do not appear to be recurring in the first quarter of 2014. In the case of prepayment fee income, we observed approximately $2 million of income through February 28, 2014, below the pro rata income we expected to realize over this period based on our average quarterly prepayment fee income expectation of approximately $15 million.

As discussed elsewhere in this prospectus, our results are subject to seasonality. In general, the first quarter of each year experiences certain seasonal items that result in lower revenues and higher expenses. During January and February, we observed seasonality effects largely consistent with the trends noted below.

Administrative expenses in the first quarter typically include the effect of higher payroll taxes and other annual expenses that are concentrated in the first quarter. These incremental expenses typically add approximately $10 to $15 million to our operating expenses in the first quarter.

Loss ratios in our group life business are generally higher in the first quarter as compared to the full year, which tends to lower operating earnings in our Employee Benefits segment.

Income on alternatives is usually lower in the first quarter as compared to the full year average, due to first quarter delays in the reporting from and the valuation cycle associated with the alternative investment limited partnerships.

Performance fees in our Investment Management business in the fourth quarter are typically higher than in other quarters based on our current contracts.

As we complete the first quarter, the effects of seasonality may vary significantly and the notable variances experienced during the fourth quarter of 2013 may yet recur, or other positive or negative developments may arise.

We continue to execute on our ROE improvement plan and to grow our businesses. We continue to expect to achieve our Operating ROC and Operating ROE goals as described elsewhere in this prospectus. In addition, we continue to believe that we remain on track, making steady progress towards our 2016 ROE and ROC goals over the course of 2014.

Share Repurchase Program and Direct Share Buyback from ING Group

Share Repurchase Program

On March 13, 2014, our Board of Directors authorized a share repurchase program (the Share Repurchase Program), pursuant to which we may, from time to time, purchase shares of our common stock for an aggregate repurchase price not to exceed $300 million. Share repurchases may be executed through various means, including, without limitation, open market transactions, privately negotiated transactions or tender offers. The Share Repurchase Program does not have an expiration date and does not obligate us to purchase any shares. The authorization for the Share Repurchase Program may be terminated, increased or decreased by our Board of Directors at any time.

The Direct Share Buyback from ING Group that is described and defined below under Direct Share Buyback , is being made pursuant to the Share Repurchase Program. The aggregate purchase price for the shares to be acquired by us in the Direct Share Buyback will decrease the amount available for repurchase under the Share Repurchase Program.

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Giving effect to the Direct Share Buyback, the remaining authorization under the Share Repurchase Program would permit future repurchases by us of shares of common stock having an aggregate purchase price of up to $50 million.

Direct Share Buyback

On March 18, 2014, we entered into a Share Repurchase Agreement with ING Group (the Share Repurchase Agreement), pursuant to which we will acquire from ING Group, subject to certain terms and conditions, shares of our common stock having an aggregate purchase price of $250 million (the Direct Share Buyback). Pursuant to the Share Repurchase Agreement, the purchase price per share of common stock will be equal to the per-share proceeds, before expenses, to the Selling Stockholder shown on the cover of this prospectus.

The Direct Share Buyback and the entry into the Share Repurchase Agreement were each authorized by a special committee of our Board of Directors consisting solely of independent and disinterested directors (the Special Committee), which was formed for the sole purpose of considering the Direct Share Buyback. The Special Committee retained independent financial and legal advisors for purposes of its deliberations.

Pursuant to the Share Repurchase Agreement, the Direct Share Buyback will be subject to a number of conditions (unless waived by the Company with the approval of the Special Committee), including:

- The successful completion of this offering;

- That upon the completion of this offering and the Direct Share Buyback (and without giving any effect to the exercise by the underwriters of their option to acquire additional shares), ING Group and its affiliates will beneficially own, in the aggregate, no more than 45% of the issued and outstanding shares of our common stock;

- The resignation from our Board of Directors, effective as of the time of the closing of the Direct Share Buyback, of two directors who are designated as ING Group Directors for purposes of our Shareholder Agreement with ING Group; and

- The receipt by the Special Committee of a fairness opinion, in form satisfactory to the Special Committee, from Greenhill & Co., LLC, the Special Committee s financial advisor.

The Direct Share Buyback will be funded from our existing cash on hand.

Although, as described above, the closing of the Direct Share Buyback is conditioned on the closing of this offering (among other conditions), the closing of this offering is not conditioned upon the closing of the Direct Share Buyback, and there can be no assurance that the Direct Share Buyback will be completed even if this offering is completed.

The Share Repurchase Agreement is filed as an exhibit to the registration statement of which this prospectus is a part.

Changes to Our Governance as a Result of this Offering and the Direct Share Buyback

Upon the completion of this offering and the Direct Share Buyback (together, the Transactions) , ING Group will no longer hold a majority of the outstanding shares of our common stock. Consequently, certain changes to our governance will occur following the closing of the Transactions, including:

Director Resignations and Postponement of Annual Meeting of Stockholders

As a closing condition to the Direct Share Buyback, two directors who are designated as ING Group Directors pursuant to our Shareholder Agreement with ING Group must tender their resignations, effective

immediately upon the closing of the Direct Share Buyback. Following these resignations, seven members of our current Board of Directors will remain in office, including our Chairman and Chief Executive Officer, our three independent directors, and three ING Group Directors. As of the date of this prospectus, we have received the written resignations of each of John Boers and Dick Harryvan, to be effective no later than the closing of the Direct Share Buyback.

The Nominating and Governance Committee of our Board of Directors is currently working with an executive search firm to identify and recruit potential director candidates to replace the two ING Group Directors who are expected to resign. It is expected that the candidates ultimately selected will each qualify as independent for purposes of the NYSE listed company rules and the rules of the SEC relating to the independence of audit committee members, and will be nominated by our Board of Directors for election at our 2014 annual meeting of stockholders. In order to permit sufficient time for a thorough review and nomination process, our Board of Directors has decided to postpone the previously scheduled annual meeting of stockholders. Additional information about the 2014 annual meeting of stockholders and our director nominees will be included in the proxy statement that we will file with the SEC in advance of our annual meeting.

Controlled Company Exemption

Because no stockholder will continue to own more than 50% of our outstanding common stock following the completion of the Transactions, we will no longer be able to rely on the controlled company exemption provided by the NYSE listed company rules. Pursuant to this exemption, we have not been required to satisfy certain of the corporate governance requirements of the NYSE, including the requirement that we maintain a Board of Directors containing a majority of directors who are independent for purposes of the NYSE listed company rules or that our Nominating and Governance and Compensation and Benefits Committees each consist solely of independent directors. Following the Transactions, we will become subject to all of the applicable NYSE corporate governance requirements over a one-year phase-in period, following which time our Board of Directors must consist of a majority of independent directors, and our Nominating and Governance and Compensation and Benefits Committees must each consist solely of independent directors. We currently expect that we will meet such requirements well before the conclusion of the phase-in period.

Shareholder Agreement

Pursuant to our Shareholder Agreement with ING Group, certain rights held by ING Group cease to apply once it no longer beneficially owns more than 50% of our outstanding common stock and, in some cases, when it ceases to consolidate our financial results in its financial statements for purposes of International Financial Reporting Standards (IFRS). Following the completion of the Transactions, we expect that both of these conditions will be met, triggering certain consequences under the terms of our Shareholder Agreement, including:

- The number of ING Group Directors that ING Group is entitled to nominate to our Board of Directors will decrease from five to three;
- The Executive Committee of our Board of Directors may act without the consent of the Executive Committee member who is an ING Group Director;
- ING Group will lose certain rights in respect of changes to certain of our company policies relating to risk, capital, investment, environmental and social responsibility, and regulatory compliance; and
- ING Group will lose certain rights relating to the receipt of business and financial reporting information.

For more information on the Shareholder Agreement, see Certain Relationships and Related Party Transactions Continuing Relationship with ING Group Shareholder Agreement .

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Limitations on Compensation Policies and Practices

Pursuant to the remuneration framework between ING Group and the Dutch Central Bank (*De Nederlandsche Bank*, or DNB), until such time as ING Group ceases to hold a majority of our outstanding common stock and no longer consolidates our financial results in its financial statements under IFRS, we are subject to certain restrictions on our compensation policies and practices. See Compensation of Executive Officers and Directors Critical Compensation and Other Policies Capital Requirements Directive . Following the completion of the Transactions, we will no longer be subject to these restrictions.

Market Environment and Opportunities

The current macroeconomic backdrop and financial market uncertainty, as well as the weakening of historical safety nets provided by governments and employers, such as Social Security and defined benefit plans, are increasing the need for Americans to plan for their own long-term financial security. Our products and services are designed to help individuals achieve their retirement savings, investment income and protection goals. We believe that we are uniquely positioned to benefit from a number of significant demographic and market trends, including the following:

- ***Rapid growth in aging U.S. population.*** In a 2012 study, the U.S. Census Bureau estimated that the number of Americans aged 65 and older will more than double between 2012 and 2060, increasing from 43.1 million in 2012 to 92.0 million in 2060. This older segment of the population would represent just over one-in-five U.S. residents by the end of the period, up from one-in-seven at the end of 2012.

- ***Fraying of traditional social safety nets***. The U.S. Government Accountability Office has indicated that increasing life expectancy has created a risk that many retirees will outlive their retirement assets. Additionally, employer-sponsored private sector pension plans face severe funding deficits. According to a report by Mercer Consulting, a consulting and research firm, the aggregate funding deficit for pension plans sponsored by companies included on the Standard & Poor s 1500 Index (S&P 1500) was $276 billion as of February 28, 2014. Americans realize that funding deficits in government and employer-sponsored pension plans leave them exposed to retirement income shortfalls. According to a 2012 LIMRA study, more than 64% of individuals aged 55 to 70 do not expect to receive enough income from Social Security and employer pensions to cover their basic living expenses through their retirement years.

- ***Growth in the retirement savings market***. The U.S. Bureau of Labor Statistics estimates that private sector participation in defined benefit plans declined from 80% of full time employees in 1985 to 19% in 2012, while employee participation in defined contribution plans increased from 41% to 51% over the same period. Between 1985 and 2011, the total number of defined contribution plans grew 38%, from 461,963 to 638,390, while over the same time period the number of defined benefit plans decreased 73%, from 170,172 to 45,256. According to Cerulli Associates, a financial services research firm, total U.S. retirement account assets are expected to grow 38% from $16 trillion in 2011 to $22 trillion by 2016. The paradigm shift in savings responsibilities from institutions to individuals will drive much of this growth into the defined contribution and IRA markets, with defined contribution plan assets expected to grow from $4.8 trillion to $5.8 trillion and IRA assets expected to grow from $5.2 trillion to $7.6 trillion between 2011 and 2016. In addition, the anticipated growth of the rollover market presents a considerable long-term opportunity: according to a 2013 LIMRA survey, assets rolled into IRAs exceeded $350 billion per year in 2011 (up 90% from 10 years prior) and are expected to reach approximately $575 billion per year by 2016.

- ***Insufficient life insurance coverage***. According to the most recent study published by LIMRA in September 2013, 58 million or approximately half of all U.S. households do not believe they have sufficient life insurance coverage. The average U.S. household with life insurance coverage only owns enough to replace 3.5 years of income, as compared to the 7- to 12-year average recommended range as sourced by LIMRA.

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We believe these market trends will drive increasing demand for our Retirement Solutions, Investment Management and Insurance Solutions businesses, and highlight the value of our holistic investment advisory approach as a means to help customers realize their retirement savings and income goals.

Our Competitive Strengths

We believe that we have a number of competitive strengths which will allow us to capitalize on attractive market opportunities as we develop and grow our business in a consistent and prudent manner.

- ***Leadership positions in our ongoing business with a broad range of product offerings capable of meeting the evolving financial needs of customers throughout their lives***. We have leading positions in our Retirement Solutions and Insurance Solutions businesses and a prominent Investment Management business with top-tier investment performance across an array of asset classes. Few of our competitors have the breadth and scale across savings and financial protection products that customers will need throughout their lives.

  - Our Retirement Solutions business ranks as the number two provider of defined contribution retirement plans in the U.S. as measured by the number of plan sponsors, and number three as measured by the number of plan participants for which we provide recordkeeping services as of September 30, 2013. We are one of the few retirement services providers in the U.S. capable of using our industry presence and scale to efficiently support small, mid, large and mega-sized employers in the 401(k), 403(b) and 457 market segments.

  - Our Investment Management business is a leading U.S. based asset manager, with 73% of our Investment Management managed funds (i.e., variable portfolios and mutual funds) beating their Morningstar category average and 81% having lower volatility than their Morningstar competitor average on a five-year asset-weighted basis as of December 31, 2013.

  - Our Insurance Solutions business provides a full range of product capabilities and was the thirteenth largest writer of term life, and the twenty-fourth largest writer of universal life based on premiums sold in the United States as of December 31, 2013. We were also the sixth largest provider of medical stop loss coverage in the United States based on annual premiums as reported by *MyHealthguide* on June 3, 2013.

- ***Relationships with approximately 13 million customers as of December 31, 2013***. We believe the size, scope and long-standing market presence of our businesses provide us with access to millions of individual customers, relationships with and relevance to distributors across the financial services landscape, economies of scale, and an understanding of and ability to leverage best practices across our organization. We can offer customers with whom we have built a relationship, either through their employer or directly, a suite of products that can meet most of their lifetime protection and accumulation needs.

  - Our institutional businesses provide us with the ability to access millions of individual customers in a cost-effective manner, and our comprehensive product suite gives us the opportunity to convert these touch points into long-term customer relationships.

  - Our access to individuals at critical points in their lives and our ability to offer tailored protection, retirement, investment and savings products enables us to cultivate deep, long-lasting and profitable customer relationships. Our product suite includes individual retirement accounts (IRAs), mutual funds and annuities which enables us to maintain a relationship with individuals entering retirement or exiting their current plan for any other reason. According to a 2011 report by LIMRA, approximately 75% of roll-over assets are captured by an institution with which the customer had a prior relationship.

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Extensive, multi-channel distribution network with strong producer relationships. We offer customers access to our products and services through a national, multi-channel distribution network that includes approximately 220,000 individual points of contact associated with both affiliated and unaffiliated distributors as of December 31, 2013.

Our distribution network consists of product and business specific channels, meeting the unique requirements and preferences of our customers in each of our businesses, and includes direct, institutional, intermediary, strategic and internal wholesale channels.

We cultivate long-standing, loyal relationships with our distribution partners by providing innovative products, highly responsive service and efficient technology solutions.

As a strong and preferred distribution partner, we focus on supporting our independent distribution partners and have extensive experience in channel conflict resolutions.

The strong relationships in our well-established and extensive multi-channel distribution networks are a key aspect of achieving our long term goals.

Scalable operating platform. We have developed a highly scalable business model which positions us well for future growth opportunities. Our operating platform supports both current and significantly higher volumes of business, positioning us favorably for margin expansion in the future.

Our Retirement Solutions business has operational centers of excellence that are leveraged across the Institutional Retirement Plans (full service and recordkeeping) and Individual Markets businesses to efficiently and cost effectively provide high quality services to all clients.

Our Investment Management business has developed product manufacturing capabilities that would enable the business to manage a significant amount of additional assets with limited increase in costs.

Our Insurance Solutions business has scalable operational models that provide us the capability to add new business at attractive marginal costs and to quickly increase capacity to take advantage of attractive market conditions.

Renewed financial strength. We have taken decisive actions to strengthen our balance sheet over the last four years by repositioning and reducing the risk of our investment portfolio, hedging our closed block against market-related volatility, deleveraging our capital structure and bolstering our holding company liquidity position.

Our U.S. insurance subsidiaries have maintained an estimated combined company action level risk-based capital ratio (RBC ratio) at or above 425% as of the end of each quarter during 2011, 2012 and 2013.

Our investment portfolio of $87.1 billion as of December 31, 2013, comprises approximately 83.5% fixed maturity securities, of which 95.9% have been assigned credit quality ratings of 1 or 2 by the National Association of Insurance Commissioners (NAIC).

Between December 31, 2008 and December 31, 2013, we reduced our Alt-A exposure 93.1% from $4.5 billion to $307.4 million, our subprime holdings 83.1% from $3.6 billion to $614.7 million and our commercial mortgage-backed securities (CMBS) exposure 63.5% from $9.4 billion to $3.4 billion based on amortized cost. As of December 31, 2013, we had no direct sovereign exposure to Greece, Ireland, Portugal, Spain or Italy (peripheral Europe) and no direct exposure to financial institutions based in those countries.

We decided to cease sales of retail variable annuity products with substantial guarantee features (the last policies were issued in early 2010) and placed this portfolio and the institutional spread products portfolio in run-off. Subsequently, we refined our hedge program to dynamically protect

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regulatory and rating agency capital of the variable annuities block for adverse equity market movements. In addition, since 2010, we have increased statutory reserves considerably, added significant interest rate risk protection and have more closely aligned our policyholder behavior assumptions with experience.

We enhanced our capital structure and significantly reduced financial leverage.

Stringent risk management approach. Over the past few years, we have become increasingly focused on risk management and risk control. We have established an independent risk management function with responsibility for all risk management across the organization enabling clear separation of duties between risk, finance and investment functions.

We have comprehensive risk management and control procedures at all levels of our organization that support business strategies, formulate risk appetite, implement risk related policies and monitor limits.

We adhere to a strong policy and reporting framework that guides a multi-tiered risk governance structure in the assessment and management of risk and includes a daily feedback mechanism.

We follow disciplined processes to assess, measure, report and manage risks, including product development and pricing, asset/liability management (ALM), capital management and risk mitigating activities such as hedging and reinsurance.

We maintain a dynamic hedge program that seeks to protect against select equity market and interest rate risks.

Highly experienced management team, supported by deep bench of talent. Our senior management team has extensive experience in the retirement, investment management and insurance sectors and is supported by a diverse group of talented executives throughout the Company.

Our 9 executive officers average over 25 years of financial services experience and are actively instilling a performance-driven, execution-oriented culture across our organization.

6 of our 9 executive officers have joined the Company since the financial crisis of 2008-2009, and have successfully put in place a set of strategies that are helping to define our Company today, including risk management initiatives, balance sheet discipline, and product portfolio improvements.

Summary Risk Factors

Our business is subject to numerous risks described in the section entitled Risk Factors and elsewhere in this prospectus. You should carefully consider these risks before making an investment. Some of these risks include:

Continued difficult conditions in the global capital markets and the economy generally have affected and may continue to affect our business and results of operations;

The level of interest rates may adversely affect our profitability, particularly in the event of a continuation of the current low interest rate environment or a period of rapidly increasing interest rates;

A downgrade or a potential downgrade in our financial strength or credit ratings could result in a loss of business and adversely affect our results of operations and financial condition;

The inability of counterparties to meet their financial obligations could have an adverse effect on our results of operations;

Our investment portfolio is subject to several risks that may diminish the value of our invested assets and the investment returns credited to customers, which could reduce our sales, revenues, AUM and results of operations;

We may face significant losses if mortality rates, morbidity rates, persistency rates or other underwriting assumptions differ significantly from our pricing expectations;

We expect that our ability to use beneficial U.S. tax attributes will be subject to limitations;

The performance of our CBVA segment depends on assumptions that may not be accurate;

Our Variable Annuity Hedge Program may not be effective and may be more costly than anticipated;

Our businesses and those of ING Group and its affiliates are heavily regulated and changes in regulation or the application of regulation may reduce our profitability;

ING Group s continuing significant interest in us may result in conflicts of interest;

Our continuing relationship with ING Group, and with affiliates of ING Group, may affect our ability to operate and finance our business as we deem appropriate and changes with respect to ING Group could negatively impact us;

Our separation from ING Group could adversely affect our business and profitability due to ING Group s strong brand and reputation;

We expect to incur incremental costs as a standalone public company; and

The ability of our insurance subsidiaries to pay dividends and other distributions to ING U.S., Inc. will depend on their earnings, surplus, tax considerations, covenants contained in financing agreements and is limited by state insurance laws.

Our Business Strategy

Building on our core strengths, we intend to pursue strategies to deliver consistent earnings growth with attractive risk-adjusted returns while maintaining a strong balance sheet. The immediate focus of our strategy is to improve the operating return on equity (operating ROE) of our ongoing business. We have identified more than thirty ROE-enhancing projects across our businesses and functions intended to improve operating ROE of our ongoing business to a goal in the range of 12% to 13% by 2016. The operating return on capital (operating ROC) of our ongoing business increased from 7.2% in 2012 to 8.6% in 2013 and is expected to increase to a goal in the range of 10% to 11% by 2016. Operating ROE and operating ROC are non-GAAP financial measures. For additional detail on our ROC expansion goal and the calculation of operating ROE and operating ROC and reconciliations, see Business Operating Return on Capital Goal . The cornerstones of our prudent ROE and ROC expansion strategy are the following:

Improve the profitability of our existing franchises. We have identified and are actively pursuing several initiatives to improve profitability across our businesses. These initiatives include maintaining strict pricing discipline for new sales, re-pricing existing blocks of business that do not meet our return hurdles, allowing the run-off of unprofitable books that cannot be re-priced and adjusting policyholder crediting rates. For instance, we recently instituted price increases across certain term and universal life products, positioning them to earn double-digit returns. We are working to reduce our operating and information technology overhead by leveraging our procurement capabilities to reduce expenses, increasing our use of business process outsourcing services and employing Six Sigma statistical management techniques. We believe these initiatives will enhance our margins and support improved earnings and increased cash flow distributions from our operating subsidiaries to ING U.S., Inc. going forward.

Focus on capital management across all businesses. We are highly focused on effectively managing the demands for capital across our businesses. We have prioritized growth in our higher return, less capital intensive Retirement Solutions and Investment Management businesses. Our Insurance Solutions business is focused on selling capital-efficient products such as indexed products in Individual Life and Employee Benefits products. The overall objective of these policies is to realign our businesses in a manner that will maximize free cash flow generation.

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Leverage leading market positions, investment performance, and distribution strength to drive profitable growth in select markets. Within Retirement Solutions, we are targeting the small-mid corporate and education retirement plan markets. We will target growth in the healthcare and government markets selectively based on opportunities for economically sustainable value delivery with acceptable returns. We are also seeking to expand relationships with our large recordkeeping-only clients by offering the full breadth of ING U.S. s capabilities, including Retirement Readiness solutions, for their plan participants. Within Investment Management, we are focused on leveraging our strong investment track record and historical performance to attract new institutional and individual customers in our third party business and to increase the share of proprietary assets under the management of Retirement Solutions. Given our scalable operating platform we believe our growth will produce margin expansion in these segments. Also, although we are deemphasizing parts of our Insurance Solutions business, it provides key capabilities, broad distribution and seasoned underwriting that complement Retirement Solutions and Investment Management in helping customers attain their financial goals.

Transcend boundaries between workplace benefits and personal financial products. We aim to deliver comprehensive solutions across our customer base by combining the capabilities of our three ongoing businesses. This combination of capabilities differentiates us from other financial services firms and allows us to capitalize on favorable demographic and social trends. For individuals, we intend to provide value-added services and increase the number of our products they consume. In Retirement Solutions, we have been seeking greater access to employees in employer-sponsored plans. We believe that such direct access will allow us to convert institutional relationships into individual ones and enable us to offer individuals entering retirement or exiting their current employer-sponsored plan for any other reason suitable products in which they can invest their retirement plan assets. In Insurance Solutions, we have been working with employer clients to offer a broader array of voluntary products to address the needs of their employees. Ultimately, we aspire to bridge the gap between workplace benefits and personal financial products in order to benefit our customers.

Protect our balance sheet by prudently managing risks. Risk management is pervasive in everything we do as a Company. The coordination of our strategic, financial and risk functions has been critical to helping us focus on risk reduction initiatives as well as determining where to invest for the future. We have substantially reduced the risk of our investment portfolio since 2008 and intend to continue managing it conservatively. On the liability side, we have significantly deleveraged our capital structure, are keenly focused on managing tail risks and have implemented a hedge program that seeks to substantially mitigate the effect of market shocks on our regulatory and rating agency capital adequacy, especially as it relates to the CBVA segment. Our hedge program is regularly evaluated and revised in light of changing market conditions and to manage the trade-offs between capital preservation, cash flow, earnings and underlying economics.

Our Selling Stockholder

Following the Transactions, ING Group will own approximately 45% of our outstanding common stock (before any exercise of the underwriters option to purchase additional shares). ING Group has informed us that it will divest its remaining holdings of our common stock in line with ING Group s restructuring plan as agreed with the European Commission (EC). See ING Group Restructuring Plan with European Commission .

ING Group Restructuring Plan with European Commission

Prior to our initial public offering in May 2013, we were a wholly owned subsidiary of ING Group. In October 2009, ING Group submitted a restructuring plan (the 2009 Restructuring Plan) to the EC in order to receive approval for state aid (the Dutch State Transactions) granted to ING Group by the Kingdom of the Netherlands (the Dutch State) in November 2008 and March 2009. To receive approval for this state aid, ING Group was required to divest its insurance and investment management businesses, including the Company. In

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this prospectus, we refer to any sale or other divestment of all or a portion of ING U.S., Inc. common stock by ING Group, including this offering, as a Divestment Transaction. On November 19, 2012, ING Group and the EC announced that the EC approved amendments to the 2009 Restructuring Plan (the 2012 Amended Restructuring Plan). On November 6, 2013, ING Group announced that the EC approved amendments to the 2012 Amended Restructuring Plan (the 2013 Amended Restructuring Plan). The 2013 Amended Restructuring Plan has not amended any commitments that are applicable or relevant to ING U.S.

The 2012 Amended Restructuring Plan requires ING Group to divest at least 25% of the Company by December 31, 2013, more than 50% of the Company by December 31, 2014, and 100% of the Company by December 31, 2016. ING Group divested 25% of the Company on May 7, 2013, in our initial public offering and an additional 4% on May 31, 2013 following the exercise by the underwriters in the initial public offering of an option to purchase additional shares. ING Group divested an additional 14% of the Company on October 29, 2013, in a registered offering. The divestment of 50% of the Company is measured in terms of a divestment of over 50% of the shares of ING U.S., Inc., the loss of ING Group s majority of directors on ING U.S., Inc. s board of directors and the accounting deconsolidation of the Company (in line with IFRS accounting rules). The Transactions, together with the governance changes described under Summary Changes to our Governance as a Result of this Offering and the Direct Share Buyback , are intended to satisfy such requirements. In case ING Group does not satisfy its commitment to timely divest the Company as agreed with the EC, or in case of any other material non-compliance with the 2012 Amended Restructuring Plan, the Dutch State will renotify the recapitalization measure to the EC. In such a case, the EC may require additional restructuring measures or take enforcement actions against ING Group, or, at the request of ING Group and the Dutch State, could allow ING Group more time to complete the divestment. The 2012 Amended Restructuring Plan also contains provisions that could limit our business activities, including restricting our ability to make certain acquisitions or to conduct certain financing and investment activities. For additional information on the separation from ING Group and the 2012 Amended Restructuring Plan, see Risk Factors Risks Related to Our Separation from, and Continuing Relationship with, ING Group and Regulation Dutch State Transactions and Restructuring Plan .

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Our Corporate Information

Prior to our initial public offering in May 2013, we were a wholly owned subsidiary of ING Group, a global financial institution of Dutch origin offering banking, retirement, insurance and investment management services. ING Group entered the United States life insurance market in 1975 through the acquisition of Wisconsin National Life Insurance Company, followed in 1976 with its acquisition of Midwestern United Life Insurance Company and Security Life of Denver Insurance Company in 1977. ING Group significantly expanded its presence in the United States in the late 1990s and 2000s with the acquisitions of Equitable Life Insurance Company of Iowa (1997), Furman Selz, an investment advisory company (1997), ReliaStar Life Insurance Company (including Pilgrim Capital Corporation) (2000), Aetna Life Insurance and Annuity Company (including Aeltus Investment Management) (2000) and CitiStreet (2008).

ING U.S., Inc. is a holding company incorporated in Delaware on April 7, 1999. It changed its name from ING America Insurance Holdings, Inc. to ING U.S., Inc. on June 14, 2012. Our initial public offering was completed on May 7, 2013. Our principal executive office is located at 230 Park Avenue, New York, New York 10169 and our telephone number is (212) 309-8200. Our website address is *ing.us*. The information contained on, or that can be accessed through, our website is not part of, and is not incorporated into, this prospectus.

We operate our businesses through a number of direct and indirect subsidiaries. The following organizational chart presents the ownership and jurisdiction of incorporation of our principal subsidiaries:

The chart above presents:

- ING U.S., Inc.

- Our principal intermediate holding company, Lion Connecticut Holdings Inc. (Lion Holdings), which is the direct parent of a number of our insurance and non-insurance operating entities.

- Our principal operating entities that will be the primary sources of cash distributions to ING U.S., Inc. Specifically, these entities are our principal insurance operating companies ING Life Insurance and Annuity Company (ILIAC), ING USA Annuity and Life Insurance Company (ING USA), Security Life of Denver Insurance Company (SLD) and ReliaStar Life Insurance Company (RLI)) and ING Investment Management LLC, the holding company for entities that operate our Investment Management business.

- SLDI, our captive reinsurance subsidiary, which was previously domiciled in the Cayman Islands, and was redomesticated to the State of Arizona, effective December 20, 2013.

In connection with our rebranding discussed in Business Our Brand below, we intend to change our legal name to Voya Financial, Inc. in April 2014 by means of a short-form merger under the Delaware General Corporation Law (DGCL) with a wholly owned subsidiary formed for that purpose.

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THE OFFERING

Common stock offered by the Selling Stockholder in this offering	26,500,000 shares.
Common stock to be outstanding immediately after this offering and the Direct Share Buyback	254,653,340 shares, assuming that 7,022,471 shares are repurchased by us from ING Group in the Direct Share Buyback (based on an assumed per share repurchase price of $35.60, the closing price per share of our common stock on March 17, 2014, as reported by the NYSE). The actual number of shares repurchased in the Direct Share Buyback will be equal to $250 million divided by the per share proceeds, before expenses, to the Selling Stockholder in this offering, as shown on the cover of this prospectus.
Option to purchase additional shares	The underwriters have an option for a period of 30 days to purchase from the Selling Stockholder up to 3,975,000 additional shares of our common stock.
Direct Share Buyback from ING Group	Concurrently with the completion of this offering, we expect to repurchase from ING Group shares of our common stock having an aggregate repurchase price of $250 million. See Share Repurchase Program and Direct Share Buyback from ING Group . Based on an assumed per share repurchase price of $35.60 (the closing price per share of our common stock on March 17, 2014, as reported by the NYSE), we would repurchase 7,022,471 shares from ING Group in the Direct Share Buyback. The actual number of shares repurchased in the Direct Share Buyback will be equal to $250 million divided by the per share proceeds, before expenses, to the Selling Stockholder in this offering, as shown on the cover of this prospectus.
Voting rights	Each share of our common stock entitles its holder to one vote on all matters to be voted on by stockholders generally. See Description of Capital Stock Authorized Capital Stock Common Stock .
Use of proceeds	We will not receive any of the proceeds from the sale of shares by the Selling Stockholder in this offering.
Dividend policy	We currently intend to continue to pay quarterly cash dividends on our common stock at the current amount of $0.01 per share, at the discretion of the Board of Directors. On February 6, 2014, our Board of Directors declared a dividend of $0.01 per share, which will be paid on March 31, 2014 to shareholders of record as of February 28, 2014. See Dividend Policy .
Listing	Our common stock is listed on the NYSE.

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Ticker symbol	VOYA . We expect to rebrand from ING U.S. to Voya Financial over time beginning soon after this offering. See Business Our Brand .
Warrants	In connection with our IPO, we issued to ING Group warrants that are exercisable for 26,050,846 shares of our common stock at an exercise price of $48.75 per share of common stock, in each case subject to adjustments. See Description of Capital Stock Warrants Issued to ING Group .

Unless otherwise indicated, all information in this prospectus assumes no exercise by the underwriters of their right to purchase up to an additional 3,975,000 shares of our common stock from the Selling Stockholder.

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SUMMARY CONSOLIDATED FINANCIAL DATA

Except for other supplemental data, the following summary consolidated financial data for the years ended December 31, 2013, 2012 and 2011 and as of December 31, 2013, 2012 and 2011 are derived from our audited Consolidated Financial Statements, which are included elsewhere in this prospectus.

Prospective investors should read these summary consolidated financial data together with Management s Discussion and Analysis of Financial Condition and Results of Operations and our Consolidated Financial Statements and the related notes included elsewhere in this prospectus.

	As of or for the Year Ended December 31,		
($ in millions, except for ratios)	2013	2012	2011
Consolidated Operating Results			
Net investment income	$ 4,689.0	$ 4,697.9	$ 4,968.8
Fee income	3,666.3	3,515.4	3,603.6
Premiums	1,956.3	1,861.1	1,770.0
Net realized capital gains (losses)	(2,534.8)	(1,280.8)	(1,531.4)
Total revenues	8,758.5	9,615.3	9,718.8
Interest credited and other benefits to contract owners/policyholders	4,497.8	4,861.6	5,742.0
Operating expenses	2,686.7	3,155.0	3,030.8
Net amortization of deferred policy acquisition costs and value of business acquired	442.8	722.3	387.0
Interest expense	184.8	153.7	139.3
Total benefits and expenses	8,000.4	9,009.3	9,441.0
Income (loss) before income taxes	758.1	606.0	277.8
Net income (loss)	790.6	611.2	102.8
Net income (loss) attributable to noncontrolling interest	190.1	138.2	190.9
Net income (loss) available to ING U.S., Inc. s common shareholders	600.5	473.0	(88.1)
Consolidated Financial Position			
Total investments	$ 87,050.8	$ 95,487.6	$ 92,819.2
Assets held in separate accounts	106,827.1	97,667.4	88,714.5
Total assets	221,023.2	216,394.2	203,572.8
Future policy benefits and contract owner account balances	84,006.7	86,055.7	88,358.4
Short-term debt		1,064.6	1,054.6
Long-term debt	3,514.7	3,171.1	1,343.1
Liabilities related to separate accounts	106,827.1	97,667.4	88,714.5
Total ING U.S., Inc. shareholders equity, excluding AOCI[1]	11,423.1	10,164.2	9,758.9
Total ING U.S., Inc. shareholders equity	13,272.2	13,874.9	12,353.9

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($ in millions, except for ratios)	As of or for the Year Ended December 31, 2013	2012	2011
Segment Data[2]			
Operating earnings before income taxes			
Retirement Solutions			
Retirement	$595.8	$ 448.6	$ 441.9
Annuities	293.8	102.2	387.6
Investment Management	178.1	134.5	87.5
Insurance Solutions			
Individual Life	254.8	196.2	279.3
Employee Benefits	106.1	109.4	83.3
Total Ongoing Business	1,428.6	990.9	1,279.6
Corporate	(210.6)	(182.3)	(230.2)
Closed Blocks			
Closed Block Institutional Spread Products	35.9	45.7	83.2
Closed Block Other	14.7	64.0	(13.0)
Total Closed Blocks[3]	50.6	109.7	70.2
Total operating earnings before income taxes	$ 1,268.6	$ 918.3	$ 1,119.6
Other Supplemental Data (unaudited)			
AUM and AUA	$510,527.8	$ 461,000.6	$ 438,046.4
TAC[4]	7,068.4	7,871.9	8,071.0
RBC ratio[5]	503%	526%	488%

(1) ING U.S., Inc. shareholders equity, excluding AOCI, is derived by subtracting AOCI from ING U.S., Inc. shareholders equity both components of which are presented in the respective Consolidated Balance Sheets. For a description of AOCI, see the Accumulated Other Comprehensive Income (Loss) note to the Consolidated Financial Statements. We provide shareholders equity, excluding AOCI, because it is a common measure used by insurance analysts and investment professionals in their evaluations.

(2) Operating earnings before income taxes is a non-GAAP financial measure. See Management s Discussion and Analysis of Financial Condition and Results of Operations Operating Measures for more details and Management s Discussion and Analysis of Financial Condition and Results of Operations Results of Operations Company Consolidated for a reconciliation to Income (loss) before income taxes.

(3) Our CBVA segment is managed to focus on protecting regulatory and rating agency capital rather than achieving operating metrics and, therefore, its results of operations are not reflected within operating earnings before income taxes.

(4) Estimated total adjusted capital (TAC) of our four principal U.S. insurance subsidiaries on a combined basis.

(5) Estimated combined RBC ratio for our four principal U.S. insurance subsidiaries.

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RISK FACTORS

You should carefully consider the following risks and other information in this prospectus, including our Consolidated Financial Statements and related notes, before you decide to purchase our common stock. Additional risks and uncertainties of which we are not presently aware or that we currently deem immaterial could also affect our business operations and financial condition. If any of these risks actually occur, our business, financial condition and results of operations could be materially affected. As a result, the trading price of our common stock could decline and you could lose part or all of your investment.

Risks Related to Our Business General

Continued difficult conditions in the global capital markets and the economy generally have affected and may continue to affect our business and results of operations.

Our business and results of operations are materially affected by conditions in the global capital markets and the economy generally. Concerns over the slow economic recovery, the shutdown of the U.S. government, the level of U.S. national debt (including periodic debates in the U.S. Congress regarding the national debt ceiling), the European sovereign debt crisis, the ability of certain countries to remain in the euro zone, unemployment, the availability and cost of credit, the U.S. housing market, inflation levels, energy costs and geopolitical issues have contributed to increased volatility and diminished expectations for the economy and the markets. In 2011, Standard & Poor s Ratings Services (S&P) lowered its long term sovereign credit rating on the United States from AAA to AA+. In addition, significant concerns regarding the sovereign debt of Greece, Ireland, Italy, Portugal and Spain, as well as certain other countries, in some cases have required countries to obtain emergency financing. The financial turmoil in Europe continues to be a long-term threat to global capital markets and remains a challenge to global financial stability. If these or other countries require additional financial support or if sovereign credit ratings decline further, yields on the sovereign debt of certain countries may increase, the cost of borrowing may increase and credit may become more limited. Additionally, the possibility of capital market volatility spreading through a highly integrated and interdependent banking system remains elevated. In the event of any default or similar event with respect to a sovereign issuer, some financial institutions may suffer significant losses for which they would require additional capital, which may not be available. These factors, combined with volatile oil prices, reduced business and consumer confidence and continued high unemployment, have negatively impacted the U.S. economy. Furthermore, the Board of Governors of the Federal Reserve System (the Federal Reserve) has begun to scale back programs that have in recent years fostered a historically low interest rate environment, which could generate volatility in debt and equity markets including, but not limited to, rapid increases in interest rates and associated declining values on fixed income investments. Our results of operations, investment portfolio and AUM are exposed to these risks and may be adversely affected as a result. In addition, in the event of extreme prolonged market events, such as the recent global credit crisis, we could incur significant losses.

Even in the absence of a market downturn, our insurance, annuity, retirement and investment products, as well as our investment returns and our access to and cost of financing, are sensitive to equity, fixed income, real estate and other market fluctuations and general economic and political conditions. These fluctuations and conditions could materially and adversely affect our results of operations, financial condition and liquidity, including in the following respects:

We provide a number of insurance, annuity, retirement and investment products that expose us to risks associated with fluctuations in interest rates, market indices, securities prices, default rates, the value of real estate assets, currency exchange rates and credit spreads. The profitability of many of our insurance, annuity, retirement and investment products depends in part on the value of the general accounts and separate accounts supporting them, which may fluctuate substantially depending on the foregoing conditions.

Volatility or downturns in the equity markets can cause a reduction in fee income we earn from managing investment portfolios for third parties and fee income on certain annuity, retirement and

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investment products. Because these products and services generate fees related primarily to the value of AUM, a decline in the equity markets could reduce our revenues because of the reduction in the value of the investments we manage.

A change in market conditions, including prolonged periods of high or low inflation or interest rates, could cause a change in consumer sentiment and adversely affect sales and could cause the actual persistency of these products to vary from their anticipated persistency (the probability that a product will remain in force from one period to the next) and adversely affect profitability. Changing economic conditions or adverse public perception of financial institutions can influence customer behavior, which can result in, among other things, an increase or decrease in claims, lapses, withdrawals, deposits or surrenders in certain products, any of which could adversely affect profitability.

An equity market decline, decreases in prevailing interest rates, or a prolonged period of low interest rates could result in the value of guaranteed minimum benefits contained in certain of our life insurance, annuity and retirement products being higher than current account values or higher than anticipated in our pricing assumptions, requiring us to materially increase reserves for such products, and may result in a decrease in customer lapses, thereby increasing the cost to us. In addition, such a scenario could lead to increased amortization and/or unfavorable unlocking of our deferred acquisition cost (DAC) and value of business acquired (VOBA).

Reductions in employment levels of our existing employer customers may result in a reduction in underlying employee participation levels, contributions, deposits and premium income for certain of our retirement products. Participants within the retirement plans for which we provide certain services may elect to effect withdrawals from these plans, or reduce or stop their payroll deferrals to these plans, which would reduce assets under management or administration and our revenues.

We have significant investment and derivative portfolios that include, among other investments, corporate securities, asset-backed securities (ABS), equities and commercial mortgages. Economic conditions as well as adverse capital market and credit conditions, interest rate changes, changes in mortgage prepayment behavior or declines in the value of underlying collateral will impact the credit quality, liquidity and value of our investment and derivative portfolios, potentially resulting in higher capital charges and unrealized or realized losses and decreased investment income. The value of our investments and derivative portfolios may also be impacted by reductions in price transparency, changes in the assumptions or methodology we use to estimate fair value and changes in investor confidence or preferences, which could potentially result in higher realized or unrealized losses and have a material adverse effect on our results of operations or financial condition. Market volatility may also make it difficult to value certain of our securities if trading becomes less frequent.

Market conditions determine the availability and cost of the reinsurance protection we purchase and may result in additional expenses for reinsurance or an inability to obtain sufficient reinsurance on acceptable terms, which could adversely affect the profitability of future business and the availability of capital to support new sales.

Hedging instruments we use to manage product and other risks might not perform as intended or expected, which could result in higher realized losses and unanticipated cash needs to collateralize or settle such transactions. Adverse market conditions can limit the availability and increase the costs of hedging instruments, and such costs may not be recovered in the pricing of the underlying products being hedged. In addition, hedging counterparties may fail to perform their obligations resulting in unhedged exposures and losses on positions that are not collateralized.

Regardless of market conditions, certain investments we hold, including privately placed fixed income investments, investments in private equity funds and commercial mortgages, are relatively illiquid. If we need to sell these investments, we may have difficulty selling them in a timely manner or at a price equal to what we could otherwise realize by holding the investment to maturity.

We are exposed to interest rate and equity risk based upon the discount rate and expected long-term rate of return assumptions associated with our pension and other retirement benefit obligations. Sustained declines in long-term interest rates or equity returns could have a negative effect on the funded status of these plans and/or increase our future funding costs.

Fluctuations in our operating results and our investment portfolio may impact our tax profile, our ability to optimally utilize tax attributes and our deferred income tax assets. See We expect that our ability to use beneficial U.S. tax attributes will be subject to limitations.

A default by any financial institution or by a sovereign could lead to additional defaults by other market participants. The failure of a sufficiently large and influential institution could disrupt securities markets or clearance and settlement systems and lead to a chain of defaults, because the commercial and financial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. Even the perceived lack of creditworthiness of a counterparty may lead to market-wide liquidity problems and losses or defaults by us or by other institutions. This risk is sometimes referred to as systemic risk and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with which we interact on a daily basis. Systemic risk could have a material adverse effect on our ability to raise new funding and on our business, results of operations, financial condition, liquidity and/or business prospects. In addition, such a failure could impact future product sales as a potential result of reduced confidence in the financial services industry.

Widening credit spreads, if not offset by equal or greater declines in the risk-free interest rate, would also cause the total interest rate payable on newly issued securities to increase, and thus would have the same effect as an increase in underlying interest rates with respect to the valuation of our current portfolio.

Continuing market turmoil has resulted in, and may continue to raise the possibility of, legislative, regulatory and governmental actions. We cannot predict whether or when such actions may occur, or what impact, if any, such actions could have on our business, results of operations and financial condition.

Adverse capital and credit market conditions may impact our ability to access liquidity and capital, as well as the cost of credit and capital.

Adverse capital market conditions may affect the availability and cost of borrowed funds, thereby impacting our ability to support or grow our businesses. We need liquidity to pay our operating expenses, interest on our debt and dividends on our capital stock, maintain our securities lending activities and replace certain maturing liabilities. Without sufficient liquidity, we will be forced to curtail our operations and our business will suffer. As a holding company with no direct operations, our principal assets are the capital stock of our subsidiaries. Payments of dividends and advances or repayment of funds to us by our insurance subsidiaries are restricted by the applicable laws and regulations of their respective jurisdictions, including laws establishing minimum solvency and liquidity thresholds.

For our insurance and other subsidiaries, the principal sources of liquidity are insurance premiums and fees, annuity deposits and cash flow from investments and assets. At the holding company level, sources of liquidity in normal markets also include a variety of short-term liquid investments and short-and long-term instruments, including credit facilities, equity securities and medium-and long-term debt.

In the event current resources do not satisfy our needs, we may have to seek additional financing. The availability of additional financing will depend on a variety of factors such as market conditions, the general availability of credit, the volume of trading activities, the overall availability of credit to the financial services industry and our credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of our long- or short-term financial prospects. Similarly, our access to funds may be limited if regulatory authorities or rating agencies take negative actions against us. If our internal sources of

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liquidity prove to be insufficient, there is a risk that we may not be able to successfully obtain additional financing on favorable terms, or at all. Any actions we might take to access financing may cause rating agencies to reevaluate our ratings.

Disruptions, uncertainty or volatility in the capital and credit markets, such as that experienced over the past few years, may also limit our access to capital. Such market conditions may in the future limit our ability to raise additional capital to support business growth, or to counter-balance the consequences of losses or increased regulatory reserves and rating agency capital requirements. This could force us to (1) delay raising capital, (2) reduce, cancel or postpone interest payments on our debt, (3) issue capital of different types or under different terms than we would otherwise or (4) incur a higher cost of capital than in a more stable market environment. This would have the potential to decrease both our profitability and our financial flexibility. Our results of operations, financial condition, liquidity, statutory capital and rating agency capital position could be materially and adversely affected by disruptions in the financial markets.

The level of interest rates may adversely affect our profitability, particularly in the event of a continuation of the current low interest rate environment or a period of rapidly increasing interest rates.

Changes in prevailing interest rates may negatively affect our business including the level of net interest margin we earn. In a period of changing interest rates, interest expense may increase and interest credited to policyholders may change at different rates than the interest earned on assets. Accordingly, changes in interest rates could decrease net interest margin. Changes in interest rates may negatively affect the value of our assets and our ability to realize gains or avoid losses from the sale of those assets, all of which also ultimately affect earnings. In addition, our insurance and annuity products and certain of our retirement and investment products are sensitive to inflation rate fluctuations. A sustained increase in the inflation rate in our principal markets may also negatively affect our business, financial condition and results of operation. For example, a sustained increase in the inflation rate may result in an increase in nominal market interest rates. A failure to accurately anticipate higher inflation and factor it into our product pricing assumptions may result in mispricing of our products, which could materially and adversely impact our results of operations.

During periods of declining interest rates or a prolonged period of low interest rates, life insurance and annuity products may be relatively more attractive to consumers due to minimum guarantees that are frequently mandated by regulators, resulting in increased premium payments on products with flexible premium features and a higher percentage of insurance and annuity contracts remaining in force from year-to-year than we anticipated in our pricing, potentially resulting in greater claims costs than we expected and asset liability cash flow mismatches. A decrease in interest rates or a prolonged period of low interest rates may also require additional provisions for guarantees included in life insurance and annuity contracts, as the guarantees become more valuable to policyholders. During a period of decreasing interest rates or a prolonged period of low interest rates, our investment earnings may decrease because the interest earnings on our recently purchased fixed income investments will likely have declined in parallel with market interest rates. In addition, a prolonged low interest rate period may result in higher costs for certain derivative instruments that may be used to hedge certain of our product risks. Residential mortgage-backed securities (RMBS) and callable fixed income securities in our investment portfolios will be more likely to be prepaid or redeemed as borrowers seek to borrow at lower interest rates. Consequently, we may be required to reinvest the proceeds in securities bearing lower interest rates. Accordingly, during periods of declining interest rates, our profitability may suffer as the result of a decrease in the spread between interest rates credited to policyholders and contract owners and returns on our investment portfolios. An extended period of declining interest rates or a prolonged period of low interest rates may also cause us to change our long-term view of the interest rates that we can earn on our investments. Such a change in our view would cause us to change the long-term interest rate that we assume in our calculation of insurance assets and liabilities under U.S. GAAP. This revision would result in increased reserves, accelerated amortization of DAC and other unfavorable consequences. In addition, certain statutory capital and reserve requirements are based on formulas or models that consider interest rates, and an extended period of low interest rates may increase the statutory capital we are required to hold and the amount of assets we must maintain to support statutory reserves.

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Despite an increase in long-term interest rates in 2013, interest rates remain low by historical standards. We believe a continuation of the current low interest rate environment would also negatively affect our financial performance. See Business Operating Return on Capital Goal. In addition, we expect that a continuation of the current low interest rate environment would reduce our total company estimated combined RBC ratio (which includes the effect from the Closed Blocks) in an amount that could be material.

Conversely, in periods of rapidly increasing interest rates, policy loans, withdrawals from, and/or surrenders of, life insurance and annuity contracts and certain guaranteed investment contracts (GICs) may increase as policyholders choose to seek higher investment returns. Obtaining cash to satisfy these obligations may require us to liquidate fixed income investments at a time when market prices for those assets are depressed because of increases in interest rates. This may result in realized investment losses. Regardless of whether we realize an investment loss, such cash payments would result in a decrease in total invested assets and may decrease our net income and capitalization levels. Premature withdrawals may also cause us to accelerate amortization of DAC, which would also reduce our net income. An increase in market interest rates could also have a material adverse effect on the value of our investment portfolio by, for example, decreasing the estimated fair values of the fixed income securities within our investment portfolio. An increase in market interest rates could also create a significant collateral posting requirement associated with our interest rate hedge programs and Federal Home Loan Bank funding agreements, which could materially and adversely affect liquidity. In addition, an increase in market interest rates could require us to pay higher interest rates on debt securities we may issue in the financial markets from time to time to finance our operations, which would increase our interest expenses and reduce our results of operations. An increase in interest rates could result in decreased fee income associated with a decline in the value of variable annuity account balances invested in fixed income funds, which also might affect the value of the underlying guarantees within these variable annuities. Lastly, certain statutory reserve requirements are based on formulas or models that consider forward interest rates and an increase in forward interest rates may increase the statutory reserves we are required to hold thereby reducing statutory capital.

A downgrade or a potential downgrade in our financial strength or credit ratings could result in a loss of business and adversely affect our results of operations and financial condition.

Ratings are important to our business. Credit ratings represent the opinions of rating agencies regarding an entity s ability to repay its indebtedness. Our credit ratings are important to our ability to raise capital through the issuance of debt and to the cost of such financing. Financial strength ratings, which are sometimes referred to as claims-paying ratings, represent the opinions of rating agencies regarding the financial ability of an insurance company to meet its obligations under an insurance policy. Financial strength ratings are important factors affecting public confidence in insurers, including our insurance company subsidiaries. The financial strength ratings of our insurance subsidiaries are important to our ability to sell our products and services to our customers. Ratings are not recommendations to buy our securities. Each of the rating agencies reviews its ratings periodically, and our current ratings may not be maintained in the future.

Our ratings could be downgraded at any time and without notice by any rating agency. For a description of material rating actions that have occurred from the beginning of 2011 through the date of this prospectus, see Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Ratings .

A downgrade of the financial strength rating of one of our four principal insurance subsidiaries (ING USA, ILIAC, SLD and RLI, and collectively, the Principal Insurance Subsidiaries) could affect our competitive position by making it more difficult for us to market our products as potential customers may select companies with higher financial strength ratings and by leading to increased withdrawals by current customers seeking companies with higher financial strength ratings. This could lead to a decrease in AUM and result in lower fee income. Furthermore, sales of assets to meet customer withdrawal demands could also result in losses, depending on market conditions. In addition, a downgrade in either our financial strength or credit ratings could potentially, among other things, increase our borrowing costs and make it more difficult to access financing; adversely affect access to the commercial paper market or the availability of LOCs and other financial guarantees; result in

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additional collateral requirements, or other required payments or termination rights under derivative contracts or other agreements; and/or impair, or cause the termination of, our relationships with creditors, broker-dealers, distributors, reinsurers or trading counterparties, which could potentially negatively affect our profitability, liquidity and/or capital. In addition, we use assumptions of market participants in estimating the fair value of our liabilities, including insurance liabilities that are classified as embedded derivatives under U.S. GAAP. These assumptions include our nonperformance risk (i.e., the risk that the obligations will not be fulfilled). Therefore, changes in our credit or financial strength ratings may affect the fair value of our liabilities.

As rating agencies continue to evaluate the financial services industry, it is possible that rating agencies will heighten the level of scrutiny that they apply to financial institutions, increase the frequency and scope of their credit reviews, request additional information from the companies that they rate and potentially adjust upward the capital and other requirements employed in the rating agency models for maintenance of certain ratings levels. It is possible that the outcome of any such review of us would have additional adverse ratings consequences, which could have a material adverse effect on our results of operations, financial condition and liquidity. We may need to take actions in response to changing standards or capital requirements set by any of the rating agencies which could cause our business and operations to suffer. We cannot predict what additional actions rating agencies may take, or what actions we may take in response to the actions of rating agencies.

We receive an explicit guarantee of our liabilities under one International Swaps and Derivatives Association, Inc. (ISDA) master agreement from NN Group N.V. (NN Group), a wholly owned subsidiary of ING Group. NN Group is successor to ING Verzekeringen N.V. (ING V) which was previously our indirect parent. Previously, ING V also provided a guarantee of our commercial paper program which has been terminated. Also, ING Bank N.V. (ING Bank), an affiliate, provides certain LOC facilities to the Company. See Certain Relationships and Related Party Transactions Historical Related Party Transactions Financing Arrangements Letter of Credit Facilities . A downgrade of ING Bank could negatively impact our ability to utilize these facilities as reinsurance collateral. Additionally, certain of our securities are guaranteed by ING Group. A downgrade of the credit ratings of ING Group could result in downgrades of these securities. For information on additional collateral requirements in case of a downgrade of our or NN Group s ratings, see Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Potential Impact of a Ratings Downgrade .

Because we operate in highly competitive markets, we may not be able to increase or maintain our market share, which may have an adverse effect on our results of operations.

In each of our businesses we face intense competition, including from domestic and foreign insurance companies, broker-dealers, financial advisors, asset managers and diversified financial institutions, both for the ultimate customers for our products and for distribution through independent distribution channels. We compete based on a number of factors including brand recognition, reputation, quality of service, quality of investment advice, investment performance of our products, product features, scope of distribution, price, perceived financial strength and credit ratings. A decline in our competitive position as to one or more of these factors could adversely affect our profitability. In addition, we may in the future sacrifice our competitive or market position in order to improve our profitability. Many of our competitors are large and well-established and some have greater market share or breadth of distribution, offer a broader range of products, services or features, assume a greater level of risk, or have higher claims-paying or credit ratings than we do.

In recent years, there has been substantial consolidation among companies in the financial services industry resulting in increased competition from large, well-capitalized financial services firms. Future economic turmoil may accelerate additional consolidation activity. Many of our competitors also have been able to increase their distribution systems through mergers or contractual arrangements. Furthermore, larger competitors may have lower operating costs and have an ability to absorb greater risk, while maintaining financial strength ratings, allowing them to price products more competitively. These competitive pressures could result in increased pressure on the pricing of certain of our products and services, and could harm our ability to maintain or increase

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profitability. In addition, if our financial strength and credit ratings are lower than our competitors, we may experience increased surrenders and/or a significant decline in sales. The competitive landscape in which we operate may be further affected by the government sponsored programs in the United States and similar governmental actions outside of the United States in response to the dislocations in financial markets. Competitors that receive governmental financing, guarantees or other assistance, or that are not subject to the same regulatory constraints, may have or obtain pricing or other competitive advantages. Due to the competitive nature of the financial services industry, there can be no assurance that we will continue to effectively compete within the industry or that competition will not have a material adverse impact on our business, results of operations and financial condition.

Our risk management policies and procedures, including hedging programs, may prove inadequate for the risks we face, which could negatively affect our business or result in losses.

We have developed risk management policies and procedures, including hedging programs that utilize derivative financial instruments, and expect to continue to do so in the future. Nonetheless, our policies and procedures to identify, monitor and manage risks may not be fully effective, particularly during extremely turbulent times. Many of our methods of managing risk and exposures are based upon observed historical market behavior or statistics based on historical models. As a result, these methods may not predict future exposures, which could be significantly greater than historical measures indicate. Other risk management methods depend on the evaluation of information regarding markets, customers, catastrophe occurrence or other matters that is publicly available or otherwise accessible to us. This information may not always be accurate, complete, up-to-date or properly evaluated. Management of operational, legal and regulatory risks requires, among other things, policies and procedures to record and verify large numbers of transactions and events. These policies and procedures may not be fully effective.

We employ various strategies, including hedging and reinsurance, with the objective of mitigating risks inherent in our business and operations. These risks include current or future changes in the fair value of our assets and liabilities, current or future changes in cash flows, the effect of interest rates, equity markets and credit spread changes, the occurrence of credit defaults, currency fluctuations and changes in mortality and longevity. We seek to control these risks by, among other things, entering into reinsurance contracts and derivative instruments, such as swaps, options, futures and forward contracts. See Reinsurance subjects us to the credit risk of reinsurers and may not be available, affordable or adequate to protect us against losses for a description of risks associated with our use of reinsurance. Developing an effective strategy for dealing with these risks is complex, and no strategy can completely insulate us from such risks. Our hedging strategies also rely on assumptions and projections regarding our assets, liabilities, general market factors and the creditworthiness of our counterparties that may prove to be incorrect or prove to be inadequate. Accordingly, our hedging activities may not have the desired beneficial impact on our results of operations or financial condition. Hedging strategies involve transaction costs and other costs, and if we terminate a hedging arrangement, we may also be required to pay additional costs, such as transaction fees or breakage costs. We may incur losses on transactions after taking into account our hedging strategies. In particular, certain of our hedging strategies focus on the protection of regulatory and rating agency capital, rather than U.S. GAAP earnings. Because our regulatory capital and rating agency capital react differently to market movements than our Variable Annuity Guarantee Hedge Program target, we have executed a capital hedge overlay (CHO) program to generally target these differences. As U.S. GAAP accounting differs from the methods used to determine regulatory reserves and rating agency capital requirements, our hedge programs may create earnings volatility in our U.S. GAAP financial statements. Further, the nature, timing, design or execution of our hedging transactions could actually increase our risks and losses. Our hedging strategies and the derivatives that we use, or may use in the future, may not adequately mitigate or offset the hedged risk and our hedging transactions may result in losses.

Past or future misconduct by our employees, agents, intermediaries, representatives of our broker-dealer subsidiaries or employees of our vendors could result in violations of law by us or our subsidiaries, regulatory sanctions and/or serious reputational or financial harm and the precautions we take to prevent and detect this activity may not be effective in all cases. Although we employ controls and procedures designed to monitor associates business decisions and to prevent us from taking excessive or inappropriate risks, associates may take such risks regardless of such controls and procedures. Our compensation policies and practices are reviewed by us as part of our overall risk management program, but it is possible that such compensation policies and practices could inadvertently incentivize excessive or inappropriate risk taking. If our associates take excessive or inappropriate risks, those risks could harm our reputation and have a material adverse effect on our results of operations and financial condition.

The inability of counterparties to meet their financial obligations could have an adverse effect on our results of operations.

Third parties that owe us money, securities or other assets may not pay or perform under their obligations. These parties include the issuers or guarantors of securities we hold, customers, reinsurers, trading counterparties, securities lending and repurchase counterparties, counterparties under swaps, credit default and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. Defaults by one or more of these parties on their obligations to us due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other factors, or even rumors about potential defaults by one or more of these parties, could have a material adverse effect on our results of operations, financial condition and liquidity.

We routinely execute a high volume of transactions such as unsecured debt instruments, derivative transactions and equity investments with counterparties and customers in the financial services industry, including brokers and dealers, commercial and investment banks, mutual and hedge funds, institutional clients, futures clearing merchants, swap dealers, insurance companies and other institutions, resulting in large periodic settlement amounts which may result in our having significant credit exposure to one or more of such counterparties or customers. Many of these transactions comprise derivative instruments with a number of counterparties in order to hedge various risks, including equity and interest rate market risk features within many of our insurance and annuity products. Our obligations under our products are not changed by our hedging activities and we are liable for our obligations even if our derivative counterparties do not pay us. As a result, we face concentration risk with respect to liabilities or amounts we expect to collect from specific counterparties and customers. A default by, or even concerns about the creditworthiness of, one or more of these counterparties or customers could have an adverse effect on our results of operations or liquidity. There is no assurance that losses on, or impairments to the carrying value of, these assets due to counterparty credit risk would not materially and adversely affect our business, results of operations or financial condition.

We are also subject to the risk that our rights against third parties may not be enforceable in all circumstances. The deterioration or perceived deterioration in the credit quality of third parties whose securities or obligations we hold could result in losses and/or adversely affect our ability to rehypothecate or otherwise use those securities or obligations for liquidity purposes. While in many cases we are permitted to require additional collateral from counterparties that experience financial difficulty, disputes may arise as to the amount of collateral we are entitled to receive and the value of pledged assets. Our credit risk may also be exacerbated when the collateral we hold cannot be realized or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure that is due to us, which is most likely to occur during periods of illiquidity and depressed asset valuations, such as those experienced during the recent financial crisis. The termination of contracts and the foreclosure on collateral may subject us to claims for the improper exercise of rights under the contracts. Bankruptcies, downgrades and disputes with counterparties as to the valuation of collateral tend to increase in times of market stress and illiquidity.

Requirements to post collateral or make payments related to changes in market value of specified assets may adversely affect liquidity.

The amount of collateral we may be required to post under short-term financing agreements and derivative transactions may increase under certain circumstances. Pursuant to the terms of some transactions, we could be required to make payment to our counterparties related to any change in the market value of the specified

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collateral assets. Such requirements could have an adverse effect on liquidity. Furthermore, with respect to any such payments, we may have unsecured risk to the counterparty as these amounts may not be required to be segregated from the counterparty s other funds, may not be held in a third-party custodial account and may not be required to be paid to us by the counterparty until the termination of the transaction. Additionally, the implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) and the resultant changes in collateral requirements may increase the need for liquidity and eligible collateral assets in excess of what is already being held.

For a discussion on certain obligations we have with respect to the posting of collateral upon the occurrence of certain events, see Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Potential Impact of a Ratings Downgrade.

Our investment portfolio is subject to several risks that may diminish the value of our invested assets and the investment returns credited to customers, which could reduce our sales, revenues, AUM and results of operations.

Fixed income securities represent a significant portion of our investment portfolio. We are subject to the risk that the issuers, or guarantors, of fixed income securities we own may default on principal and interest payments they owe us. We are also subject to the risk that the underlying collateral within ABS, including mortgage-backed securities, may default on principal and interest payments causing an adverse change in cash flows. The occurrence of a major economic downturn, acts of corporate malfeasance, widening mortgage or credit spreads, or other events that adversely affect the issuers, guarantors or underlying collateral of these securities could cause the estimated fair value of our fixed income securities portfolio and our earnings to decline and the default rate of the fixed income securities in our investment portfolio to increase. A ratings downgrade affecting issuers or guarantors of securities in our investment portfolio, or similar trends that could worsen the credit quality of such issuers, or guarantors could also have a similar effect. Similarly, a ratings downgrade affecting a security we hold could indicate the credit quality of that security has deteriorated and could increase the capital we must hold to support that security to maintain our RBC ratio. See A decrease in the RBC ratio (as a result of a reduction in statutory surplus and/or increase in risk-based capital (RBC) requirements) of our insurance subsidiaries could result in increased scrutiny by insurance regulators and rating agencies and have a material adverse effect on our business, results of operations and financial condition. We are also subject to the risk that cash flows resulting from the payments on pools of mortgages that serve as collateral underlying the mortgage-backed securities we own may differ from our expectations in timing or size. Cash flow variability arising from an unexpected acceleration in mortgage prepayment behavior can be significant, and could cause a decline in the estimated fair value of certain interest-only securities within our mortgage-backed securities portfolio. Any event reducing the estimated fair value of these securities, other than on a temporary basis, could have a material adverse effect on our business, results of operations and financial condition.

We derive operating revenues from providing investment management and related services. Our revenues depend largely on the value and mix of AUM. Our investment management related revenues are derived primarily from fees based on a percentage of the value of AUM. Any decrease in the value or amount of our AUM because of market volatility or other factors negatively impacts our revenues and income. Global economic conditions, changes in the equity markets, currency exchange rates, interest rates, inflation rates, the yield curve, defaults by derivative counterparties and other factors that are difficult to predict affect the mix, market values and levels of our AUM. The funds we manage may be subject to an unanticipated large number of redemptions as a result of such events, causing the funds to sell securities they hold, possibly at a loss, or draw on any available lines of credit to obtain cash, or use securities held in the applicable fund, to settle these redemptions. We may, in our discretion, also provide financial support to a fund to enable it to maintain sufficient liquidity in such an event. Additionally, changing market conditions may cause a shift in our asset mix towards fixed-income products and a related decline in our revenue and income, as we generally derive higher fee revenues and income from equity products than from fixed-income products we manage. Any decrease in the level of our AUM resulting from price declines, interest rate volatility or uncertainty, increased redemptions or other factors could negatively impact our revenues and income.

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From time to time we invest our capital to seed a particular investment strategy or investment portfolio. We may also co-invest in funds or take an equity ownership interest in certain structured finance/investment vehicles that we manage for our customers. Any decrease in the value of such investments could negatively affect our revenues and income.

Our investment performance is critical to the success of our investment management and related services business, as well as to the profitability of our insurance, annuity and retirement products. Poor investment performance as compared to third-party benchmarks or competitor products could lead to a decrease in sales of investment products we manage and lead to redemptions from existing products, generally lowering the overall level of AUM and reducing the management fees we earn. We cannot assure you that past or present investment performance in the investment products we manage will be indicative of future performance. Any poor investment performance may negatively impact our revenues and income.

Some of our investments are relatively illiquid and are in asset classes that have been experiencing significant market valuation fluctuations.

We hold certain assets that may lack liquidity, such as privately placed fixed income securities, commercial mortgage loans, policy loans and limited partnership interests. These asset classes represented 28.4% of the carrying value of our total cash and invested assets as of December 31, 2013. If we require significant amounts of cash on short notice in excess of normal cash requirements or are required to post or return collateral in connection with our investment portfolio, derivatives transactions or securities lending activities, we may have difficulty selling these investments in a timely manner, be forced to sell them for less than we otherwise would have been able to realize, or both.

The reported values of our relatively illiquid types of investments do not necessarily reflect the current market price for the asset. If we were forced to sell certain of our assets in the current market, there can be no assurance that we would be able to sell them for the prices at which we have recorded them and we might be forced to sell them at significantly lower prices.

We invest a portion of our invested assets in investment funds, many of which make private equity investments. The amount and timing of income from such investment funds tends to be uneven as a result of the performance of the underlying investments, including private equity investments. The timing of distributions from the funds, which depends on particular events relating to the underlying investments, as well as the funds schedules for making distributions and their needs for cash, can be difficult to predict. As a result, the amount of income that we record from these investments can vary substantially from quarter to quarter. Recent equity and credit market volatility may reduce investment income for these types of investments.

Our CMO-B portfolio exposes us to market and behavior risks.

We manage a portfolio of various collateralized mortgage obligation (CMO) tranches in combination with financial derivatives as part of a proprietary strategy we refer to as CMO-B, as described under Investments CMO-B Portfolio . As of December 31, 2013, our CMO-B portfolio had $3.4 billion in total assets, consisting of notional or principal securities backed by mortgages secured by single-family residential real estate, and including interest-only securities, principal-only securities, inverse-floating rate (principal) securities and inverse interest-only securities. The CMO-B portfolio is subject to a number of market and behavior risks, including interest rate risk and prepayment risk. Interest rate risk represents the potential for adverse changes in portfolio value resulting from changes in the general level of interest rates. Prepayment risk represents the potential for adverse changes in portfolio value resulting from changes in residential mortgage prepayment speed, which in turn depends on a number of factors, including conditions in both credit markets and housing markets. As of December 31, 2013, December 31, 2012 and December 31, 2011, approximately 38.3%, 33.1% and 32.8%, respectively, of the Company s total CMO holdings were invested in those types of CMOs, such as interest-only or principal-only strips, which are subject to more prepayment and extension risk than traditional CMOs. In addition, government policy changes affecting residential housing and residential housing finance,

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such as government agency reform and government sponsored refinancing programs, and Federal Reserve Bank purchases of agency mortgage securities, or QE3 , could alter prepayment behavior and result in adverse changes to portfolio values. While we actively monitor our exposure to these and other risks inherent in this strategy, we cannot assure you that our hedging and risk management strategies will be effective; any failure to manage these risks effectively could materially and adversely affect our results of operations and financial condition. In addition, although we believe our CMO-B portfolio has performed well for a number of years, and particularly well since the recent financial crisis, primarily due to persistently low levels of short-term interest rates and mortgage prepayments in an atmosphere of tightened housing-related credit availability, this portfolio may not continue to perform as well in the future. A rebound in home prices, the concern over further introduction of or changes to government policies aimed at altering payment behavior, and increased availability of housing-related credit in 2013 have combined to lower interest only (IO) and inverse IO valuations modestly in the twelve months ended December 31, 2013. To the extent these conditions persist in the coming quarters, we expect prepayment speeds may increase and the results of our CMO-B portfolio would likely underperform those of recent periods.

Defaults or delinquencies in our commercial mortgage loan portfolio may adversely affect our profitability.

The commercial mortgage loans we hold face both default and delinquency risk. We establish loan specific estimated impairments at the balance sheet date. These impairments are based on the excess carrying value of the loan over the present value of expected future cash flows discounted at the loan s original effective interest rate, the estimated fair value of the loan s collateral if the loan is in the process of foreclosure or otherwise collateral dependent, or the loan s observable market price. We also establish valuation allowances for loan losses when, based on past experience, it is probable that a credit event has occurred and the amount of the loss can be reasonably estimated. These valuation allowances are based on loan risk characteristics, historical default rates and loss severities, real estate market fundamentals and outlook as well as other relevant factors. As of December 31, 2013, our commercial loan portfolio included $5.1 million (0.1%) of commercial loans that were 90 or more days past due, and no commercial mortgage loans were in the process of foreclosure. The performance of our commercial mortgage loan investments may fluctuate in the future. In addition, legislative proposals that would allow or require modifications to the terms of commercial mortgage loans could be enacted. We cannot predict whether these proposals will be adopted, or what impact, if any, such laws, if enacted, could have on our business or investments. An increase in the delinquency and default rate of our commercial mortgage loan portfolio could adversely impact our results of operations and financial condition.

Further, any geographic or sector concentration of our commercial mortgage loans may have adverse effects on our investment portfolios and consequently on our results of operations or financial condition. While we generally seek to mitigate the risk of sector concentration by having a broadly diversified portfolio, events or developments that have a negative effect on any particular geographic region or sector may have a greater adverse effect on the investment portfolios to the extent that the portfolios are concentrated, which could affect our results of operations and financial condition.

In addition, liability under environmental protection laws resulting from our commercial mortgage loan portfolio and real estate investments could affect our results of operations or financial condition. Under the laws of several states, contamination of a property may give rise to a lien on the property to secure recovery of the costs of cleanup. In some states, such a lien has priority over the lien of an existing mortgage against the property, which would impair our ability to foreclose on that property should the related loan be in default. In addition, under the laws of some states and under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, we may be liable for costs of addressing releases or threatened releases of hazardous substances that require remedy at a property securing a mortgage loan held by us, regardless of whether or not the environmental damage or threat was caused by the obligor, which could harm our results of operations and financial condition. We also may face this liability after foreclosing on a property securing a mortgage loan held by us.

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***Our operations are complex and a failure to properly perform services could have an adverse effect on our revenues and income*.**

Our operations include, among other things, retirement plan administration, policy administration, portfolio management, investment advice, retail and wholesale brokerage, fund administration, shareholder services, benefits processing and servicing, contract and sales and servicing, transfer agency, underwriting, distribution, custodial, trustee and other fiduciary services. In order to be competitive, we must properly perform our administrative and related responsibilities, including recordkeeping and accounting, regulatory compliance, security pricing, corporate actions, compliance with investment restrictions, daily net asset value computations, account reconciliations and required distributions to fund shareholders. Further, certain of our investment management subsidiaries may act as general partner for various investment partnerships, which may subject them to liability for the partnerships liabilities. If we fail to properly perform and monitor our operations, our business could suffer and our revenues and income could be adversely affected.

Our products and services are complex and are frequently sold through intermediaries, and a failure to properly perform services or the misrepresentation of our products or services could have an adverse effect on our revenues and income.

Many of our products and services are complex and are frequently sold through intermediaries. In particular, our insurance businesses are reliant on intermediaries to describe and explain their products to potential customers. The intentional or unintentional misrepresentation of our products and services in advertising materials or other external communications, or inappropriate activities by our personnel or an intermediary, could adversely affect our reputation and business prospects, as well as lead to potential regulatory actions or litigation.

Revenues, earnings and income from our investment management business operations could be adversely affected if the terms of our asset management agreements are significantly altered or the agreements are terminated.

Our revenues from our investment management business operations are dependent on fees earned under asset management and related services agreements that we have with the clients and funds we advise. Operating revenues for this segment were $607.7 million for the year ended December 31, 2013, $545.5 million for the year ended December 31, 2012 and $491.9 million for the year ended December 31, 2011, and could be adversely affected if these agreements are altered significantly or terminated. The decline in revenue that might result from alteration or termination of our asset management services agreements could have a material adverse impact on our results of operations or financial condition. Operating earnings before income taxes was $178.1 million for the year ended December 31, 2013, $134.5 million for the year ended December 31, 2012 and $87.5 million for the year ended December 31, 2011. In addition, under certain laws, most notably the Investment Company Act of 1940, as amended (the Investment Company Act) and the Investment Advisers Act of 1940, as amended (the Investment Advisers Act), advisory contracts may require approval or consent from clients or fund shareholders in the event of an assignment of the contract or a change in control of the investment adviser. Were a transaction to result in an assignment or change in control, the inability to obtain consent or approval from clients or shareholders of mutual funds or other investment funds could result in a significant reduction in advisory fees.

The valuation of many of our financial instruments includes methodologies, estimations and assumptions that are subject to differing interpretations and could result in changes to investment valuations that may materially and adversely affect our results of operations and financial condition.

The following financial instruments are carried at fair value in our financial statements: fixed income securities, equity securities, derivatives, embedded derivatives, assets and liabilities related to consolidated investment entities, and separate account assets. We have categorized these instruments into a three-level hierarchy, based on the priority of the inputs to the respective valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest

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priority to unobservable inputs (Level 3), while quoted prices in markets that are not active or valuation techniques requiring inputs that are observable for substantially the full term of the asset or liability are Level 2.

Factors considered in estimating fair values of securities, and derivatives and embedded derivatives related to our securities include coupon rate, maturity, principal paydown including prepayments, estimated duration, call provisions, sinking fund requirements, credit rating, industry sector of the issuer and quoted market prices of comparable securities. Factors considered in estimating the fair values of embedded derivatives and derivatives related to product guarantees (collectively, guaranteed benefit derivatives) include risk-free interest rates, long-term equity implied volatility, interest rate implied volatility, correlations among mutual funds associated with variable annuity contracts, correlations between interest rates and equity funds and actuarial assumptions such as mortality rates, lapse rates and benefit utilization, as well as the amount and timing of policyholder deposits and partial withdrawals. The impact of our risk of nonperformance is also reflected in the estimated fair value of guaranteed benefit derivatives. In many situations, inputs used to measure the fair value of an asset or liability may fall into different levels of the fair value hierarchy. In these situations, we will determine the level in which the fair value falls based upon the lowest level input that is significant to the determination of the fair value.

The determinations of fair values are made at a specific point in time, based on available market information and judgments about financial instruments, including estimates of the timing and amounts of expected future cash flows and the credit standing of the issuer or counterparty. The use of different methodologies and assumptions may have a material effect on the estimated fair value amounts.

During periods of market disruption, including periods of rapidly changing credit spreads or illiquidity, it has been and will likely continue to be difficult to value certain of our securities, such as certain mortgage-backed securities, if trading becomes less frequent and/or market data becomes less observable. There may be certain asset classes that were in active markets with significant observable data that could become illiquid in a difficult financial environment. In such cases, more securities may fall to Level 3 and thus require more subjectivity and management judgment in determining fair value. As such, valuations may include inputs and assumptions that are less observable or require greater estimation, thereby resulting in values that may differ materially from the value at which the investments may be ultimately sold. Further, rapidly changing and unprecedented credit and equity market conditions could materially impact the valuation of securities as reported within the financial statements, and the period-to-period changes in value could vary significantly. Decreases in value could have a material adverse effect on our results of operations and financial condition. As of December 31, 2013, 6.6%, 92.3% and 1.1% of our available-for-sale securities were considered to be Level 1, 2 and 3, respectively.

The determination of the amount of allowances and impairments taken on our investments is subjective and could materially and adversely impact our results of operations or financial condition. Gross unrealized losses may be realized or result in future impairments, resulting in a reduction in our net income (loss).

We evaluate investment securities held by us for impairment on a quarterly basis. This review is subjective and requires a high degree of judgment. For fixed income securities held, an impairment loss is recognized if the fair value of the debt security is less than the carrying value and we no longer have the intent to hold the debt security; if it is more likely than not that we will be required to sell the debt security before recovery of the amortized cost basis; or if a credit loss has occurred.

When we do not intend to sell a security in an unrealized loss position, potential credit related other-than-temporary impairments (OTTI) are considered using a variety of factors, including the length of time and extent to which the fair value has been less than cost, adverse conditions specifically related to the industry, geographic area in which the issuer conducts business, financial condition of the issuer or underlying collateral of a security, payment structure of the security, changes in credit rating of the security by the rating agencies, volatility of the fair value changes and other events that adversely affect the issuer. In addition, we take into account relevant broad market and economic data in making impairment decisions.

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As part of the impairment review process, we utilize a variety of assumptions and estimates to make a judgment on how fixed income securities will perform in the future. It is possible that securities in our fixed income portfolio will perform worse than our expectations. There is an ongoing risk that further declines in fair value may occur and additional OTTI may be recorded in future periods, which could materially and adversely affect our results of operations and financial condition. Furthermore, historical trends may not be indicative of future impairments or allowances.

Fixed income and equity securities classified as available-for-sale are reported at their estimated fair value. Unrealized gains or losses on available-for-sale securities are recognized as a component of other comprehensive income (loss) and are therefore excluded from net income (loss). The accumulated change in estimated fair value of these available-for-sale securities is recognized in net income (loss) when the gain or loss is realized upon the sale of the security or in the event that the decline in estimated fair value is determined to be other-than-temporary and an impairment charge to earnings is taken. Such realized losses or impairments may have a material adverse effect on our net income (loss) in a particular interim or annual period. For example, we recorded OTTI of $35.7 million, $55.1 million, and $502.7 million in net realized capital losses for the years ended December 31, 2013, 2012, and 2011, respectively.

Our participation in a securities lending program and a repurchase program subjects us to potential liquidity and other risks.

We engage in a securities lending program whereby certain securities from our portfolio are loaned to other institutions for short periods of time. Initial collateral, primarily cash, is required at a rate of 102% of the market value of the loaned securities. For certain transactions, a lending agent may be used and the agent may retain some or all of the collateral deposited by the borrower and transfer the remaining collateral to us. Collateral retained by the agent is invested in liquid assets on our behalf. The market value of the loaned securities is monitored on a daily basis with additional collateral obtained or refunded as the market value of the loaned securities fluctuates.

We also participate in a repurchase program whereby we sell fixed income securities to a third party, primarily major brokerage firms or commercial banks, with a concurrent agreement to repurchase those same securities at a determined future date. Our policy requires that, at all times during the term of the repurchase agreements, cash or other types of collateral types provided is sufficient to allow the counterparty to fund substantially all of the cost of purchasing replacement assets. The cash proceeds received under the repurchase program are typically invested in fixed income securities and cannot be returned prior to the scheduled repurchase date; however, market conditions on the repurchase date may limit our ability to enter into new agreements. The repurchase of securities or our inability to enter into new repurchase agreements would require us to return the cash collateral proceeds associated with such transactions on the repurchase or maturity date.

For both securities lending and repurchase transactions, in some cases, the maturity of the securities held as invested collateral (i.e., securities that we have purchased with cash collateral received) may exceed the term of the related securities on loan and the estimated fair value may fall below the amount of cash received as collateral and invested. If we are required to return significant amounts of cash collateral on short notice and we are forced to sell securities to meet the return obligation, we may have difficulty selling such collateral that is invested in securities in a timely manner, be forced to sell securities in a volatile or illiquid market for less than we otherwise would have been able to realize under normal market conditions, or both. In addition, under adverse capital market and economic conditions, liquidity may broadly deteriorate, which would further restrict our ability to sell securities. If we decrease the amount of our securities lending and repurchase activities over time, the amount of net investment income generated by these activities will also likely decline. See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Securities Lending .

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Differences between actual claims experience and reserving assumptions may adversely affect our results of operations or financial condition.

We establish and hold reserves to pay future policy benefits and claims. Our reserves do not represent an exact calculation of liability, but rather are actuarial or statistical estimates based on data and models that include many assumptions and projections, which are inherently uncertain and involve the exercise of significant judgment, including assumptions as to the levels and/or timing of receipt or payment of premiums, benefits, claims, expenses, interest credits, investment results (including equity market returns), retirement, mortality, morbidity and persistency. We periodically review the adequacy of reserves and the underlying assumptions. We cannot, however, determine with precision the amounts that we will pay for, or the timing of payment of, actual benefits, claims and expenses or whether the assets supporting our policy liabilities, together with future premiums, will grow to the level assumed prior to payment of benefits or claims. If actual experience differs significantly from assumptions or estimates, reserves may not be adequate. If we conclude that our reserves, together with future premiums, are insufficient to cover future policy benefits and claims, we would be required to increase our reserves and incur income statement charges for the period in which we make the determination, which could materially and adversely affect our results of operations and financial condition.

We may face significant losses if mortality rates, morbidity rates, persistency rates or other underwriting assumptions differ significantly from our pricing expectations.

We set prices for many of our insurance and annuity products based upon expected claims and payment patterns, using assumptions for mortality rates, or likelihood of death, and morbidity rates, or likelihood of sickness, of our policyholders. In addition to the potential effect of natural or man-made disasters, significant changes in mortality or morbidity could emerge gradually over time due to changes in the natural environment, the health habits of the insured population, technologies and treatments for disease or disability, the economic environment, or other factors. The long-term profitability of our insurance and annuity products depends upon how our actual mortality rates, and to a lesser extent actual morbidity rates, compare to our pricing assumptions. In addition, prolonged or severe adverse mortality or morbidity experience could result in increased reinsurance costs, and ultimately, reinsurers might not offer coverage at all. If we are unable to maintain our current level of reinsurance or purchase new reinsurance protection in amounts that we consider sufficient, we would have to accept an increase in our net risk exposures, revise our pricing to reflect higher reinsurance premiums, or otherwise modify our product offering.

Pricing of our insurance and annuity products is also based in part upon expected persistency of these products, which is the probability that a policy will remain in force from one period to the next. Persistency of our annuity products may be significantly and adversely impacted by the increasing value of guaranteed minimum benefits contained in many of our variable annuity products due to poor equity market performance or extended periods of low interest rates as well as other factors. The minimum interest rate guarantees in our fixed annuities may also be more valuable in extended periods of low interest rates. Persistency could be adversely affected generally by developments adversely affecting customer perception of us. Results may also vary based on differences between actual and expected premium deposits and withdrawals for these products. Many of our deferred annuity products also contain optional benefits that may be exercised at certain points within a contract. We set prices for such products using assumptions for the rate of election of deferred annuity living benefits and other optional benefits offered to our contract owners. The profitability of our deferred annuity products may be less than expected, depending upon how actual contract owner decisions to elect or delay the utilization of such benefits compare to our pricing assumptions. The development of a secondary market for life insurance, including stranger-owned life insurance, life settlements or viaticals and investor-owned life insurance, and the potential development of third-party investor strategies in the annuities business, could also adversely affect the profitability of existing business and our pricing assumptions for new business. Actual persistency that is lower than our persistency assumptions could have an adverse effect on profitability, especially in the early years of a policy, primarily because we would be required to accelerate the amortization of expenses we defer in connection with the acquisition of the policy. Actual persistency that is higher than our persistency assumptions could have an adverse effect on profitability in the later years of a block of business because the anticipated claims

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experience is higher in these later years. If actual persistency is significantly different from that assumed in our current reserving assumptions, our reserves for future policy benefits may prove to be inadequate. Although some of our products permit us to increase premiums or adjust other charges and credits during the life of the policy, the adjustments permitted under the terms of the policies may not be sufficient to maintain profitability. Many of our products, however, do not permit us to increase premiums or adjust charges and credits during the life of the policy or during the initial guarantee term of the policy. Even if permitted under the policy, we may not be able or willing to raise premiums or adjust other charges for regulatory or competitive reasons.

Pricing of our products is also based on long-term assumptions regarding interest rates, investment returns and operating costs. Management establishes target returns for each product based upon these factors, the other underwriting assumptions noted above and the average amount of regulatory and rating agency capital that we must hold to support in-force contracts. We monitor and manage pricing and sales to achieve target returns. Profitability from new business emerges over a period of years, depending on the nature and life of the product, and is subject to variability as actual results may differ from pricing assumptions. Our profitability depends on multiple factors, including the comparison of actual mortality, morbidity and persistency rates and policyholder behavior to our assumptions; the adequacy of investment margins; our management of market and credit risks associated with investments; our ability to maintain premiums and contract charges at a level adequate to cover mortality, benefits and contract administration expenses; the adequacy of contract charges and availability of revenue from providers of investment options offered in variable contracts to cover the cost of product features and other expenses; and management of operating costs and expenses.

Unfavorable developments in interest rates, credit spreads and policyholder behavior can result in adverse financial consequences related to our stable value products, and our hedge program and risk mitigation features may not successfully offset these consequences.

We offer stable value products primarily as a fixed rate, liquid asset allocation option for employees of our plan sponsor customers within the defined contribution funding plans offered by our Retirement business. These products are designed to provide a guaranteed annual credited rate (currently between zero and three percent) on the invested assets in addition to enabling participants the right to withdraw and transfer funds at book value.

The sensitivity of our statutory reserves and surplus established for the stable value products to changes in interest rates, credit spreads and policyholder behavior will vary depending on the magnitude of these changes, as well as on the book value of assets, the market value of assets, the guaranteed credited rates available to customers and other product features. Realization or re-measurement of these risks may result in an increase in the reserves for stable value products, and could materially and adversely affect our financial position or results of operations. In particular, in extended low interest rate environments, we bear exposure to the risk that reserves must be added to fund book value withdrawals and transfers when guaranteed annual credited rates exceed the earned rate on invested assets. In a rising interest rate environment, we are exposed to the risk of financial disintermediation through a potential increase in the level of book value withdrawals.

To the extent that our hedge program and other risk mitigating features do not operate as intended or are not fully effective, we remain exposed to the risks described above.

We may be required to accelerate the amortization of DAC, deferred sales inducements (DSI) and/or VOBA, any of which could adversely affect our results of operations or financial condition.

DAC represents the incremental costs related directly to the acquisition of new and renewal insurance and annuity contracts. DSI represents amounts that are credited to a policyholder s account balance as an inducement to purchase a contract. VOBA represents the present value of estimated cash flows embedded in acquired business, plus renewal commissions and certain other costs on such acquired business. Capitalized costs associated with DAC, DSI and VOBA are amortized in proportion to actual and estimated gross profits, gross premiums or gross revenues depending on the type of contract. Management, on an ongoing basis, tests the DAC, DSI and VOBA recorded on our balance sheets to determine if these amounts are recoverable under current

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assumptions. In addition, management regularly reviews the estimates and assumptions underlying DAC, DSI and VOBA. The projection of estimated gross profits, gross premiums or gross revenues requires the use of certain assumptions, principally related to separate account fund returns in excess of amounts credited to policyholders, policyholder behavior such as surrender and lapse rates, interest margin, expense margin, mortality, future impairments and hedging costs. Estimating future gross profits, gross premiums or gross revenues is a complex process requiring considerable judgment and the forecasting of events well into the future. If these assumptions prove to be inaccurate, if an estimation technique used to estimate future gross profits, gross premiums or gross revenues is changed, or if significant or sustained equity market declines occur and/or persist, we could be required to accelerate the amortization of DAC, DSI and VOBA, which would result in a charge to earnings. Such adjustments could have a material adverse effect on our results of operations and financial condition.

Reinsurance subjects us to the credit risk of reinsurers and may not be available, affordable or adequate to protect us against losses.

We cede life insurance policies and annuity contracts or certain risks related to life insurance policies and annuity contracts to other insurance companies using various forms of reinsurance, including coinsurance, modified coinsurance, funds withheld, monthly renewable term and yearly renewable term. However, we remain liable to the underlying policyholders, even if the reinsurer defaults on its obligations with respect to the ceded business. If a reinsurer fails to meet its obligations under the reinsurance contract, we will be forced to cover the claims on the reinsured policies. In addition, a reinsurer insolvency may cause us to lose our reserve credits on the ceded business, in which case we would be required to establish additional statutory reserves.

In addition, if a reinsurer does not have accredited reinsurer status, or if a currently accredited reinsurer loses that status, in any state where we are licensed to do business, we are not entitled to take credit for reinsurance in that state if the reinsurer does not post sufficient qualifying collateral (either qualifying assets in a qualifying trust or qualifying LOCs). In this event, we would be required to establish additional statutory reserves. Similarly, the credit for reinsurance taken by our insurance subsidiaries under reinsurance agreements with affiliated and unaffiliated non-accredited reinsurers is, under certain conditions, dependent upon the non-accredited reinsurer s ability to obtain and provide sufficient qualifying assets in a qualifying trust or qualifying LOCs issued by qualifying lending banks. LOCs, when available, continue to be very expensive in the current economic environment. Because of this, some of our affiliated reinsurers have established and will continue to pursue alternative sources for qualifying reinsurance collateral. If these steps are unsuccessful, or if unaffiliated non-accredited reinsurers that have reinsured business from our insurance subsidiaries are unsuccessful in obtaining sources of qualifying reinsurance collateral, our insurance subsidiaries might not be able to obtain full statutory reserve credit. Loss of reserve credit by an insurance subsidiary would require it to establish additional statutory reserves and would result in a decrease in the level of its capital, which could have a material adverse effect on our profitability, results of operations and financial condition.

We had $176.6 million and $385.0 million of unsecured unaffiliated reinsurance recoverable balances as of December 31, 2013 and 2012, respectively. These reinsurance recoverable balances are periodically assessed for uncollectability and there were no significant allowances for uncollectible reinsurance as of December 31, 2013 and December 31, 2012.

The collectability of reinsurance recoverables is subject to uncertainty arising from a number of factors, including whether the insured losses meet the qualifying conditions of the reinsurance contract, whether reinsurers or their affiliates have the financial capacity and willingness to make payments under the terms of the reinsurance contract, and the degree to which our reinsurance balances are secured by sufficient qualifying assets in qualifying trusts or qualifying LOCs issued by qualifying lender banks. Although a substantial portion of our reinsurance exposure is secured by assets held in trusts or LOCs, the inability to collect a material recovery from a reinsurer could have a material adverse effect on our profitability, results of operation and financial condition.

The premium rates and other fees that we charge are based, in part, on the assumption that reinsurance will be available at a certain cost. Some of our reinsurance contracts contain provisions that limit the reinsurer s

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ability to increase rates on in-force business; however, some do not. If a reinsurer raises the rates that it charges on a block of in-force business, in some instances, we will not be able to pass the increased costs onto our customers and our profitability will be negatively impacted. Additionally, such a rate increase could result in our recapturing of the business, which may result in a need to maintain additional reserves, reduce reinsurance receivables and expose us to greater risks. If reinsurers raise the rates that they charge on new business, we may be forced to raise the premiums that we charge, which could have a negative impact on our competitive position.

A decrease in the RBC ratio (as a result of a reduction in statutory surplus and/or increase in RBC requirements) of our insurance subsidiaries could result in increased scrutiny by insurance regulators and rating agencies and have a material adverse effect on our business, results of operations and financial condition.

The NAIC has established regulations that provide minimum capitalization requirements based on RBC formulas for insurance companies. The RBC formula for life insurance companies establishes capital requirements relating to asset, insurance, interest rate and business risks, including equity, interest rate and expense recovery risks associated with variable annuities and group annuities that contain guaranteed minimum death and living benefits. Each of our insurance subsidiaries is subject to RBC standards and/or other minimum statutory capital and surplus requirements imposed under the laws of its respective jurisdiction of domicile.

In any particular year, statutory surplus amounts and RBC ratios may increase or decrease depending on a variety of factors, including the amount of statutory income or losses generated by the insurance subsidiary (which itself is sensitive to equity market and credit market conditions), the amount of additional capital such insurer must hold to support business growth, changes in equity market levels, the value and credit ratings of certain fixed-income and equity securities in its investment portfolio, the value of certain derivative instruments that do not receive hedge accounting and changes in interest rates, as well as changes to the RBC formulas and the interpretation of the NAIC s instructions with respect to RBC calculation methodologies. Many of these factors are outside of our control. Our financial strength and credit ratings are significantly influenced by statutory surplus amounts and RBC ratios. In addition, rating agencies may implement changes to their own internal models, which differ from the RBC capital model, that have the effect of increasing or decreasing the amount of statutory capital we or our insurance subsidiaries should hold relative to the rating agencies expectations. In extreme scenarios of equity market declines, sustained periods of low interest rates, rapidly rising interest rates or credit spread widening, the amount of additional statutory reserves that an insurance subsidiary is required to hold for certain types of GICs and variable annuity guarantees and stable value contracts may increase at a greater than linear rate. This increase in reserves would decrease the statutory surplus available for use in calculating the subsidiary s RBC ratios. To the extent that an insurance subsidiary s RBC ratios are deemed to be insufficient, we may seek to take actions either to increase the capitalization of the insurer or to reduce the capitalization requirements. If we were unable to accomplish such actions, the rating agencies may view this as a reason for a ratings downgrade.

The failure of any of our insurance subsidiaries to meet its applicable RBC requirements or minimum capital and surplus requirements could subject it to further examination or corrective action imposed by insurance regulators, including limitations on its ability to write additional business, supervision by regulators or seizure or liquidation. Any corrective action imposed could have a material adverse effect on our business, results of operations and financial condition. A decline in RBC ratios, whether or not it results in a failure to meet applicable RBC requirements, may still limit the ability of an insurance subsidiary to make dividends or distributions to us, could result in a loss of customers or new business, and could be a factor in causing ratings agencies to downgrade the insurer s financial strength ratings, each of which could have a material adverse effect on our business, results of operations and financial condition.

Our statutory reserve financings may be subject to cost increases and new financings may be subject to limited market capacity.

We have financing facilities in place for our previously written business and have remaining capacity in existing facilities to support writings through the end of 2014 or later. However certain of these facilities mature

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prior to the run off of the reserve liability so that we are subject to cost increases or unavailability of capacity upon the refinancing. If we are unable to refinance such facilities, or if the cost of such facilities were to significantly increase, we would be required to increase statutory reserves or incur higher operating or tax costs. For more details, see Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Credit Facilities and Subsidiary Credit Support Arrangements.

A significant portion of our institutional funding originates from two Federal Home Loan Banks, which subjects us to liquidity risks associated with sourcing a large concentration of our funding from two counterparties.

A significant portion of our institutional funding agreements originates from the Federal Home Loan Bank of Topeka and the Federal Home Loan Bank of Des Moines (each an FHLB), which primarily serve as sources of funding for our Closed Block Institutional Spread Products segment. As of December 31, 2013 and 2012, we had issued $1.8 billion and $2.6 billion, respectively, of non-putable funding agreements and obtained a $265 million LOC in exchange for eligible collateral in the form of cash, mortgage backed securities and U.S. Treasury securities. Should the FHLBs choose to change their definition of eligible collateral, or if the market value of the pledged collateral decreases in value due to changes in interest rates or credit ratings, we may be required to post additional amounts of collateral in the form of cash or other eligible collateral. Additionally, we may be required to find other sources to replace this funding if we lose access to FHLB funding. This could occur if our creditworthiness falls below either of the FHLB s requirements or if legislative or other political actions cause changes to the FHLBs mandate or to the eligibility of life insurance companies to be members of the FHLB system.

Any failure to protect the confidentiality of customer information could adversely affect our reputation and have a material adverse effect on our business, financial condition and results of operation.

Our businesses and relationships with customers are dependent upon our ability to maintain the confidentiality of our and our customers trade secrets and confidential information (including customer transactional data and personal data about our employees, our customers and the employees and customers of our customers). Pursuant to federal laws, various federal regulatory and law enforcement agencies have established rules protecting the privacy and security of personal information. In addition, most states have enacted laws, which vary significantly from jurisdiction to jurisdiction, to safeguard the privacy and security of personal information. Certain of our employees and contractors and many representatives of our broker-dealer subsidiaries have access to and routinely process personal information of customers through a variety of media, including the internet and software applications. We rely on various internal processes and controls to protect the confidentiality of customer information that is accessible to, or in the possession of, us, our employees, contractors and sales representatives. It is possible that an employee, contractor or sales representative could, intentionally or unintentionally, disclose or misappropriate confidential customer information. If we fail to maintain adequate internal controls, including any failure to implement newly-required additional controls, or if our employees, contractors or sales representatives fail to comply with our policies and procedures, misappropriation or intentional or unintentional inappropriate disclosure or misuse of customer information could occur. Such internal control inadequacies or non-compliance could materially damage our reputation, result in regulatory action or lead to civil or criminal penalties, which, in turn, could have a material adverse effect on our business, results of operations and financial condition.

Changes in accounting standards could adversely impact our reported results of operations and our reported financial condition.

Our financial statements are subject to the application of U.S. GAAP, which is periodically revised or expanded. Accordingly, from time to time we are required to adopt new or revised accounting standards issued by recognized authoritative bodies, including the Financial Accounting Standards Board (FASB). For example, the adoption of the provision of Accounting Standards Update (ASU) 2010-26, Financial Services: Insurance (Accounting Standards Codification (ASC) Topic 944): Accounting for Costs Associated with Acquiring or

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Renewing Insurance Contracts decreased our retained earnings by $1.2 billion as of January 1, 2011. It is possible that future accounting standards we are required to adopt could change the current accounting treatment that we apply to our consolidated financial statements and that such changes could have a material adverse effect on our results of operations and financial condition.

In addition, FASB is working on several projects with the International Accounting Standards Board, which could result in significant changes as U.S. GAAP converges with IFRS, including how we account for our insurance policies, annuity contracts and financial instruments and how our financial statements are presented. Furthermore, the U.S. Securities and Exchange Commission (SEC) is considering whether and how to incorporate IFRS into the U.S. financial reporting system. The changes to U.S. GAAP and ultimate conversion to IFRS, if undertaken, could affect the way we account for and report significant areas of our business, could impose special demands on us in the areas of governance, employee training, internal controls and disclosure and will likely affect how we manage our business.

We may be required to establish an additional valuation allowance against the deferred income tax asset if our business does not generate sufficient taxable income or if our tax planning strategies are modified. Increases in the deferred tax valuation allowance could have a material adverse effect on results of operations and financial condition.

Deferred income tax represents the tax effect of the differences between the book and tax basis of assets and liabilities. Deferred tax assets represent the tax benefit of future deductible temporary differences, operating loss carryforwards and tax credits carryforward. We periodically evaluate and test our ability to realize our deferred tax assets. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence, it is more likely than not that some portion, or all, of the deferred tax assets will not be realized. In assessing the more likely than not criteria, we consider future taxable income as well as prudent tax planning strategies. Future facts, circumstances, tax law changes and FASB developments may result in an increase in the valuation allowance. An increase in the valuation allowance could have a material adverse effect on the Company s results of operations and financial condition.

As of December 31, 2013, we have recognized deferred tax assets based on tax planning related to unrealized gains on investment assets. To the extent these unrealized gains decrease, the tax benefit will be reduced by increasing the tax valuation allowance. For example, if interest rates increase, the amount of the unrealized gains will, most likely, decrease, with all other things constant. The decrease in the deferred tax asset may be recorded as a tax expense in tax on continuing operations based on the intra period tax allocation rules described in ASC Topic 740, Income Taxes .

We expect that our ability to use beneficial U.S. tax attributes will be subject to limitations following the completion of this offering and the Direct Share Buyback.

Section 382 (Section 382) and Section 383 of the U.S. Internal Revenue Code of 1986, as amended (the Internal Revenue Code) operate as anti-abuse rules, the general purpose of which is to prevent trafficking in tax losses and credits, but which can apply without regard to whether a loss trafficking transaction occurs or is intended. These rules are triggered when an ownership change generally defined as when the ownership of a company, or its parent, changes by more than 50% (measured by value) on a cumulative basis in any three year period occurs (Section 382 event). If triggered, the amount of the taxable income for any post-change year which may be offset by a pre-change loss is subject to an annual limitation. Generally speaking, this limitation is derived by multiplying the fair market value of the stock of the taxpayer immediately before the date of the ownership change by the applicable federal long-term tax-exempt rate. In addition, to the extent that a company has a net unrealized built-in loss or deduction at the time of an ownership change, Sections 382 and 383 limit the utilization of any such loss or deduction which is realized and recognized during the five-year period following the ownership change.

Under the current base case for ING Group s divestiture of its remaining ownership stake in the Company, including the effects of this offering, we believe that an ownership change will occur upon completion of this

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offering and the Direct Share Buyback. As discussed in Summary ING Group Restructuring Plan with European Commission, ING Group is required, under the terms of the 2012 Amended Restructuring Plan, to fully divest its ownership of the Company by the end of 2016. Depending on the size and timing of this offering, the Direct Share Buyback, the Share Repurchase Program and of future offerings, the Company may be subject to a second Section 382 event as ING Group completes its divestment as discussed in Summary ING Group Restructuring Plan with European Commission . Although we are unaware of any specific adverse impact from such an event, a second Section 382 event could impose additional limitations on the use of then existing realized and built-in losses and other tax attributes and may have a material adverse effect on the Company s tax expense and equity position.

In addition, in November 2008, ING Group issued 10 billion of core Tier 1 securities to the Dutch State in connection with a capital infusion that would need to be taken into account for purposes of determining if an ownership change has occurred. ING Group redeemed approximately half (5 billion) of these securities in December 2009 (and issued new shares to the public at that time); an additional 20% (2 billion) in May 2011; 7.5% (0.75 billion) in November 2012; and 7.5% (0.75 billion) in November 2013. As part of the 2012 Amended Restructuring Plan, ING Group has committed to repay the remaining 1.5 billion of Core Tier I securities, plus a 50% premium in two tranches in the next two years. Based on the current repayment schedule, the two tranches are expected to be repaid in March 2014 and May 2015. The redemption by ING Group of an additional amount of these securities or other transfers of securities may, depending on the facts and circumstances, trigger an ownership change, as described above.

Under U.S. GAAP, as of December 31, 2013, our tax attributes included a valuation allowance of $2.8 billion. We are uncertain as to the ultimate financial impact of an ownership change. Using amounts available at December 31, 2013, we estimate that the deferred tax asset potentially subject to an additional tax valuation allowance is $315 million to $350 million (mainly as a result of built-in losses). Such an additional tax valuation allowance may be recorded as a tax expense in tax on continuing operations, which could change following the final Section 382 calculations. The actual impact on the valuation allowance is dependent mainly on the level of unrealized capital gains and losses at the time of the ownership change, the calculated Section 382 limitation, the estimated reversal pattern of capital losses otherwise supported by tax planning strategies, the estimated reversal pattern of unrealized capital gains comprising such strategies, the estimated reversal pattern of unrealized built-in capital losses subject to the limitation and the level of the valuation allowance otherwise held prior to the Section 382 event.

Under statutory accounting, a Section 382 event could reduce the admitted deferred tax asset by $39 million if measured as of December 31, 2013. This amount could change following the final Section 382 calculations. The reduction in the admitted deferred tax asset could adversely impact our insurance company subsidiaries ability to pay dividends or other distributions (directly or indirectly) to ING U.S., Inc. This in turn could negatively impact our ability to pay dividends to our stockholders and to service our debt. The actual impact is dependent mainly on the level of unrealized gains and losses at the time of the ownership change and the calculated Section 382 limitation.

Using the estimated Section 382 value of the Company based on a share price of $35.15 per share as of December 31, 2013 and other information available as of December 31, 2013, we estimate that it is unlikely that the deferred tax asset, the tax valuation allowance or the admitted deferred tax asset will change as a result of a Section 382 event.

Numerous aspects of the application of Section 382 are subject to potential challenge by the U.S. Internal Revenue Service (IRS). Among these are our calculation of the value of the Company at the time of an ownership change and our calculations of the losses and deductions which may be subject to the recognized built in loss rules. If the IRS were to successfully challenge these calculations, our ability to obtain tax benefits from existing and future losses and deductions could be adversely affected.

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We expect that the provisions of our amended and restated certificate of incorporation designed to avoid triggering the Section 382 limitation prior to the time when ING Group s divestment of the Company would otherwise trigger the limitation will cease to be operative following this offering and the Direct Share Buyback. See Description of Capital Stock Ownership Limitations.

Our business may be negatively affected by adverse publicity or increased governmental and regulatory actions with respect to us, other well-known companies or the financial services industry in general.

Governmental scrutiny with respect to matters relating to compensation and other business practices in the financial services industry has increased dramatically in the past several years and has resulted in more aggressive and intense regulatory supervision and the application and enforcement of more stringent standards. The recent financial crisis and the current political and public sentiment regarding financial institutions has resulted in a significant amount of adverse press coverage, as well as adverse statements or charges by regulators and elected officials. Press coverage and other public statements that assert some form of wrongdoing, regardless of the factual basis for the assertions being made, could result in some type of inquiry or investigation by regulators, legislators and/or law enforcement officials or in lawsuits. Responding to these inquiries, investigations and lawsuits, regardless of the ultimate outcome of the proceeding, is time-consuming and expensive and can divert the time and effort of our senior management from its business. Future legislation or regulation or governmental views on compensation may result in us altering compensation practices in ways that could adversely affect our ability to attract and retain talented employees. Adverse publicity, governmental scrutiny, pending or future investigations by regulators or law enforcement agencies and/or legal proceedings involving us or our affiliates, including ING Group, can also have a negative impact on our reputation and on the morale and performance of employees, and on business retention and new sales, which could adversely affect our businesses and results of operations.

Litigation may adversely affect our profitability and financial condition.

We are, and may be in the future, subject to legal actions in the ordinary course of insurance, investment management and other business operations. Some of these legal proceedings may be brought on behalf of a class. Plaintiffs may seek large or indeterminate amounts of damage, including compensatory, liquidated, treble and/or punitive damages. Our reserves for litigation may prove to be inadequate and insurance coverage may not be available or may be declined for certain matters. It is possible that our results of operations or cash flow in a particular interim or annual period could be materially affected by an ultimate unfavorable resolution of pending litigation depending, in part, upon the results of operations or cash flow for such period. Given the large or indeterminate amounts sometimes sought, and the inherent unpredictability of litigation, it is also possible that in certain cases an ultimate unfavorable resolution of one or more pending litigation matters could have a material adverse effect on our financial condition.

A loss of, or significant change in, key product distribution relationships could materially affect sales.

We distribute certain products under agreements with affiliated distributors and other members of the financial services industry that are not affiliated with us. We compete with other financial institutions to attract and retain commercial relationships in each of these channels, and our success in competing for sales through these distribution intermediaries depends upon factors such as the amount of sales commissions and fees we pay, the breadth of our product offerings, the strength of our brand, our perceived stability and financial strength ratings, and the marketing and services we provide to, and the strength of the relationships we maintain with, individual distributors. An interruption or significant change in certain key relationships could materially affect our ability to market our products and could have a material adverse effect on our business, operating results and financial condition. Distributors may elect to alter, reduce or terminate their distribution relationships with us, including for such reasons as changes in our distribution strategy, adverse developments in our business, adverse rating agency actions or concerns about market-related risks. Alternatively, we may terminate one or more distribution agreements due to, for example, a loss of confidence in, or a change in control of, one of the distributors, which could reduce sales.

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We are also at risk that key distribution partners may merge or change their business models in ways that affect how our products are sold, either in response to changing business priorities or as a result of shifts in regulatory supervision or potential changes in state and federal laws and regulations regarding standards of conduct applicable to distributors when providing investment advice to retail and other customers.

The occurrence of natural or man-made disasters may adversely affect our results of operations and financial condition.

We are exposed to various risks arising from natural disasters, including hurricanes, climate change, floods, earthquakes, tornadoes and pandemic disease, as well as man-made disasters and core infrastructure failures, including acts of terrorism, military actions, power grid and telephone/internet infrastructure failures, which may adversely affect AUM, results of operations and financial condition by causing, among other things:

- losses in our investment portfolio due to significant volatility in global financial markets or the failure of counterparties to perform;
- changes in the rate of mortality, claims, withdrawals, lapses and surrenders of existing policies and contracts, as well as sales of new policies and contracts; and
- disruption of our normal business operations due to catastrophic property damage, loss of life, or disruption of public and private infrastructure, including communications and financial services.

There can be no assurance that our business continuation and crisis management plan or insurance coverages would be effective in mitigating any negative effects on operations or profitability in the event of a disaster, nor can we provide assurance that the business continuation and crisis management plans of the independent distributors and outside vendors on whom we rely for certain services and products would be effective in mitigating any negative effects on the provision of such services and products in the event of a disaster.

Claims resulting from a catastrophic event could also materially harm the financial condition of our reinsurers, which would increase the probability of default on reinsurance recoveries. Our ability to write new business could also be adversely affected.

In addition, the jurisdictions in which our insurance subsidiaries are admitted to transact business require life insurers doing business within the jurisdiction to participate in guaranty associations, which raise funds to pay contractual benefits owed pursuant to insurance policies issued by impaired, insolvent or failed insurers. It is possible that a catastrophic event could require extraordinary assessments on our insurance companies, which may have a material adverse effect on our business, results of operations and financial condition.

The loss of key personnel could negatively affect our financial results and impair our ability to implement our business strategy.

Our success depends in large part on our ability to attract and retain key people. Intense competition exists for key employees with demonstrated ability, and we may be unable to hire or retain such employees. Our key employees include investment professionals, such as portfolio managers, sales and distribution professionals, actuarial and finance professionals and information technology professionals. While we do not believe that the departure of any particular individual would cause a material adverse effect on our operations, the unexpected loss of several of our senior management, portfolio managers or other key employees could have a material adverse effect on our operations due to the loss of their skills, knowledge of our business, and their years of industry experience as well as the potential difficulty of promptly finding qualified replacement employees. We also rely upon the knowledge and experience of employees involved in functions that require technical expertise in order to provide for sound operational controls for our overall enterprise, including the accurate and timely preparation of required regulatory filings and U.S. GAAP and statutory financial statements and operation of internal controls. A loss of such employees could adversely impact our ability to execute key operational functions and could adversely affect our operational controls, including internal controls over financial reporting.

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Interruption or other operational failures in telecommunication, information technology and other operational systems, or a failure to maintain the security, integrity, confidentiality or privacy of sensitive data residing on such systems, including as a result of human error, could harm our business.

We are highly dependent on automated and information technology systems to record and process our internal transactions and transactions involving our customers, as well as to calculate reserves, value invested assets and complete certain other components of our U.S. GAAP and statutory financial statements. We could experience a failure of one of these systems, our employees or agents could fail to monitor and implement enhancements or other modifications to a system in a timely and effective manner, or our employees or agents could fail to complete all necessary data reconciliation or other conversion controls when implementing a new software system or implementing modifications to an existing system. Despite the implementation of security and back-up measures, our information technology systems may be vulnerable to physical or electronic intrusions, viruses or other attacks, programming errors and similar disruptions. We may also be subject to disruptions of any of these systems arising from events that are wholly or partially beyond our control (for example, natural disasters, acts of terrorism, epidemics, computer viruses and electrical/telecommunications outages). All of these risks are also applicable where we rely on outside vendors to provide services to us and our customers. The failure of any one of these systems for any reason, or errors made by our employees or agents, could in each case cause significant interruptions to our operations, which could harm our reputation, adversely affect our internal control over financial reporting, or have a material adverse effect on our business, results of operations and financial condition.

In addition, businesses in the United States and in other countries have increasingly become the targets of cyberattacks , hacking or similar illegal or unauthorized intrusions into computer systems and networks. Such events are often highly publicized, result in the theft of significant amounts of information, and cause extensive damage to the reputation of the targeted business, in addition to leading to significant expenses associated with investigation, remediation and customer protection measures. Although we have not yet suffered such an incident of any materiality, we could be the subject of such an attack, and, although we seek to limit our vulnerability to such events through technological and other means, it is not possible to anticipate all potential forms of cyberattack or to guarantee our ability to fully defend against all such attacks. In addition, due to the sensitive nature of much of the financial and similar personal information we maintain, we may be at particular risk for targeting.

We retain confidential information in our information technology systems, and we rely on industry standard commercial technologies to maintain the security of those systems. Anyone who is able to circumvent our security measures and penetrate our information technology systems could access, view, misappropriate, alter, or delete information in the systems, including personally identifiable customer information and proprietary business information. Information security risks also exist with respect to the use of portable electronic devices, such as laptops, which are particularly vulnerable to loss and theft. In addition, an increasing number of jurisdictions require that customers be notified if a security breach results in the disclosure of personally identifiable customer information. Any attack or other breach of the security of our information technology systems that compromises information that is subject to legislative or regulatory privacy protections, or that otherwise results in inappropriate disclosure or use of personally identifiable customer information could damage our reputation in the marketplace, deter purchases of our products, subject us to heightened regulatory scrutiny, sanctions, significant civil and criminal liability or other adverse legal consequences and require us to incur significant technical, legal and other expenses.

Third parties to whom we outsource certain of our functions are also subject to the risks outlined above, any one of which could result in our incurring substantial costs and other negative consequences, including a material adverse effect on our business, results of operations and financial condition.

If we experience difficulties arising from outsourcing relationships, our ability to conduct business may be compromised, which may have an adverse effect on our business and results of operations.

As we continue to focus on reducing the expense necessary to support our operations, we have increasingly used outsourcing strategies for certain technology and business functions. If third-party providers experience disruptions or do not perform as anticipated, or we experience problems with a transition, we may experience operational difficulties, an inability to meet obligations, including, but not limited to, policyholder obligations, increased costs and a loss of business that may have a material adverse effect on our business and results of operations. For other risks associated with our outsourcing of certain functions, see Interruption or other operational failures in telecommunication, information technology and other operational systems, or a failure to maintain the security, integrity, confidentiality or privacy of sensitive data residing on such systems, including as a result of human error, could harm our business.

We may not be able to protect our intellectual property and may be subject to infringement claims.

We rely on a combination of contractual rights with third parties and copyright, trademark, patent and trade secret laws to establish and protect our intellectual property. Although we endeavor to protect our rights, third parties may infringe or misappropriate our intellectual property. We may have to litigate to enforce and protect our copyrights, trademarks, patents, trade secrets and know-how or to determine their scope, validity or enforceability. This would represent a diversion of resources that may be significant and our efforts may not prove successful. The inability to secure or protect our intellectual property assets could have a material adverse effect on our business and our ability to compete.

We may also be subject to claims by third parties for (i) patent, trademark or copyright infringement, (ii) breach of copyright, trademark or license usage rights, or (iii) misappropriation of trade secrets. Any such claims and any resulting litigation could result in significant expense and liability for damages. If we were found to have infringed or misappropriated a third-party patent or other intellectual property right, we could in some circumstances be enjoined from providing certain products or services to our customers or from utilizing and benefiting from certain methods, processes, copyrights, trademarks, trade secrets or licenses. Alternatively, we could be required to enter into costly licensing arrangements with third parties or implement a costly work around. Any of these scenarios could have a material adverse effect on our business and results of operations.

We may incur further liabilities in respect of our defined benefit retirement plans for our employees if the value of plan assets is not sufficient to cover potential obligations, including as a result of differences between results underlying actuarial assumptions and models.

We operate various defined benefit retirement plans covering a significant number of our employees. The liability recognized in our consolidated balance sheet in respect of our defined benefit plans is the present value of the defined benefit obligations at the balance sheet date, less the fair value of each plan s assets. We determine our defined benefit plan obligations based on external actuarial models and calculations using the projected unit credit method. Inherent in these actuarial models are assumptions including discount rates, rates of increase in future salary and benefit levels, mortality rates, consumer price index and the expected return on plan assets. These assumptions are updated annually based on available market data and the expected performance of plan assets. Nevertheless, the actuarial assumptions may differ significantly from actual results due to changes in market conditions, economic and mortality trends and other assumptions. Any changes in these assumptions could have a significant impact on our present and future liabilities to and costs associated with our defined benefit retirement plans and may result in increased expenses and reduce our profitability.

When contributing to the plan, we will take into consideration the minimum and maximum amounts required by the Employee Retirement Income Security Act of 1974 (ERISA), the attained funding target percentage of the plan, the variable-rate premiums that may be required by the U.S. Pension Benefit Guaranty Corporation (PBGC), and any funding relief that might be enacted by Congress, such as the interest rate stabilization corridor rules used for discounting pension liabilities contained in the Moving Ahead for Progress in the 21st Century Act (MAP-21). Based on our actuarial assumptions, incorporating the provisions of MAP-21 reduced the required contributions to the plan in 2013. However, reduced funding levels in the near term could lead to increased PBGC variable-rate premiums and/or increases in plan funding in following years.

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Although our retail variable annuity products are now managed within our CBVA segment, we continue to offer variable annuity products and other products with similar features in our ongoing business.

In 2009, we decided to cease sales of retail variable annuities with substantial guarantee features and now manage that business within our CBVA segment. However, we continue to offer variable annuity products in our ongoing business as well as products that have some of the features of variable annuities such as guaranteed benefits. For example, certain of the deferred annuities sold by our Retirement segment are on group and individual variable annuity policy forms, since these product types allow customers to allocate their retirement savings to a variety of different investment options. These products may contain guaranteed death benefit features, but they do not offer guaranteed living benefit features of the type found within the CBVA segment.

The Retirement segment has recently introduced an optional guaranteed retirement income portfolio (GRIP) feature that, if elected by an employee of one of our plan sponsor customers, provides guaranteed lifetime withdrawal benefits (GLWB) to such employees. The GLWB is offered through a multi-insurer model, whereby we and two unaffiliated insurers provide GLWB coverage to participating employees. In contrast to the retail guaranteed minimum withdrawal benefits for life (GMWBL) provisions formerly offered by the CBVA segment, the GLWB provisions within GRIP do not offer rollup benefits; furthermore, we reprice the GLWB amount purchased by contributions to the GRIP feature on a quarterly basis. In addition, the investment elections available to participating employees have substantially less flexibility than the elections offered to retail customers of the CBVA segment. We also have the right to cease accepting new contributions to the GRIP feature, subject to providing 180 days advance notice to the plan sponsor.

Our Annuities segment also offers optional guaranteed withdrawal benefit provisions on its indexed annuity products.

To the extent that these risk-control provisions do not mitigate the risks of the GLWB and to the extent that we continue to offer variable annuity products and products with similar features in our ongoing business, the risks described below under Risks Related to Our CBVA Segment will impact our ongoing business.

Risks Related to Our CBVA Segment

Although we no longer actively market retail variable annuities, our business, results of operations, financial condition and liquidity will continue to be affected by our CBVA segment for the foreseeable future.

Our CBVA segment consists of retail variable annuity insurance policies sold primarily from 2001 to early 2010, when the block entered run-off. This segment represented 16.7% of our total AUM as of December 31, 2013, income (loss) before income taxes was ($1,209.3) million, ($692.3) million, and ($564.5) million for the years ended December 31, 2013, 2012, and 2011, respectively. Revenues for the segment were ($726.2) million, ($70.0) million and $794.9 million for the years ended December 31, 2013, 2012, and 2011, respectively. See Business Closed Blocks CBVA. These products offered long-term savings vehicles in which customers (policyholders) made deposits that were invested, largely at the customer s direction, in a variety of U.S. and international equity, fixed income, real estate and other investment options. In addition, these products provided customers with the option to purchase living benefit riders, including GMWBL, guaranteed minimum income benefits (GMIB), guaranteed minimum accumulation benefits (GMAB) and guaranteed minimum withdrawal benefits (GMWB). All retail variable annuity products include guaranteed minimum death benefits (GMDB). In 2009, we decided to cease sales of retail variable annuity products with substantial guarantee features. In early 2010, we ceased all new sales of these products with substantial guarantees, although we continue to accept new deposits in accordance with, and subject to the limitations of, the provisions of existing contracts.

Market movements and actuarial assumption changes (including, with respect to policyholder behavior and mortality) can result in material adverse impacts to our results of operations, financial condition and liquidity. Because policyholders have various contractual rights to defer withdrawals, annuitization and/or maturity of their contracts, the nature and period of contract maturity is subject to policyholder behavior and is therefore

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indeterminate. Future market movements and changes in actuarial assumptions can result in significant earnings and liquidity impacts, as well as increases in regulatory reserve and capital requirements for the CBVA segment. The latter may necessitate additional capital contributions into the business and/or adversely impact dividend capacity.

Our CBVA segment is subject to market risks.

Our CBVA segment is subject to a number of market risks, primarily associated with U.S. and other global equity market values and interest rates. For example, declining equity market values, increasing equity market volatility, declining interest rates or a prolonged period of low interest rates can result in an increase in the valuation of future policy benefits, reducing our net income. Declining market values for bonds and equities also reduce the account balances of our variable annuity contracts, and since we collect fees and risk charges based on these account balances, our net income may be further reduced.

Declining interest rates, a prolonged period of low interest rates, increased equity market volatility or declining equity market values may also subject us to increased hedging costs. Market events can cause an increase in the amount of statutory reserves that our insurance subsidiaries are required to hold for variable annuity guarantees, lowering their statutory surplus, which would adversely impact their ability to pay dividends to us. An increase in interest rates could result in decreased fee income associated with a decline in the value of variable annuity account balances invested in fixed income funds, which also might affect the value of the underlying guarantees within these variable annuities.

The performance of our CBVA segment depends on assumptions that may not be accurate.

Our CBVA segment is subject to risks associated with the future behavior of policyholders and future claims payment patterns, using assumptions for mortality experience, lapse rates, GMIB annuitization rates, and GMWB/GMWBL withdrawal rates. We are required to make assumptions about these behaviors and patterns, which may not reflect the actual behaviors and patterns we experience in the future.

In particular, we have only minimal experience on policyholder behavior for our GMIB and GMWBL products and, as a result, future experience could lead to significant changes in our assumptions. Our GMIB contracts have a ten-year waiting period before annuitization is available, with most of these GMIB contracts issued during the period 2004 to 2006. These contracts first become eligible to annuitize during the period from 2014 through 2016, but contain significant incentives to delay annuitization beyond the first eligibility date. As a result, to date we have only a statistically small sample of experience used to set annuitization rates. Therefore, we anticipate that observable experience data will become statistically credible later this decade, when a large volume of GMIB benefits begin to reach their maximum benefit over the four-year period from 2019 to 2022. It is possible, however, that policyholders may choose to annuitize soon after the first annuitization date, rather than delay annuitization to receive increased guarantee benefits, in which case we may have increasingly statistically credible experience as early as the period from 2014 through 2016.

Similarly, most of our GMWBL contracts are still in the first four to six policy years, so our assumptions for withdrawal from contracts with GMWBL benefits may change as experience emerges. In addition, like our GMIB contracts, many of our GMWBL contracts contain significant incentives to delay withdrawal. We expect customer decisions on annuitization and withdrawal will be influenced by customers financial plans and needs as well as by interest rate and market conditions over time and by the availability and features of competing products. If emerging experience deviates from our assumptions on either GMIB annuitization or GMWBL withdrawal, we could experience gains or losses and a significant decrease or increase to reserve and capital requirements.

We also make estimates of expected lapse of these products, which is the probability that a policy will not remain in force from one period to the next. Lapse rates of our annuity products may be significantly impacted by the value of guaranteed minimum benefits relative to the value of the underlying separate accounts (account value or account balance). In general, policies with guarantees that are in the money (i.e., where the notional benefit amount is in excess of the account value) are assumed to be less likely to lapse. Conversely, out of the money guarantees are assumed to be more likely to lapse as the policyholder has less incentive to retain the policy. Lapse rates could also be adversely affected generally by developments that affect customer perception of us.

We make estimates of expected election rates of living benefits for these products and of the rate of election of certain optional benefits that may be exercised. The profitability of our deferred annuity products depends upon actual contract owner decisions to elect or delay the utilization of such benefits. The development of a secondary market for third-party investor strategies in the annuities business could also adversely affect the profitability of existing business by reducing lapse rates of in-the-money contracts in excess of current expectations or by causing living benefits to be elected at points in time that are more unfavorable than our current expectations. Actual lapse rates that are lower than our lapse rate assumptions could have an adverse effect on profitability in the later years of a block of business because the anticipated claims experience may be higher than expected in these later years. If actual lapse rates are significantly different from those assumed in our current reserving assumptions, our reserves for future policy benefits may prove to be inadequate.

Our variable annuity lapse rate experience has varied significantly over the period from 2006 to the present, reflecting among other factors, both pre-and post-financial crisis experience. During the early years of this period, our variable annuity policyholder lapse rate experience was higher than our current best estimate of policyholder lapse behavior would have indicated; in the later part of this period, after mid-2009, it was lower. Management s current best estimate of variable annuity policyholder lapse behavior incorporates actual experience over the entire period, as we believe that over the duration of the CBVA policies we will experience the full range of policyholder behavior and market conditions. If our future experience were to approximate our lapse experience from later in the period, we would likely need to increase reserves by an amount that could be material.

We make estimates regarding mortality, which refers to the ceasing of life contingent benefit payments due to the death of the annuitant. Mortality is also the incidence of death amongst policyholders triggering the payment of Guaranteed Minimum Death Benefits. We use a combination of actual and industry experience when setting our mortality assumptions. If actual mortality rates differ adversely from those assumed in our current reserving assumptions, our reserves for future policy benefits may prove to be inadequate.

We review overall policyholder experience annually (including lapse, annuitization, withdrawal and mortality), or more frequently if necessary. As customer experience continues to materialize, we may adjust our assumptions. The magnitude of any required changes could be material and adverse to the results of operations or financial condition of the Company. We increased reserves in the fourth quarter of 2011 after a comprehensive review of our assumptions relating to lapses, mortality, annuitization of income benefits and utilization of withdrawal benefits. The review in 2011 included an analysis of a larger body of actual experience than was previously available, including a longer period with low equity markets and interest rates, which we believe provided greater insight into anticipated policyholder behavior for contracts that are in the money. This resulted in an increase of U.S. GAAP reserves of $741 million and gross U.S. statutory reserves of $2,776 million in the fourth quarter of 2011. It is possible that future assumption changes could produce reserve changes of this magnitude or even greater. Any such increase to reserves could require us to make material additional capital contributions to one or more of our insurance company subsidiaries or could otherwise be material and adverse to the results of operations or financial condition of the Company.

During the third quarters of 2013 and 2012 we conducted periodic reviews of actuarial assumptions, including policyholder behavior assumptions. As a result of the 2013 review, we incurred a loss of $185.3 million, which included $117.9 million of unfavorable mortality assumption changes and $85.5 million of unfavorable policyholder behavior assumption changes. As a result of the 2012 review, we recorded a loss of $151.7 million, of which $114.6 million was driven primarily by an update to lapse rates on variable annuity contracts with lifetime living benefit guarantees and $37.1 million was related to changes in cash flow projections and volatility assumptions on certain products. These changes in lapse assumptions, taken together

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with the update to lapse assumptions we made in late 2011, moved our assumptions to be in line with lapse experience over the study period of 2006 to present. Although we believe it is appropriate to consider actual experience over that entire period in setting our assumptions, this recent change also causes our assumption to move considerably closer to our actual lapse experience for the period from mid-2009 to present. However, as described in the previous paragraph, future reserve increases in connection with experience updates could be material and adverse to the results of operations or financial condition of the Company. Any such increase to reserves could require us to make material additional capital contributions to one or more of our insurance company subsidiaries or could otherwise be material and adverse to the results of operations or financial condition of the Company. We will continue to monitor the emergence of experience. We review our assumptions at least annually, and, if necessary, update our assumptions more frequently as additional information becomes available. If adjustments to policyholder behavior assumptions (e.g., lapse, annuitization and withdrawal) are necessary, which is ordinary course for interest-sensitive long-dated liabilities, we anticipate that the financial impact of such a change will likely be in a range, either up or down, that is generally consistent with the impact experienced in the past two years.

Our Variable Annuity Hedge Program currently focuses on the protection of regulatory and rating agency capital from market movements and less on the U.S. GAAP earnings impact of this block, which could result in materially lower or more volatile U.S. GAAP earnings.

Our Variable Annuity Hedge Program currently focuses on the protection of regulatory and rating agency capital from equity market movements and less on the U.S. GAAP earnings impact of this block. U.S. GAAP accounting differs from the methods used to determine regulatory and rating agency capital measures. Therefore our Variable Annuity Hedge Program may create earnings volatility in our U.S. GAAP financial statements, or produce lower U.S. GAAP income or even U.S. GAAP losses compared to what our unhedged results would have been. In general, in any given period rising equity market values can produce losses in our Variable Annuity Hedge Program that substantially exceed the benefit we derive from the associated decrease in valuation of the future policy benefits associated with CBVA products on a U.S. GAAP basis, and the impact of declining equity markets can produce gains in our Variable Annuity Hedge Program that substantially exceed the loss we derive from the associated increase in valuation of the future policy benefits on a U.S. GAAP basis. We recorded net gains (losses) related to incurred guaranteed benefits and guaranteed benefit hedging, including the CHO program, but excluding the effect of nonperformance risk, of ($1,674.3) million, ($1,209.3) million, and ($2,192.2) million for the years ended December 31, 2013, 2012, and 2011, respectively. See Management s Discussion and Analysis of Financial Condition and Results of Operations Results of Operations Company Consolidated.

As stated above, the primary focus of the hedge program is to protect regulatory and rating agency capital from equity market movements. Hedge ineffectiveness, along with other aspects not directly hedged (including unexpected policyholder experience), may cause losses of regulatory or rating agency capital. Regulatory and rating agency capital requirements may move disproportionately (i.e., they may change by different amounts as market conditions and other factors change), and, therefore, this could also cause our hedge program to not realize its key objective of protecting both regulatory and rating agency capital from equity market movements.

Our Variable Annuity Hedge Program may not be effective and may be more costly than anticipated.

We periodically re-evaluate our Variable Annuity Hedge Program to respond to changing market conditions and balance the trade-offs among several important factors, including regulatory reserves, rating agency capital, underlying economics, earnings and other factors. While our Variable Annuity Hedge Program is intended to balance numerous critical metrics, we are subject to the risk that our strategies and other management decisions may prove ineffective or that unexpected policyholder experience, alone or in combination with unfavorable market events, may produce losses or unanticipated cash needs beyond the scope of the risk management strategies employed. The Variable Annuity Hedge Program assumes that hedge positions can be rebalanced during a market shock and that the performance of the derivative contracts reasonably matches the performance of the contract owners variable fund returns. In addition, our Variable Annuity Hedge Program does not hedge certain non-market risks inherent in this segment, including business, credit, insurance and operational risks; any of these risks could cause us to experience unanticipated losses or cash needs. For example, hedging counterparties may fail to perform their obligations resulting in unhedged exposures and losses on positions that are not collateralized. Finally, the cost of the Variable Annuity Hedge Program itself may be greater than anticipated as adverse market conditions can limit the availability and increase the costs of the hedging instruments we employ, and such costs may not be recovered in the pricing of the underlying products being hedged. For example, the cost of hedging guaranteed minimum benefits increases as market volatilities increase and/or interest rates decrease, resulting in a reduction to net income.

Risks Related to Regulation

Our businesses and those of ING Group and its affiliates are heavily regulated and changes in regulation or the application of regulation may reduce our profitability.

We are subject to detailed insurance, asset management and other financial services laws and government regulation. In addition to the insurance, asset management and other regulations and laws specific to the industries in which we operate, regulatory agencies have broad administrative power over many aspects of our business, which may include ethical issues, money laundering, privacy, recordkeeping and marketing and sales practices. Also, bank regulators and other supervisory authorities in the United States and elsewhere continue to scrutinize payment processing and other transactions under regulations governing such matters as money-laundering, prohibited transactions with countries subject to sanctions, and bribery or other anti-corruption measures. The financial market dislocations we have experienced have produced, and are expected to continue to produce, extensive changes in existing laws and regulations applicable to our businesses.

Compliance with applicable laws and regulations is time consuming and personnel-intensive, and changes in laws and regulations may materially increase the cost of compliance and other expenses of doing business. There are a number of risks that may arise where applicable regulations may be unclear, subject to multiple interpretations or under development or where regulations may conflict with one another, where regulators revise their previous guidance or courts overturn previous rulings, which could result in our failure to meet applicable standards. Regulators and other authorities have the power to bring administrative or judicial proceedings against us, which could result, among other things, in suspension or revocation of our licenses, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action which could materially harm our results of operations and financial condition. If we fail to address, or appear to fail to address, appropriately any of these matters, our reputation could be harmed and we could be subject to additional legal risk, which could increase the size and number of claims and damages asserted against us or subject us to enforcement actions, fines and penalties. See Regulation for further discussion of the impact of regulations on our businesses.

The Patient Protection and Affordable Care Act, signed into law on March 23, 2010, and the Health Care and Education Reconciliation Act of 2010, signed into law on March 30, 2010 (together, the Health Care Act) significantly impacts how employers provide health care to employees and how individuals obtain health care insurance. There is uncertainty surrounding the impact of the Health Care Act on insurers which may create risks to products we offer, including Stop Loss Insurance sold to employers offering self-insured health plans. In addition, should the Treasury Department issue guidance concluding that insurers offering Stop Loss Insurance are considered health care providers, we may face adverse tax or other financial consequences.

As long as we remain affiliated with ING Group, we may be subject to laws, regulations, disclosures and restrictions to which we would not be subject as a standalone enterprise. These restrictions could be extensive and include limitations on the activities we may conduct and the way in which we organize and operate our businesses. Various jurisdictions in which ING Group and its subsidiaries operate, including the United States, apply prudential and other regulations to the holding companies and affiliates of financial institutions. If the applicable laws and regulations in any of these jurisdictions, or the application or interpretation of such laws and regulations by applicable regulators and other authorities, were to change, or if ING Group or one of its subsidiaries (other than the Company) were to change the nature of the regulated activities they conduct, we could in the future become subject to restrictions to which we are not currently subject, and to which we would not be subject as a standalone enterprise. This could require us to incur material compliance, reporting or other costs or to forego certain types of material revenues or we could otherwise be confronted with consequences that are material and adverse to us. We do not have any control over the activities conducted by ING Group or its subsidiaries (other than the Company). As one source of potential change in the regulations applied to ING Group and its subsidiaries, we expect that in November 2014 the European Central Bank will assume responsibility for part of the prudential supervision of ING Bank and its holding company ING Group. Supervision over ING Bank and ING Group is currently exercised by the DNB. It is uncertain if and how this new supervisory structure will impact the Company.

In addition, the 2012 Amended Restructuring Plan contains provisions that could limit our business activities, including restricting our ability to make certain acquisitions or to conduct certain financing and investment activities. See Regulation Dutch State Transactions and Restructuring Plan .

If ING Group or one of its subsidiaries (other than the Company) were to change the nature of the regulated activities it conducts, we could in the future become subject to restrictions to which we are not currently subject, and to which we would not otherwise be subject as a standalone enterprise.

As long as we remain affiliated with ING Group, we may be subject to laws, regulations, disclosures and restrictions to which we would not be subject as a standalone enterprise. These restrictions could be extensive and include limitations on the activities we may conduct and the way in which we organize and operate our businesses. For instance, ING Group s wholly owned subsidiary, ING Bank, may from time to time consider whether to establish a branch office in the United States. If ING Bank were to establish a U.S. branch, ING Group, ING Bank and we would be subject to supervision and regulation by the Federal Reserve under various laws, including the Bank Holding Company Act of 1956, as amended (BHCA), and the International Banking Act of 1978. If ING Bank were to establish a U.S. branch, the BHCA could impose restrictions on our non-financial activities until we are no longer deemed controlled by ING Group for BHCA purposes. As a result, we could be required to incur material compliance, reporting or other costs or to forego certain types of material revenues or could otherwise be confronted with consequences that are material and adverse to us.

Moreover, if ING Bank were to establish a U.S. branch while we remained affiliated with ING Group, several regulatory developments could materially impact our operations, including rules under the Dodd-Frank Act issued by U.S. regulators with respect to the Volcker Rule and heightened supervisory requirements and prudential standards. Under the final rules adopted by U.S. regulators on December 10, 2013, we would be subject to the Volcker Rule as an affiliate of a company that is treated as a bank holding company. The Volcker Rule significantly restricts the ability of U.S. bank holding companies and their affiliates to conduct proprietary trading in securities and derivatives as well as certain activities related to hedge funds and private equity funds. However, the rules provide an exemption for a regulated insurance company trading solely for its general account if, among other requirements, it is acting in compliance with insurance company investment laws and regulations. Although the full potential impact of the Volcker Rule on our operations will not be known with certainty until fully implemented, we would likely experience significant additional compliance and operational costs if we were to become subject to the Volcker Rule.

The BHCA, however, would provide ING Group, ING Bank and us a two-year period in which to comply with the BHCA activity restrictions, with the possibility of our obtaining up to three one-year extensions. Further, the Federal Reserve would have discretion to extend the Volcker Rule conformance period and application of any heightened supervisory requirements and prudential standards with respect to the Company until past December 31, 2016 (the date by which ING Group is required to fully divest the Company under the terms of its restructuring plan with the EC). There is no guarantee, however, that the Federal Reserve would grant these requests.

Our insurance businesses are heavily regulated, and changes in regulation in the United States, enforcement actions and regulatory investigations may reduce profitability.

Our insurance operations are subject to comprehensive regulation and supervision throughout the United States. State insurance laws regulate most aspects of our insurance businesses, and our insurance subsidiaries are regulated by the insurance departments of the states in which they are domiciled and the states in which they are licensed. The primary purpose of state regulation is to protect policyholders, and not necessarily to protect creditors and investors. See Regulation Insurance Regulation .

State insurance guaranty associations have the right to assess insurance companies doing business in their state in order to help pay the obligations of insolvent insurance companies to policyholders and claimants. Because the amount and timing of an assessment is beyond our control, liabilities we have currently established for these potential assessments may not be adequate.

State insurance regulators, the NAIC and other regulatory agencies regularly reexamine existing laws and regulations applicable to insurance companies and their products and their affiliated transactions. Changes in these laws and regulations, or in interpretations thereof, are often made for the benefit of the consumer at the expense of the insurer and could materially and adversely affect our business, results of operations or financial condition. We currently use our special purpose life reinsurance captive insurance company subsidiaries domiciled in Missouri (referred to in this prospectus as captive reinsurance subsidiaries) primarily to reinsure term life insurance, universal life insurance with secondary guarantees, and stable value annuity business. We also use our captive reinsurance subsidiary domiciled in Arizona (referred to in this prospectus as our Arizona captive) primarily to reinsure life insurance and annuity business from our insurance subsidiaries. In October 2011, the NAIC established a subgroup to study insurers use of captive reinsurance companies and special purpose vehicles to transfer insurance risk in relation to existing state laws and regulations, and to establish appropriate regulatory requirements to address concerns identified in the study. Additionally, in June 2013, the New York State Department of Financial Services (the NYDFS) released a report critical of certain captive reinsurance structures and calling, in part, for other state regulators to adopt a moratorium on approving such structures pending further review by state and federal regulators. Also, in December 2013, the United States Treasury Department s Federal Insurance Office (FIO) issued a report on how to modernize and improve the system of insurance regulation in the United States, recommending, in part, that states develop a uniform and transparent solvency oversight regime for the transfer of risk to reinsurance captives and adopt a uniform capital requirement for reinsurance captives, including a prohibition on transactions that do not constitute legitimate risk transfer. In March 2014, the Missouri Department of Insurance, Division of Insurance Company Regulation (the Missouri Division) notified us that it is performing a review of special purpose life reinsurance captive insurance company transactions that have occurred in Missouri s captive program and, as part of that review, the Missouri Division has requested information from us regarding our captive reinsurance subsidiaries. We cannot predict what actions and regulatory changes will result from the NAIC study, the NYDFS report, the FIO report or the Missouri Division review. Any regulatory action that prohibits or limits our use of or materially increases our cost of using captive reinsurance companies, either retroactively or prospectively, could have a material adverse effect on our financial condition or results of operations. For more detail, see Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Statutory Capital and Risk-Based Capital of Principal Insurance Subsidiaries Captive Reinsurance Subsidiaries .

Insurance regulators have implemented, or begun to implement significant changes in the way in which insurers must determine statutory reserves and capital, particularly for products with contractual guarantees such as variable annuities and universal life policies, and are considering further potentially significant changes in these requirements. The NAIC is currently working on comprehensive reforms related to life insurance reserves and the accounting for such reserves. The timing and extent of further changes to statutory reserves and reporting requirements are uncertain.

In addition, state insurance regulators are becoming more active in adopting and enforcing suitability standards with respect to sales of fixed, indexed and variable annuities. In particular, the NAIC has adopted a revised Suitability in Annuity Transactions Model Regulation (SAT), which will, if enacted by the states, place new responsibilities upon issuing insurance companies with respect to the suitability of annuity sales, including responsibilities for training agents. Several states have already enacted laws based on the SAT.

In addition to the foregoing risks, the financial services industry is the focus of increased regulatory scrutiny as various state and federal governmental agencies and self-regulatory organizations conduct inquiries and

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investigations into the products and practices of the financial services industries. See the Note for *Commitments and Contingencies* in our Consolidated Financial Statements for the year ended December 31, 2013 for a description of certain regulatory inquiries affecting the Company. It is possible that future regulatory inquiries or investigations involving the insurance industry generally, or the Company specifically, could materially and adversely affect our business, results of operations or financial condition.

In some cases, this regulatory scrutiny has led to legislation and regulation, or proposed legislation and regulation that could significantly affect the financial services industry, or has resulted in regulatory penalties, settlements and litigation. New laws, regulations and other regulatory actions aimed at the business practices under scrutiny could materially and adversely affect our business, results of operations or financial condition. The adoption of new laws and regulations, enforcement actions, or litigation, whether or not involving us, could influence the manner in which we distribute our products, result in negative coverage of the industry by the media, cause significant harm to our reputation and materially and adversely affect our business, results of operations or financial condition.

Our products are subject to extensive regulation and failure to meet any of the complex product requirements may reduce profitability.

Our insurance, annuity, retirement and investment products are subject to a complex and extensive array of state and federal tax, securities, insurance and employee benefit plan laws and regulations, which are administered and enforced by a number of different governmental and self-regulatory authorities, including state insurance regulators, state securities administrators, state banking authorities, the SEC, FINRA, the Department of Labor (DOL), the IRS and the Office of the Comptroller of the Currency (OCC).

For example, U.S. federal income tax law imposes requirements relating to insurance and annuity product design, administration and investments that are conditions for beneficial tax treatment of such products under the Internal Revenue Code. Additionally, state and federal securities and insurance laws impose requirements relating to insurance and annuity product design, offering and distribution and administration. Failure to administer product features in accordance with contract provisions or applicable law, or to meet any of these complex tax, securities, or insurance requirements could subject us to administrative penalties imposed by a particular governmental or self-regulatory authority, unanticipated costs associated with remedying such failure or other claims, harm to our reputation, interruption of our operations or adversely impact profitability.

The Dodd-Frank Act, its implementing regulations and other financial regulatory reform initiatives could have adverse consequences for the financial services industry, including us, and/or materially affect our results of operations, financial condition or liquidity.

On July 21, 2010, the Dodd-Frank Act was signed into law. It effects comprehensive changes to the regulation of financial services in the United States. The Dodd-Frank Act directs existing and newly-created government agencies and bodies to perform studies and promulgate a multitude of regulations implementing the law, a process that is underway and is expected to continue over the next few years. While some studies have already been completed and the rule-making process is well underway, there continues to be significant uncertainty regarding the results of ongoing studies and the ultimate requirements of regulations that have not yet been adopted. We cannot predict with certainty how the Dodd-Frank Act and such regulations will affect the financial markets generally, or impact our business, ratings, results of operations, financial condition or liquidity. Key aspects we have identified to date of the Dodd-Frank Act s potential impact on us include:

If designated by the Financial Stability Oversight Council (FSOC) as a nonbank financial company subject to supervision by the Federal Reserve, we would become subject to a comprehensive system of prudential regulation, including, among other matters, minimum capital requirements, liquidity standards, credit exposure requirements, overall risk management requirements, management interlock prohibitions, a requirement to maintain a plan for rapid and orderly dissolution in the event of severe financial distress, stress testing, additional fees and assessments and restrictions on proprietary trading and certain investments. The exact scope and consequences of these standards are subject to ongoing rulemaking activity by various federal banking regulators and therefore are currently unclear. However, this comprehensive system of prudential regulation, if applied to us, would significantly impact the manner in which we operate and could materially and adversely impact the profitability of one or more of our business lines or the level of capital required to support our activities. In designating non-bank financial companies for heightened prudential regulation by the Federal Reserve, the FSOC considers, among other matters, their size and potential impact on the financial stability of the United States.

Title II of the Dodd-Frank Act provides that a financial company, such as us, may be subject to a special orderly liquidation process outside the federal bankruptcy code, administered by the Federal Deposit Insurance Corporation as receiver, upon a determination that it is in default or in danger of default and presents a systemic risk to U.S. financial stability. We cannot predict how rating agencies, or creditors of us or our subsidiaries, will evaluate this potential or whether it will impact our financing or hedging costs.

Title VII of the Dodd-Frank Act creates a new framework for regulation of the over-the-counter (OTC) derivatives markets. New margin and capital requirements on market participants that will be contained in final regulations to be adopted by the SEC and the U.S. Commodity Futures Trading Commission (CFTC) could substantially increase the cost of hedging and related operations, affect the profitability of our products or their attractiveness to our customers, or cause us to alter our hedging strategy or change the composition of the risks we do not hedge.

Pursuant to requirements of the Dodd-Frank Act, the SEC and CFTC are currently considering whether stable value contracts should be regulated as swap derivative contracts. In the event that stable value contracts become subject to such regulation, certain aspects of our business could be adversely impacted, including issuance of stable value contracts and management of assets pursuant to stable value mandates.

The Dodd-Frank Act establishes a Federal Insurance Office within the United States Department of the Treasury (Treasury Department) to be headed by a director appointed by the Secretary of the Treasury. While not having a general supervisory or regulatory authority over the business of insurance, the director of this office performs various functions with respect to insurance, including participating in the FSOC s decisions regarding insurers to be designated for stricter regulation by the Federal Reserve. The Dodd-Frank Act also required the director of FIO to conduct a study on how to modernize and improve the system of insurance regulation in the United States, including by increasing national uniformity by federal involvement or effective action by the states. The director issued that report in December 2013, recommending, in part, increased federal involvement in certain areas of insurance regulation to improve uniformity, and setting out recommendations in areas of near-term reform for the states, including prudential and marketplace oversight. The report also recommended, in part, that states develop a uniform and transparent solvency oversight regime for the transfer of risk to reinsurance captives, and adopt a uniform capital requirement for reinsurance captives, including a prohibition on transactions that do not constitute legitimate risk transfer. FIO has an ongoing charge to monitor all aspects of the insurance industry and will monitor state regulatory developments, including those called for in its report and present options for federal involvement if deemed necessary.

Under the Dodd-Frank Act, various federal regulators have adopted the Volcker Rule, which places limitations and restrictions on the ability of certain deposit institutions and regulated banking entities, as well as their affiliates, to engage in certain proprietary trading or sponsor and invest in private funds. In the event that one of our affiliates becomes a depository institution or otherwise becomes subject to the Volcker Rule, our investment activities could be restricted.

The Dodd-Frank Act also includes various securities law reforms that may affect our business practices. See Changes in U.S. federal and state securities laws and regulations may affect our operations and our profitability below.

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Although the full impact of the Dodd-Frank Act cannot be determined until the various studies mandated by the law are conducted and implementing regulations are adopted, many of the legislation s requirements could have profound and/or adverse consequences for the financial services industry, including for us. The Dodd-Frank Act could make it more expensive for us to conduct business, require us to make changes to our business model or satisfy increased capital requirements, subject us to greater regulatory scrutiny or to potential increases in whistleblower claims in light of the increased awards available to whistleblowers under the Act and have a material adverse effect on our results of operations or financial condition.

See Regulation for further discussion of the impact of the Dodd-Frank Act on our businesses.

In addition to the Dodd-Frank Act, regulators and lawmakers in non-U.S. jurisdictions are engaged in addressing the causes of the recent financial crisis and means of avoiding such crises in the future. Although currently we are not directly subject to non-U.S. regulation, we may be significantly affected by foreign regulatory actions, due to our being affiliated with ING Group. We are unable to predict how any such regulations could affect the way ING Group conducts its business and manages capital, or to what extent any resulting changes in the way ING Group conducts its business or manages capital could affect our business, our relationship with ING Group or our results of operations, financial condition and liquidity. For a further discussion of foreign regulation and its potential effect on us while we are affiliated with ING Group, including the impact of the Solvency II Directive, see Regulation International and National Regulatory Initiatives that May Affect Us as a Consequence of our Affiliation with ING Group .

Changes in U.S. federal and state securities laws and regulations may affect our operations and our profitability.

U.S. federal and state securities laws apply to sales of our mutual funds and to our variable annuity and variable life insurance products (which are considered to be both insurance products and securities) as well as to sales of third-party investment products. As a result, some of our subsidiaries and the products they offer are subject to regulation under these federal and state securities laws. Our insurance subsidiaries separate accounts are registered as investment companies under the Investment Company Act. Some variable annuity contracts and variable life insurance policies issued by our insurance subsidiaries also are registered under the Securities Act of 1933, as amended (the Securities Act). Other subsidiaries are registered as broker-dealers under the Securities Exchange Act of 1934, as amended (the Exchange Act), are members of, and subject to, regulation by FINRA, and are also registered as broker-dealers in various states, as applicable. In addition, some of our subsidiaries are registered as investment advisers under the Investment Advisers Act.

Securities laws and regulations are primarily intended to ensure the integrity of the financial markets and to protect investors in the securities markets or investment advisory or brokerage clients. These laws and regulations generally grant supervisory agencies broad administrative powers, including the power to limit or restrict the conduct of business for failure to comply with those laws and regulations. A number of changes have recently been proposed to the laws and regulations that govern the conduct of our variable insurance products business and our distributors that could have a material adverse effect on our results of operations and financial condition. For example, the Dodd-Frank Act authorizes the SEC to establish a standard of conduct applicable to brokers and dealers when providing personalized investment advice to retail customers. This standard of conduct would be to act in the best interest of the customer without regard to the financial or other interest of the broker or dealer providing the advice. The SEC and FINRA have also recently announced that they will be making the marketing and recommendation of IRA rollovers an examination priority in 2014; accordingly, sales of rollover IRA products, particularly by ING U.S.-affiliated broker-dealer firms, could be affected by this heightened regulatory scrutiny. Further, proposals have been made that the SEC establish a self-regulatory organization with respect to registered investment advisers, which could increase the level of regulatory oversight over them. Changes to these laws or regulations that restrict the conduct of our business could have an adverse effect on our results of operations and financial condition.

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Changes to federal regulations could adversely affect our distribution model by restricting our ability to provide customers with advice.

The prohibited transaction rules of ERISA and the Internal Revenue Code generally restrict providing investment advice to ERISA plans and participants and IRAs if the investment recommendation results in fees paid to the individual advisor, his or her firm or their affiliates that vary according to the investment recommendation chosen. In March 2010, the DOL issued proposed regulations that provide limited relief from these investment advice restrictions. The DOL issued final rules in October of 2011 and did not provide additional relief regarding these restrictions. As a result, the ability of certain of our investment advisory subsidiaries and their advisory representatives to provide investment advice to ERISA plans and participants, and with respect to IRAs, will likely be significantly restricted. Also, the fee and revenue arrangements of certain advisory programs may be required to be revenue neutral, resulting in potential lost revenues for these investment advisers and their affiliates.

Other proposed regulatory initiatives under ERISA may negatively impact our broker-dealer subsidiaries. In particular, the DOL issued a proposed regulation in October 2010 that would, if adopted as proposed, significantly broaden the circumstances under which a person or entity providing investment advice with respect to ERISA plans or IRAs would be deemed a fiduciary under ERISA or the Internal Revenue Code. Although the DOL has withdrawn this proposal, it has indicated its intent to re-propose the regulation in a modified form in 2014. If adopted as proposed, the investment related information and support that our advisors and employees could provide to plan sponsors, participants and IRA holders on a non-fiduciary basis could be substantially limited beyond what is allowed under current law. This could have a material impact on the level and type of services we can provide as well as the nature and amount of compensation and fees we and our advisors and employees may receive for investment-related services. In addition, the proposed regulations may make it easier for the DOL in enforcement actions, and for plaintiffs attorneys in ERISA litigation, to attempt to extend fiduciary status to advisors who would not be deemed fiduciaries under current regulations. See Regulation Employee Retirement Income Security Act Considerations .

Finally, the DOL has issued a number of regulations recently, and may issue additional similar regulations, that increase the level of disclosure that must be provided to plan sponsors and participants. These ERISA disclosure requirements will likely increase the regulatory and compliance burden upon us, resulting in increased costs.

Changes in U.S. pension laws and regulations may affect our results of operations and our profitability.

Congress from time to time considers pension reform legislation that could decrease the attractiveness of certain of our retirement products and services to retirement plan sponsors and administrators or have an unfavorable effect on our ability to earn revenues from these products and services. In this regard, the Pension Protection Act of 2006 made significant changes in employer pension funding obligations associated with defined benefit pension plans that are likely to increase sponsors costs of maintaining these plans and imposed certain requirements on defined contribution plans. Over time, these changes could negatively impact our sales of defined benefit or defined contribution plan products and services and cause sponsors to discontinue existing plans for which we provide insurance, asset management, administrative, or other services. Certain tax-favored savings initiatives that have been proposed could hinder sales and persistency of our products and services that support employment based retirement plans.

The Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 also includes certain provisions for defined benefit pension plan funding relief. These provisions may impact the likelihood of corporate plan sponsors terminating their plans and/or engaging in transactions to partially or fully transfer pension obligations to an insurance company. As part of our retirement services segment, we offer general account and separate account group annuity products that enable a plan sponsor to transfer these risks, often in connection with the termination of defined benefit pension plans. Consequently, this legislation could indirectly affect the mix of our business, with fewer closeouts and more non-guaranteed funding products, and adversely impact our results of operations.

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We may not be able to mitigate the reserve strain associated with Regulation XXX and NAIC Actuarial Guideline 38, potentially resulting in a negative impact on our capital position or in a need to increase prices and/or reduce sales of term or universal life products.

The NAIC Model Regulation entitled Valuation of Life Insurance Policies, commonly known as Regulation XXX or XXX, requires insurers to establish additional statutory reserves for certain term life insurance policies with long-term premium guarantees and for certain universal life policies with secondary guarantees. In addition, NAIC Actuarial Guideline 38 (AG38) clarifies the application of XXX with respect to certain universal life insurance policies with secondary guarantees. Many of our newly issued term insurance products and an increasing number of our universal life insurance products are affected by XXX and AG38, respectively. The application of both XXX and AG38 involves numerous interpretations. At times, there may be differences of opinion between management and state insurance departments regarding the application of these and other actuarial standards. Such differences of opinion may lead to a state insurance regulator requiring greater reserves to support insurance liabilities than management estimated.

We have implemented reinsurance and capital management actions to mitigate the capital impact of XXX and AG38, including the use of LOCs and the implementation of other transactions that provide acceptable collateral to support the reinsurance of the liabilities to wholly owned reinsurance captives or to third party reinsurers. These arrangements are subject to review and approval by state insurance regulators and review by rating agencies. In October 2011, the NAIC established a subgroup to study the use of captives and special purpose vehicles to transfer insurance risk in relation to existing state laws and regulations, and to establish appropriate regulatory requirements to address concerns identified in the study. Additionally, in June 2013, the NYDFS released a report critical of certain captive reinsurance structures and calling, in part, for other state regulators to adopt a moratorium on approving such structures pending further review by state and federal regulators. Also, in December 2013, FIO issued a report on how to modernize and improve the system of insurance regulation in the United States, recommending, in part, that states develop a uniform and transparent solvency oversight regime for the transfer of risk to reinsurance captives and adopt a uniform capital requirement for reinsurance captives, including a prohibition on transactions that do not constitute legitimate risk transfer. See Our insurance businesses are heavily regulated, and changes in regulation in the United States, enforcement actions and regulatory investigations may reduce profitability above and Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Statutory Capital and Risk-Based Capital of Principal Insurance Subsidiaries Captive Reinsurance Subsidiaries . Rating agencies may include a portion of these LOCs or other collateral in their calculation of leverage calculations, which could increase their assessment of our leverage ratios and potentially impact our ratings. We cannot provide assurance that we will be able to continue to use captive reinsurance companies or that there will not be regulatory or rating agency challenges to the reinsurance and capital management actions we have taken to date or that acceptable collateral obtained through such transactions will continue to be available or available on a cost-effective basis. The result of those potential challenges, as well as the inability to obtain acceptable collateral, could require us to increase statutory reserves, incur higher operating and/or tax costs or reduce sales.

Certain of the reserve financing facilities we have put in place will mature prior to the run off of the liabilities they support. As a result, we cannot provide assurance that we will be able to continue to implement actions either to mitigate the impact of XXX and AG38 on future sales of term and universal life insurance products or maintain collateral support related to our captives or existing third party reinsurance arrangements to which one of our captive reinsurance subsidiaries is a party. If we are unable to continue to implement those actions or maintain existing collateral support, we may be required to increase statutory reserves or incur higher operating costs than we currently anticipate. Because term and universal life insurance are particularly price-sensitive products, any increase in premiums charged on these products to compensate us for the increased statutory reserve requirements or higher costs of reinsurance may result in a significant loss of volume and materially and adversely affect our life insurance business.

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Changes in tax laws and interpretations of existing tax law could increase our tax costs, impact the ability of our insurance company subsidiaries to make distributions to ING U.S., Inc. or make our insurance, annuity and investment products less attractive to customers.

Changes in tax laws could increase our taxes and our effective tax rates. For example, the Obama Administration has proposed modifying the dividends received deduction for life insurance company separate accounts, and such a modification could significantly reduce the dividends received deduction that we are able to claim for dividends received in separate accounts. As such, the dividend received deduction is a significant component of the difference between our actual tax expense and the expected tax expense determined using the federal statutory income tax rate of 35%. Also, interpretation and enforcement of existing tax law could change and could be applied to us as part of an IRS examination and increase our tax costs. In the course of such examinations, we have also entered into agreements with the IRS to resolve issues related to tax accounting matters, such as whether certain derivative transactions qualify for hedge treatment, the proper treatment of valid tax hedge gains and losses and other than temporary impairment losses. These agreements may be superseded by future enacted laws, regulations or public guidance that increases our taxes and our effective tax rates. Further, changes in tax rates could affect the amount of our deferred tax assets and deferred tax liabilities. One such change relates to the current debate over corporate tax reform and corporate tax rates. A reduction in the top federal tax rate would result in lower statutory deferred tax assets. Such a reduction in the statutory deferred tax asset may impact the ability of the affected insurance subsidiaries to make distributions to us and consequently could negatively impact our ability to pay dividends to our stockholders and to service our debt.

Changes in tax laws could make some of our insurance, annuity and investment products less attractive to customers. Current U.S. federal income tax law permits tax-deferred accumulation of income earned under life insurance and annuity products, and permits exclusion from taxation of death benefits paid under life insurance contracts. Changes in tax laws that restrict these tax benefits could make some of our products less attractive to customers. Reductions in individual income tax rates or estate tax rates could also make some of our products less advantageous to customers. Changes in federal tax laws that reduce the amount an individual can contribute on a pre-tax basis to an employer-provided, tax-deferred product (either directly by reducing current limits or indirectly by changing the tax treatment of such contributions from exclusions to deductions) or changes that would limit an individual s aggregate amount of tax-deferred savings could make our retirement products less attractive to consumers.

The American Taxpayer Relief Act of 2012 made permanent the current marginal income tax rates for individuals, as well as the estate tax threshold and applicable rate. The Bipartisan Budget Act signed into law in December 2013 provided a short-term compromise on spending levels, which was recently extended until March 2015. Congress may pursue the reduction or elimination of tax preferences associated with our industry and products yet this year or in 2015 if it pursues comprehensive tax reform premised on the notion of reducing corporate and personal rates by broadening the taxable income base and reducing tax preferences. We also believe that states that stand to lose tax revenue of their own will exert pressure on the federal government not to enact additional measures as part of comprehensive tax reform that would negatively impact them. Such a situation may result in more pressure on raising revenue from tax preferences associated with our Company and products.

Risks Related to Our Separation from, and Continuing Relationship with, ING Group

ING Group s continuing significant interest in us may result in conflicts of interest.

Upon the completion of this offering, ING Group will own approximately 45% of our outstanding common stock (approximately 43% if the underwriters option to purchase additional shares is exercised in full), in each case assuming that 7,022,471 shares are repurchased from ING Group in the Direct Share Buyback (based on an assumed per share repurchase price of $35.60, the closing price per share of our common stock on March 17, 2014, as reported by the NYSE). The actual number of shares repurchased in the Direct Share Buyback will be equal to $250 million divided by the per share proceeds, before expenses, to the Selling Stockholder in this offering, as shown on the cover of this prospectus. ING Group is currently required pursuant to the 2012 Amended Restructuring Plan to divest all of its global insurance and investment management business. See Summary ING Group Restructuring Plan with European Commission . It is thus expected that ING Group will sell its remaining ownership interest in ING U.S., Inc. through one or more additional public offerings of our stock or, possibly, through one or more privately negotiated sales of our stock.

From the time of our IPO until the time of this offering, we have elected to be treated as a controlled company for purposes of the NYSE corporate governance rules, and accordingly, we have not been subject to the requirement that a majority of our directors be independent as defined under such rules and that we have a compensation and benefits committee and a nominating and governance committee that meet the required director independence requirements. Following the completion of this offering and the Direct Share Buyback, we will become subject to these requirements following a phase-in period provided for under the NYSE listed company rules. ING Group, however, will continue to maintain significant influence over our governance while it maintains a substantial shareholding.

In addition, under the provisions of a shareholder agreement that we entered into with ING Group concurrently with the completion of our initial public offering, ING Group has consent rights with respect to certain corporate and business activities that we may undertake, including during periods where ING Group holds less than a majority of our common stock. See Certain Relationships and Related Party Transactions Continuing Relationship with ING Group Shareholder Agreement .

Because ING Group s interests may differ from those of other stockholders, actions ING Group takes or omits to take with respect to us, including those corporate or business actions requiring its prior affirmative written consent or vote described above, may not be as favorable to other stockholders as they are to ING Group.

Conflicts of interest may arise between us and ING Group in a number of areas relating to our past and ongoing relationships. As a majority stockholder, ING Group has had the ability to determine the entire membership of our Board of Directors, and following this offering, ING Group will continue to have the right to nominate three of our directors under the terms of the Shareholder Agreement. In addition, following this offering, ING Group will continue to retain a substantial minority of our common stock and will continue to exercise significant influence over matters voted upon by our stockholders, including the election of our Board of Directors. Four of our current directors are also officers or employees of ING Group or ING Group affiliates. As a condition to the Direct Share Buyback, two of the current directors who were nominated by ING Group will be required to resign from our Board of Directors. Three of such directors will remain on our Board of Directors following this offering. Because of their current or former positions with ING Group, certain of our directors and a number of our officers own substantial amounts of ING Group stock and options to purchase ING Group stock. Ownership interests of our directors or officers in ING Group shares, or service of certain of our directors as officers of ING Group, may create, or may create the appearance of, conflicts of interest when a director is faced with a decision that could have different implications for the two companies. These potential conflicts could arise, for example, over matters such as the desirability of an acquisition opportunity, employee retention or recruiting, capital management or our dividend policy.

Our continuing relationship with ING Group, and with affiliates of ING Group, may affect our ability to operate and finance our business as we deem appropriate and changes with respect to ING Group could negatively impact us.

From the time of our IPO until the time of this offering, ING Group has owned a majority of our common stock and we have been a consolidated subsidiary of ING Group for purposes of its financial reporting. Following the completion of this offering and the Direct Share Buyback, ING Group will continue to own a substantial minority of our common stock. Circumstances affecting ING Group may have an impact on us and we cannot be certain how further changes in circumstances affecting ING Group may impact us.

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In November 2008, the Dutch State purchased non-voting core Tier 1 securities from ING Group for a total consideration of 10 billion and in the first quarter of 2009 ING Group entered into an Alt-A Back-up Facility with the Dutch State (see Certain Relationships and Related Party Transactions Alt-A Back-up Facility).

In 2009, ING Group was required to submit a restructuring plan to the EC to obtain EC approval for the Dutch State Transactions under the EC state aid rules. On October 26, 2009, ING Group announced its 2009 Restructuring Plan, pursuant to which ING Group is required to divest its insurance and investment management businesses, including the Company. On November 19, 2012, ING Group and the EC announced that the EC approved the 2012 Amended Restructuring Plan. The 2012 Amended Restructuring Plan requires ING Group to divest at least 25% of the Company by December 31, 2013, more than 50% of the Company by December 31, 2014, and 100% of the Company by December 31, 2016. ING Group divested 25% of the Company on May 7, 2013, in our initial public offering and an additional 4% on May 31, 2013 following the exercise by the underwriters in the initial public offering of an option to purchase additional shares. ING Group divested an additional 14% of the Company on October 29, 2013, in a registered offering. The divestment of 50% of the Company is measured in terms of a divestment of over 50% of the shares of ING U.S., Inc., the loss of ING Group s majority of directors on ING U.S., Inc. s board of directors and the accounting deconsolidation of the Company (in line with IFRS accounting rules). This offering and the Direct Share Buyback, together with the governance changes described under Summary Changes to our Governance as a Result of this Offering and the Direct Share Buyback , are intended to satisfy such requirements. In case ING Group does not satisfy its commitment to timely divest the Company as agreed with the EC, or in case of any other material non-compliance with the 2012 Amended Restructuring Plan, the Dutch State will renotify the recapitalization measure to the EC. In such a case, the EC may require additional restructuring measures or take enforcement action against ING Group, or, at the request of ING Group and the Dutch State, could allow ING Group more time to complete the divestment.

The 2012 Amended Restructuring Plan also contains provisions that could limit our business activities, including restricting our ability to make certain acquisitions or to conduct certain financing and investment activities. See Regulation Dutch State Transactions and Restructuring Plan .

We cannot accurately predict whether any restrictions and limitations imposed on ING Group on account of the Dutch State Transactions, or the implementation of the 2012 Amended Restructuring Plan (or any further amendment thereof), will have a negative effect on our businesses and financial flexibility or result in conflicts between the interests of ING Group and our interests. In addition, it is difficult for us to predict whether any changes to, or termination of, the Dutch State Transactions could occur as a result of the 2012 Amended Restructuring Plan (or any further amendment thereof) and whether any effect on our business would result from that. We also note that we cannot predict the possible effect of ING Group not satisfying its commitment to divest the Company as agreed with the EC, for instance, by having a remaining ownership interest in the Company and its subsidiaries beyond any deadline agreed with the EC.

Our separation from ING Group could adversely affect our business and profitability due to ING Group s strong brand and reputation.

Prior to our initial public offering, as a wholly owned subsidiary of ING Group, we marketed our products and services using the ING brand name and logo. We believe the association with ING Group provided us with preferred status among our customers, vendors and other persons due to ING Group s globally recognized brand, perceived high quality products and services and strong capital base and financial strength.

Our new status as a separate, publicly traded company could adversely affect our ability to attract and retain customers, which could result in reduced sales of our products. In connection with our initial public offering, we entered into a licensing agreement, pursuant to which we have a license to use certain trademarks (including the ING name and logo) for a limited period of time following the completion of our initial public offering. See Certain Relationships and Related Party Transactions Continuing Relationship with ING Group Transitional

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Intellectual Property License Agreement . Based on current expectations, ING U.S., Inc. will change its legal name to Voya Financial, Inc. in April 2014; and in May 2014 our Investment Management and Employee Benefits businesses will begin using the Voya Financial brand. In September 2014, our remaining businesses will begin using the Voya Financial brand and all remaining ING U.S. legal entities that currently have names incorporating the ING brand will change their names to reflect the Voya brand. We anticipate that the process of changing all marketing materials, operating materials and legal entity names containing the word ING or Lion to our new brand name will take approximately 24 months and will cost between $40 million and $50 million, excluding incremental advertising expenses. Some of our existing policyholders, contract owners and other customers may choose to stop doing business with us, which could increase the rate of surrenders and withdrawals in our policies and contracts. In addition, other potential policyholders and contract owners may decide not to purchase our products because we no longer will be a part of ING Group.

Our separation from ING Group could prompt some third parties to re-price, modify or terminate their distribution or vendor relationships with us. Our ability to attract and retain highly qualified independent sales intermediaries and dedicated sales specialists for our products may also be negatively affected. We may be required to lower the prices of our products, increase our sales commissions and fees, change long-term selling and marketing agreements and take other action to maintain our relationship with our sales intermediaries and distribution partners, all of which could have an adverse effect on our financial condition and results of operations. We cannot accurately predict the effect that our separation from ING Group will have on our business, sales intermediaries, customers or employees.

The terms of our arrangements with ING Group may be more favorable than we will be able to obtain from an unaffiliated third-party. We may be unable to replace the services ING Group provides us in a timely manner or on comparable terms.

While ING Group has been our sole or majority shareholder, we have benefited from certain contractual arrangements between ING Group and ING Bank and various third party vendors. These contractual arrangements permit ING Group affiliates such as the Company to make use of the software licenses and related services provided thereunder. There is no assurance that, once we are no longer entitled to benefit from these arrangements, we will be able to obtain these services at the same levels or obtain the same benefits through new, independent relationships with third party vendors. Likewise, we may not be able to replace these services and arrangements in a timely manner or on terms and conditions, including cost, as favorable as those we have previously received as a subsidiary of ING Group.

In addition, as described in Certain Relationships and Related Party Transactions Historical Related Party Transactions Financing Arrangements Guarantees, certain of our indebtedness and other obligations continue to benefit from guarantees provided by ING Group or NN Group. As this indebtedness and these obligations mature or are terminated, to the extent we replace them with new indebtedness or other obligations, we do not expect such new indebtedness or other obligations to be guaranteed by ING Group or NN Group. Therefore, such new indebtedness or other obligations may be on terms that are less favorable to us than the indebtedness or other obligations being replaced.

Our certificate of incorporation limits certain liabilities and obligations of our directors to us or you.

Our amended and restated certificate of incorporation provides that none of our directors will be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty, except for liability for breach of a director s duty of loyalty, acts or omissions by a director not in good faith or which involve intentional misconduct or a knowing violation of law, dividend payments or stock repurchases that are unlawful under Delaware law or any transaction in which a director has derived an improper personal benefit. See Description of Capital Stock Limitation of Liability and Indemnification of Directors and Officers .

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Our amended and restated certificate of incorporation also provides that certain of our directors, who have also served or may serve as directors, officers, employees or agents of ING Group, are relieved of the obligation to refer potential business opportunities to the Company or to notify the Company of potential business opportunities of which they become aware, and they may instead refer such opportunities to ING Group, subject to certain limited exceptions. See Description of Capital Stock Potential Business Opportunities .

We expect to incur incremental costs as a standalone public company.

We have needed to replicate or replace certain functions, systems and infrastructure to which we no longer have the same access after our initial public offering. We have also needed to make infrastructure investments in order to operate without the same access to ING Group s existing operational and administrative infrastructure. These initiatives may be costly to implement. Due to the scope and complexity of the underlying projects relative to these efforts, the amount of total costs could be materially higher than our estimate, and the timing of the incurrence of these costs may be subject to change.

Until our initial public offering, ING Group performed or supported many important corporate functions for our operations, including investor relations, advertising and brand management, corporate audit, certain risk management functions, corporate insurance, corporate governance and other services. Our Consolidated Financial Statements reflect charges for these services. There is no assurance that these services will be sustained at the same levels as when we were receiving such services from ING Group prior to our initial public offering or that we will obtain the same benefits. Now that we operate these functions independently, if we do not have our own adequate systems and business functions in place, or are unable to obtain them from other providers, we may not be able to operate our business effectively or at comparable costs and our profitability may decline. In addition, our business has benefited from ING Group s purchasing power when procuring goods and services. As a standalone company, we may be unable to obtain such goods and services at comparable prices or on terms as favorable as those obtained prior to our initial public offering, which could decrease our overall profitability.

As a standalone public company, we expend additional time and resources to comply with rules and regulations that did not previously apply to us.

As a standalone public company, the various rules and regulations of the SEC, as well as the rules of the NYSE, require us to implement and maintain additional corporate governance practices and adhere to a variety of reporting requirements. Compliance with these public company obligations increases our legal and financial compliance costs and could place additional demands on our finance and accounting staff and on our financial, accounting and information systems.

In particular, as a public company, our management will be required to conduct an annual evaluation of our internal controls over financial reporting and include a report of management on our internal controls in our Annual Reports on Form 10-K. In addition, we will be required to have our independent registered public accounting firm attest to the effectiveness of our internal controls over financial reporting pursuant to Auditing Standard No. 5. Under current rules, we will be subject to these requirements beginning with our Annual Report on Form 10-K for the year ending December 31, 2014. If we are unable to conclude that we have effective internal controls over financial reporting, or if our registered public accounting firm is unable to provide us with an attestation and an unqualified report as to the effectiveness of our internal controls over financial reporting, investors could lose confidence in the reliability of our financial statements, which could result in a decrease in the value of our common stock.

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Our historical consolidated financial data are not necessarily representative of the results we would have achieved as a standalone company and may not be a reliable indicator of our future results.

Our historical consolidated financial data included in this prospectus do not necessarily reflect the financial condition, results of operations or cash flows we would have achieved as a standalone company during the periods presented or those we will achieve in the future. For example, we have adjusted our capital structure to more closely align with peer U.S. public companies. As a result, financial metrics that are influenced by our capital structure, such as interest expense and return on equity, are not necessarily indicative for historical periods of the performance we may achieve as a standalone company following our initial public offering. In addition, significant increases may occur in our cost structure as a result of our initial public offering, including costs related to public company reporting, investor relations and compliance with the Sarbanes-Oxley Act of 2002. Also, as described in Our separation from ING Group could adversely affect our business and profitability due to ING Group s strong brand and reputation, we anticipate incurring substantial expenses in connection with rebranding our Company.

As a result of these matters, among others, it may be difficult for investors to compare our future results to historical results or to evaluate our relative performance or trends in our business.

Risks Related to This Offering and Ownership of Our Common Stock

In addition to the risks included in this section, see We expect that our ability to use beneficial U.S. tax attributes will be subject to limitations relating to provisions of our amended and restated certificate of incorporation that limit the amount of our common stock that an investor can acquire.

The price of our common stock may be volatile and may be affected by market conditions beyond our control.

Some factors that may cause the market price of our common stock to fluctuate, in addition to the other risks mentioned in this section of the prospectus, are:

- our operating and financial performance and prospects;
- our announcements or our competitors announcements regarding new products or services, enhancements, significant contracts, acquisitions or strategic investments;
- changes in earnings estimates or recommendations by securities analysts who cover our common stock;
- fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;
- changes in our capital structure, such as future issuances of securities, sales of large blocks of common stock by our stockholders, including ING Group, or the incurrence of additional debt;
- departure of key personnel;
- reputational issues;
- changes in general economic and market conditions;

- changes in industry conditions or perceptions or changes in the market outlook for the insurance industry; and
- changes in applicable laws, rules or regulations, regulatory actions affecting us and other dynamics.

The stock market has experienced extreme price and volume fluctuations in recent years. The market prices of securities of insurance and financial services companies have experienced fluctuations that often have been unrelated or disproportionate to the operating results of these companies. These market fluctuations could result in extreme volatility in the price of shares of our common stock, which could cause a decline in the value of your investment. You should also be aware that price volatility may be greater if the public float and trading volume of shares of our common stock is low.

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Future sales of a substantial number of shares of our common stock may depress the price of our shares.

If our stockholders sell a large number of shares of our common stock, or if we issue a large number of shares of our common stock in connection with future acquisitions, financings, or other circumstances, the market price of shares of our common stock could decline significantly. Moreover, the perception in the public market that our stockholders might sell shares of our common stock could depress the market price of those shares. In addition, sales of a substantial number of shares of our common stock by ING Group pursuant to the 2012 Amended Restructuring Plan could adversely affect the market price of our common stock.

All the shares sold in this offering will be freely tradable without restriction, except for shares acquired by any of our affiliates, including ING Group. Immediately after this offering, the public market for our common stock will include the 26,500,000 shares of common stock that are being sold in this offering (or 30,475,000 shares if the underwriters exercise their option to purchase additional shares in full); the 74,971,003 shares of common stock sold in our initial public offering; and the 37,950,000 shares of common stock sold in a registered offering on October 29, 2013. In addition, we have registered shares of common stock that are reserved for issuance under our employee benefit plans. The shares under our employee benefit plans can be sold in the public market upon issuance, subject to restrictions under the securities laws applicable to resales by affiliates. In addition, we have entered into a registration rights agreement with ING Group pursuant to which we are obligated to register ING Group s shares of our common stock for public resale upon request by ING Group. See Description of Capital Stock Registration Rights Agreement .

We, ING Group and our directors and executive officers have entered into lock-up arrangements under which we and they have agreed that we and they will not sell, directly or indirectly, any common stock for a period of 90 days from the date of this prospectus (subject to certain exceptions) without the prior written consent of Morgan Stanley & Co. LLC, Goldman, Sachs & Co., Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated. See Underwriting .

Provisions in our amended and restated certificate of incorporation and bylaws, of Delaware corporate and of state insurance laws, may prevent or delay an acquisition of us, which could decrease the trading price of our common stock.

State laws, provisions of ING U.S. s certificate of incorporation and by-laws may delay, deter, prevent or render more difficult a takeover attempt that our stockholders might consider in their best interests. For example, such laws or provisions may prevent our stockholders from receiving the benefit from any premium to the market price of our common stock offered by a bidder in a takeover context. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if they are viewed as discouraging takeover attempts in the future.

The insurance laws and regulations of the various states in which our insurance subsidiaries are organized may delay or impede a business combination involving the Company. State insurance laws prohibit an entity from acquiring control of an insurance company without the prior approval of the domestic insurance regulator. Under most states statutes, an entity is presumed to have control of an insurance company if it owns, directly or indirectly, 10% or more of the voting stock of that insurance company or its parent company. These regulatory restrictions may delay, deter or prevent a potential merger or sale of our company, even if our Board of Directors decides that it is in the best interests of stockholders for us to merge or be sold. These restrictions also may delay sales by us or acquisitions by third parties of our insurance subsidiaries. In addition, the Investment Company Act would require approval by the contract owners of our variable contracts in order to effectuate a change of control of any affiliated investment adviser to a mutual fund underlying our variable contracts. Further, FINRA approval would be necessary for a change of control of any FINRA registered broker-dealer that is a direct or indirect subsidiary of the Company.

Section 203 of the DGCL may affect the ability of an interested stockholder to engage in certain business combinations, including mergers, consolidations or acquisitions of additional shares, for a period of three years

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following the time that the stockholder becomes an interested stockholder. An interested stockholder is defined to include persons owning directly or indirectly 15% or more of the outstanding voting stock of a corporation.

Our amended and restated certificate of incorporation and our amended and restated by-laws include provisions that may have anti-takeover effects and may delay, deter or prevent a takeover attempt that our stockholders might consider in their best interests. For example, our amended and restated certificate of incorporation and by-laws prohibit stockholders from calling special meetings of our stockholders and, from and after such time as ING Group ceases to beneficially own at least 50% of our outstanding common stock, from taking action by written consent. See Description of Capital Stock Certain Anti-Takeover Provisions of our Amended and Restated Certificate of Incorporation, our Amended and Restated Bylaws and Applicable Law .

Our amended and restated certificate of incorporation also includes provisions designed to preserve the benefit of certain tax attributes of the Company, which limit the amount of our common stock that an investor can acquire. See Description of Capital Stock Ownership Limitations .

The completion of the Direct Share Buyback is subject to conditions and there can be no assurance that the Direct Share Buyback will occur.

The completion of this offering is not conditioned upon the closing of the Direct Share Buyback. Accordingly, the possibility exists that this offering will be completed and the Direct Share Buyback will not have been completed, for example due to the failure to satisfy or waive one or more closing conditions to the Direct Share Buyback. In such circumstances, the shares of common stock that would otherwise have been repurchased by us in the Direct Share Buyback would remain owned by ING Group, which would increase ING Group s proportionate share of our outstanding common stock above what it would have been had the Direct Share Buyback been completed. In addition, in such a circumstance the number of shares of our common stock outstanding immediately following this offering would be higher than it would be if the Direct Share Buyback were to have been completed. Finally, to the extent we sought to repurchase our common stock through other means, we might face higher repurchase costs.

Risks Related to Our Holding Company Structure

As holding companies, ING U.S., Inc. and Lion Holdings depend on the ability of their subsidiaries to transfer funds to them to meet their obligations.

ING U.S., Inc. is the holding company for all our operations, and dividends, returns of capital and interest income on intercompany indebtedness from ING U.S., Inc. s subsidiaries are the principal sources of funds available to ING U.S., Inc. to pay principal and interest on its outstanding indebtedness, to pay corporate operating expenses, to pay any stockholder dividends and to meet its other obligations. These subsidiaries are legally distinct from ING U.S., Inc. and, except in the case of Lion Holdings, which is the guarantor of certain of our outstanding indebtedness, have no obligation to pay amounts due on the debt of ING U.S., Inc. or to make funds available to ING U.S., Inc. for such payments. The ability of our subsidiaries to pay dividends or other distributions to ING U.S., Inc. in the future will depend on their earnings, tax considerations, covenants contained in any financing or other agreements and applicable regulatory restrictions. In addition, such payments may be limited as a result of claims against our subsidiaries by their creditors, including suppliers, vendors, lessors and employees. The ability of our insurance subsidiaries to pay dividends and make other distributions to ING U.S., Inc. will further depend on their ability to meet applicable regulatory standards and receive regulatory approvals, as discussed below under The ability of our insurance subsidiaries to pay dividends and other distributions to ING U.S., Inc. and Lion Holdings is further limited by state insurance laws, and our insurance subsidiaries may not generate sufficient statutory earnings or have sufficient statutory surplus to enable them to pay ordinary dividends.

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Lion Holdings is wholly owned by ING U.S., Inc. and is also a holding company, and accordingly its ability to make payments under its guarantees of our indebtedness is subject to restrictions and limitations similar to ING U.S., Inc. Neither ING U.S., Inc., nor Lion Holdings, has significant sources of cash flow other than from our subsidiaries that do not guarantee such indebtedness.

If the ability of our insurance or non-insurance subsidiaries to pay dividends or make other distributions or payments to ING U.S., Inc. and Lion Holdings is materially restricted by regulatory requirements, other cash needs, bankruptcy or insolvency, or our need to maintain the financial strength ratings of our insurance subsidiaries, or is limited due to operating results or other factors, we may be required to raise cash through the incurrence of debt, the issuance of equity or the sale of assets. However, there is no assurance that we would be able to raise cash by these means. This could materially and adversely affect the ability of ING U.S., Inc. and Lion Holdings to pay their obligations.

The ability of our insurance subsidiaries to pay dividends and other distributions to ING U.S., Inc. and Lion Holdings is further limited by state insurance laws, and our insurance subsidiaries may not generate sufficient statutory earnings or have sufficient statutory surplus to enable them to pay ordinary dividends.

The payment of dividends and other distributions to ING U.S., Inc. and Lion Holdings by our insurance subsidiaries is regulated by state insurance laws and regulations.

The jurisdictions in which our insurance subsidiaries are domiciled impose certain restrictions on the ability to pay dividends to their respective parents. These restrictions are based, in part, on the prior year s statutory income and surplus. In general, dividends up to specified levels are considered ordinary and may be paid without prior regulatory approval. Dividends in larger amounts, or extraordinary dividends, are subject to approval by the insurance commissioner of the relevant state of domicile. Under the insurance laws applicable to our insurance subsidiaries domiciled in Colorado, Connecticut, Indiana, Iowa and Minnesota, an extraordinary dividend or distribution is defined as a dividend or distribution that, together with other dividends and distributions made within the preceding twelve months, exceeds the greater of (1) 10% of the insurer s policyholder surplus as of the preceding December 31 or (2) the insurer s net gain from operations for the twelve-month period ended the preceding December 31, in each case determined in accordance with statutory accounting principles. New York has similar restrictions, except that New York s statutory definition of extraordinary dividend or distribution is an aggregate amount in any calendar year that exceeds the lesser of (1) 10% of policyholder s surplus as of the preceding December 31 or (2) the insurer s net gain from operations for the twelve-month period ended the preceding December 31, not including realized capital gains. In addition, under the insurance laws of the states of domicile of our Principal Insurance Subsidiaries, no dividend or other distribution exceeding an amount equal to an insurance company s earned surplus may be paid without the domiciliary insurance regulator s prior approval. From time to time, the NAIC and various state insurance regulators have considered, and may in the future consider, proposals to further limit dividend payments that an insurance company may make without regulatory approval. No assurance is given that more stringent restrictions will not be adopted from time to time by jurisdictions in which our insurance subsidiaries are domiciled, and such restrictions could have the effect, under certain circumstances, of significantly reducing dividends or other amounts payable to ING U.S., Inc. or Lion Holdings by our insurance subsidiaries without prior approval by regulatory authorities. In addition, in the future, we may become subject to debt instruments or other agreements that limit the ability of our insurance subsidiaries to pay dividends or make other distributions. The ability of our insurance subsidiaries to pay dividends or make other distributions is also limited by our need to maintain the financial strength ratings assigned to such subsidiaries by the rating agencies. These ratings depend to a large extent on the capitalization levels of our insurance subsidiaries.

Prior to our initial public offering, our Principal Insurance Subsidiaries domiciled in Colorado, Iowa and Minnesota each had negative earned surplus accounts, and therefore had no ordinary dividend capacity. In order to obtain dividends or distributions from these insurance companies, we historically obtained approval from the insurance companies respective state regulators, which could be granted or withheld in the regulators discretion, for extraordinary dividends or distributions. On May 8, 2013, following the completion of our IPO and payment of $1,434.0 million of extraordinary distributions, these insurance companies each reset, on a one-time basis, their respective negative unassigned funds account as of December 31, 2012 (as reported in their respective 2012 statutory annual statements) to zero (with an offsetting reduction in gross paid-in capital and contributed surplus). These resets were made pursuant to permitted practices in accordance with statutory accounting practices granted by their respective domiciliary insurance regulators. A detailed description of the permitted practices is included in Regulation Insurance Regulation Insurance Holding Company Regulation .

This reset allows our Principal Insurance Subsidiaries domiciled in Colorado, Iowa and Minnesota to build up ordinary dividend capacity to the extent their operating results subsequent to December 31, 2012 generate positive earned surplus. Under applicable domiciliary insurance regulations, our Principal Insurance Subsidiaries must deduct any extraordinary distributions or dividends paid in the preceding twelve months in calculating dividend capacity. We expect that these insurance subsidiaries will have ordinary dividend capacity only after twelve months have passed since the date the extraordinary distributions described above were paid. ILIAC had ordinary dividend capacity before such date and paid an ordinary dividend of $90 million to Lion Holdings in December 2013.

Our Principal Insurance Subsidiaries, however, may not succeed in building up sufficient positive earned surplus within those timeframes or at all. If our Principal Insurance Subsidiaries do not succeed in building up sufficient positive earned surplus to have ordinary dividend capacity, then we may seek extraordinary dividends or distributions (for which prior approval of their respective domiciliary insurance regulators would be required, and can be granted or withheld in the discretion of the regulators). There can be no assurance that our Principal Insurance Subsidiaries will receive approval for extraordinary distribution payments in the future.

The payment of dividends by our captive reinsurance subsidiaries is regulated by their respective governing licensing orders and restrictions in their respective insurance securitization agreements. Generally, our captive reinsurance subsidiaries may not declare or pay dividends in any form to their parent companies other than in accordance with their respective insurance securitization transaction agreements and their respective governing licensing orders, and in no event may the dividends decrease the capital of the captive below the minimum capital requirement applicable to it, and, after giving effect to the dividends, the assets of the captive paying the dividend must be sufficient to satisfy its domiciliary insurance regulator that it can meet its obligations. Likewise, our Arizona captive may not declare or pay dividends in any form to us other than in accordance with its annual capital and dividend plan as approved by the ADOI, which includes a minimum capital requirement.

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USE OF PROCEEDS

We will not receive any of the proceeds from the sale of shares in this offering.

DIVIDEND POLICY

We currently intend to continue to pay quarterly cash dividends on our common stock at the current amount of $0.01 per share, although any declaration of dividends will be at the discretion of the Board of Directors and will depend on our financial condition, earnings, cash needs, regulatory constraints, capital requirements (including requirements of our subsidiaries) and any other factors that the Board of Directors deems relevant in making such a determination. In addition, we have issued junior subordinated debt securities that limit our ability to pay dividends on or repurchase our common stock in certain circumstances. Therefore, there can be no assurance that we will pay any dividends in the future to holders of our common stock, or as to the amount of any such dividends.

Delaware law requires that dividends be paid only out of surplus, which is defined as the fair market value of our net assets, minus our stated capital; or out of the current or the immediately preceding year s earnings. We are a holding company, and we have no direct operations. All of our business operations are conducted through our subsidiaries. The states in which our insurance subsidiaries are domiciled impose certain restrictions on our insurance subsidiaries ability to pay dividends to us. These restrictions are based in part on the prior year s statutory income and surplus. Such restrictions, or any future restrictions adopted by the states in which our insurance subsidiaries are domiciled, could have the effect, under certain circumstances, of significantly reducing dividends or other amounts payable to us by our subsidiaries without affirmative approval of state regulatory authorities. For more details, see Risk Factors Risks Related to our Holding Company Structure.

On February 6, 2014, our Board of Directors declared a dividend on our common stock of $0.01 per share, which will be paid on March 31, 2014 to shareholders of record as of February 28, 2014. Dividends of the same amount per share were paid on December 30, 2013 and October 1, 2013. No other dividend has been declared since May 2, 2013.

PRICE RANGE OF ING U.S., INC. COMMON STOCK

ING U.S., Inc. common stock is listed on the NYSE under the symbol VOYA . From May 2, 2013 (the initial listing date of ING U.S. common stock) to June 28, 2013, the high and low reported prices for ING U.S., Inc. common stock on the NYSE were $29.06 and $19.20 per share, respectively; from July 1, 2013 to September 30, 2013, the high and low reported prices for ING U.S., Inc. common stock on the NYSE were $32.70 and $26.97 per share, respectively; from October 1, 2013 to December 31, 2013, the high and low reported prices for ING U.S., Inc. common stock on the NYSE were $36.08 and $28.64, respectively; and from January 1, 2014 to March 17, 2014, the high and low reported prices for ING U.S., Inc. common stock on the NYSE were $37.31 and $32.70, respectively.

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CAPITALIZATION

The following table presents our capitalization as of December 31, 2013, on an actual basis and on a pro forma basis, giving effect to the Direct Share Buyback as if it had occurred on December 31, 2013. Pro forma amounts assume that 7,022,471 shares are repurchased from ING Group in the Direct Share Buyback (based on an assumed per share repurchase price of $35.60, the closing price per share of our common stock on March 17, 2014, as reported by the NYSE), and that such repurchased shares are held as treasury stock. The actual number of shares repurchased in the Direct Share Buyback will be equal to $250 million divided by the per share proceeds, before expenses, to the Selling Stockholder in this offering, as shown on the cover of this prospectus.

You should read this table together with the sections entitled Selected Consolidated Financial Data , Management s Discussion and Analysis of Financial Condition and Results of Operations and our Consolidated Financial Statements and related notes included elsewhere in this prospectus.

	As of December 31, 2013	
($ in millions)	**Actual**	**Pro Forma**
Short-term debt:		
Short-term debt	$	$
Current portion of long-term debt		
Total short-term debt	$	$
Long-term debt:		
Long-term debt, capital leases and notes payable, net of current portion	$ 3,514.7	$ 3,514.7
Total long-term debt	$ 3,514.7	$ 3,514.7
Shareholders equity:		
Common stock, par value $0.01 per share; 900,000,000 shares authorized; 261,754,931 shares issued, 261,675,811 shares outstanding, actual; 261,754,931 issued, 254,653,340 outstanding, pro forma	$ 2.6	$ 2.6
Treasury stock, at cost (79,120 actual; 7,101,591, pro forma)		(250)
Additional paid-in capital	23,563.7	23,563.7
Retained earnings (deficit):		
Appropriated-consolidated investment entities	18.4	18.4
Unappropriated	(12,161.6)	(12,161.6)
Total shareholders equity (excluding AOCI and non-controlling interest)	$ 11,423.1	$ 11,173.1
Total capitalization (total debt plus shareholders equity excluding items noted above)	$ 14,937.8	$ 14,687.8

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SELECTED CONSOLIDATED UNAUDITED

QUARTERLY FINANCIAL DATA

The following selected unaudited consolidated financial data for each of the quarters in the years ended December 31, 2013, 2012 and 2011 have been derived from the unaudited Consolidated Financial Statements of the Company and, in the opinion of the management of the Company, reflect all adjustments, consisting only of normal recurring adjustments, necessary for the fair presentation of such date for the respective interim periods. The results of operations for these periods are not necessarily indicative of the results that might be expected for any future period.

($ in millions, except for share amounts)	Three Months Ended March 31	June 30	September 30	December 31
	(unaudited)			
2013				
Total revenues	$ 1,818.6	$ 2,140.6	$ 2,435.3	$ 2,364.0
Total benefits and expenses	2,032.9	2,215.8	2,015.3	1,736.4
Income (loss) before income taxes	(214.3)	(75.2)	420.0	627.6
Net income (loss)	(225.5)	(85.3)	447.7	653.7
Less: Net income (loss) attributable to noncontrolling interests	(13.5)	(3.1)	101.1	105.6
Net income (loss) available to ING U.S., Inc. s common shareholders	(212.0)	(82.2)	346.6	548.1
Net income (loss) available to ING U.S., Inc. s common shareholders per common share:				
Basic	(0.92)	(0.33)	1.33	2.10
Diluted	(0.92)	(0.33)	1.32	2.08
2012				
Total revenues	$ 1,485.3	$ 3,361.9	$ 2,564.3	$ 2,203.8
Total benefits and expenses	1,998.2	2,508.8	2,190.4	2,311.9
Income (loss) before income taxes	(512.9)	853.1	373.9	(108.1)
Net income (loss)	(520.8)	852.1	386.8	(106.9)
Less: Net income (loss) attributable to noncontrolling interests	(15.6)	217.7	20.3	(84.2)
Net income (loss) available to ING U.S., Inc. s common shareholder	(505.2)	634.4	366.5	(22.7)
Net income (loss) available to ING U.S., Inc. s common shareholders per common share:				
Basic	(2.20)	2.76	1.59	(0.10)
Diluted	(2.20)	2.76	1.59	(0.10)
2011				
Total revenues	$ 2,246.2	$ 2,989.4	$ 3,622.6	$ 860.6
Total benefits and expenses	2,083.7	2,296.7	2,767.4	2,293.2
Income (loss) before income taxes	162.5	692.7	855.2	(1,432.6)
Net income (loss)	243.4	549.5	1,032.6	(1,722.7)
Less: Income attributable to noncontrolling interests	(51.3)	183.0	(8.7)	67.9
Net income (loss) available to ING U.S., Inc. s common shareholder	294.7	366.5	1,041.3	(1,790.6)
Net income (loss) available to ING U.S., Inc. s common shareholders per common share:				
Basic	1.28	1.59	4.53	(7.78)
Diluted	1.28	1.59	4.53	(7.78)

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SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated financial data for the years ended December 31, 2013, 2012, 2011 and 2010 and as of December 31, 2013, 2012 and 2011 are derived from our audited Consolidated Financial Statements, which are included elsewhere in this prospectus. The selected consolidated financial data for the year ended December 31, 2009 and as of December 31, 2010 are derived from our audited Consolidated Financial Statements, which are not included in this prospectus. The selected unaudited consolidated financial data as of December 31, 2009 is derived from our unaudited Consolidated Financial Statements for such dates, which are not included in this prospectus.

Prospective investors should read these selected consolidated financial data together with Management s Discussion and Analysis of Financial Condition and Results of Operations and our Consolidated Financial Statements and the related notes included elsewhere in this prospectus.

	Year Ended December 31,				
($ in millions, except for share data)	**2013**	**2012**	**2011**	**2010**	**2009**
Consolidated Operating Results					
Net investment income	$ 4,689.0	$ 4,697.9	$ 4,968.8	$ 4,987.0	$ 5,568.6
Fee income	3,666.3	3,515.4	3,603.6	3,516.5	3,325.1
Premiums	1,956.3	1,861.1	1,770.0	1,707.5	1,985.5
Net realized capital gains (losses)	(2,534.8)	(1,280.8)	(1,531.4)	(1,678.0)	(2,178.7)
Total revenues	8,758.5	9,615.3	9,718.8	9,274.2	9,364.2
Interest credited and other benefits to contract owners/policyholders	4,497.8	4,861.6	5,742.0	5,027.3	5,629.9
Operating expenses	2,686.7	3,155.0	3,030.8	3,033.5	3,352.2
Net amortization of deferred policy acquisition costs and value of business acquired	442.8	722.3	387.0	746.6	1,052.3
Interest expense	184.8	153.7	139.3	332.5	385.5
Total benefits and expenses	8,000.4	9,009.3	9,441.0	9,236.4	10,472.8
Income (loss) before income taxes	758.1	606.0	277.8	37.8	(1,108.6)
Net income (loss)	790.6	611.2	102.8	(133.2)	(810.6)
Net income (loss) attributable to noncontrolling interest	190.1	138.2	190.9	(10.3)	(207.4)
Net income (loss) available to ING U.S., Inc. s common shareholders	600.5	473.0	(88.1)	(122.9)	(603.2)
Earnings Per Share[1]					
Net income (loss) available to ING U.S., Inc. s common shareholders per common share:					
Basic	$ 2.40	$ 2.06	$ (0.38)	$ (0.53)	$ (2.62)
Diluted	$ 2.38	$ 2.06	$ (0.38)	$ (0.53)	$ (2.62)
Common shares outstanding (in millions)	261.7	230.0	230.0	230.0	230.0

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($ in millions)	As of December 31, 2013	2012	2011	2010	2009 (Unaudited)
Consolidated Financial Position					
Total investments	$ 87,050.8	$ 95,487.6	$ 92,819.2	$ 86,886.1	$ 83,128.8
Assets held in separate accounts	106,827.1	97,667.4	88,714.5	95,588.1	88,849.4
Total assets	221,023.2	216,394.2	203,572.8	204,376.5	194,621.2
Future policy benefits and contract owner account balances	84,006.7	86,055.7	88,358.4	83,642.8	84,402.0
Short-term debt		1,064.6	1,054.6	5,464.6	4,811.6
Long-term debt	3,514.7	3,171.1	1,343.1	2,784.0	7,001.3
Liabilities related to separate accounts	106,827.1	97,667.4	88,714.5	95,588.1	88,849.4
Total ING U.S., Inc. shareholders equity, excluding AOCI[2]	11,423.1	10,164.2	9,758.9	5,857.5	2,310.0
Total ING U.S., Inc. shareholders equity	13,272.2	13,874.9	12,353.9	6,830.8	967.1

(1) Shares outstanding and per-share amounts give retroactive effect to the 2,295.248835-to-1 stock split effected on April 11, 2013.

(2) Shareholders equity, excluding AOCI, is derived by subtracting AOCI from ING U.S., Inc. shareholders equity both components of which are presented in the respective Consolidated Balance Sheets. For a description of AOCI, see the Accumulated Other Comprehensive Income (Loss) note to the Consolidated Financial Statements. We provide shareholders equity, excluding AOCI, because it is a common measure used by insurance analysts and investment professionals in their evaluations.

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MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND

RESULTS OF OPERATIONS

For the purposes of this discussion, the Company, we, our, us and ING U.S., Inc. refer to ING U.S., Inc. and its subsidiaries. As of the date of this prospectus, ING Group is our majority shareholder.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the Consolidated Financial Statements included elsewhere in this prospectus. In addition to historical data, this discussion contains forward-looking statements about our business, operations and financial performance based on current expectations that involve risks, uncertainties and assumptions. Actual results may differ materially from those discussed in the forward-looking statements as a result of various factors. See Note Regarding Forward-Looking Statements.

Overview

We provide our principal products and services in three ongoing businesses Retirement Solutions, Investment Management and Insurance Solutions and report our results for these ongoing businesses through five segments.

The Retirement Solutions business provides its products and services through two segments: Retirement and Annuities:

- Our *Retirement* segment provides tax-deferred, employer-sponsored retirement savings plans and administrative services in corporate, education, healthcare and government markets. Our Retirement segment also provides rollover IRAs and other retail financial products as well as comprehensive financial advisory services to individual customers. Our retirement products and services are distributed through multiple intermediary channels, including TPAs, independent and national wirehouse affiliated brokers and registered investment advisors, in addition to independent sales agents and consulting firms. We also have a direct sales team for large defined contribution plans and stable value business, as well as a team of affiliated brokers who sell our products both in person and via telephone.

- Our *Annuities* segment provides fixed and indexed annuities, tax-qualified mutual fund custodial products and payout annuities for pre-retirement wealth accumulation and post-retirement income management. Annuity products are primarily distributed by independent marketing organizations, independent broker-dealers, banks, independent insurance agents, pension professionals and affiliated broker-dealers.

The Investment Management business provides its products and services through a single segment, also called Investment Management:

- Our *Investment Management* business provides investment products and retirement solutions to both individual and institutional customers by offering domestic and international fixed income, equity, multi-asset and alternative products and solutions across a range of asset classes, geographies, market sectors, investment styles and capitalization spectrums. Investment Management products and services are primarily marketed to institutional clients, including public, corporate and union retirement plans, endowments and foundations and insurance companies, as well as individual investors and the general accounts of our insurance company subsidiaries. Investment Management products and services are distributed through a combination of our direct sales force, consultant channel and intermediary partners (such as banks, broker-dealers and independent financial advisers).

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The Insurance Solutions business provides its products and services through two segments: Individual Life and Employee Benefits:

Our *Individual Life* segment provides wealth protection and transfer opportunities through universal, variable, whole life and term life products. Our customers range across a variety of age groups and income levels. We distribute our product offering through three main channels: our independent sales channel, our strategic distribution channel and our specialty markets channel. Our independent sales channel consists of a large network of independent general agents and marketing companies who interact with the majority of licensed independent life insurance agents in the United States. Our strategic distribution channel encompasses a network of independent managing directors who support a large team of producers who engage with our broker-dealers to sell a range of products including our branded life, annuity and mutual funds. Finally, our specialty markets channel focuses on alternative distribution and consists of a large team of producers, in addition to banks, life insurance quote agencies and internet direct marketers.

Our *Employee Benefits* segment provides stop loss, group life, voluntary employee-paid and disability products to mid-sized and large businesses. We reinsure substantially all of our new disability sales to a third party. To distribute our products, we utilize brokers, consultants and third-party administrators. In the voluntary market, policies are marketed to employees at the worksite through enrollment firms, technology partners and brokers.

In addition to our ongoing business, we also have Closed Blocks and Corporate reporting segments. Corporate includes our corporate operations and corporate level assets and financial obligations. The Corporate segment includes investment income on assets backing surplus in excess of amounts held at the segment level, financing and interest expenses, other items not allocated to segments, such as certain expenses and liabilities of employee benefit plans and intercompany eliminations.

Closed Blocks consists of three separate reporting segments that include run-off and legacy business lines that are no longer being actively marketed or sold, but are managed to protect regulatory and rating agency capital from equity market movements. The CBVA segment consists of variable annuity contracts that were designed to offer long-term savings products in which individual contract owners made deposits that are maintained in separate accounts. These products included options for policyholders to purchase living benefit riders. In 2009, we separated our CBVA segment from our other operations, placing it in run-off, and made a strategic decision to stop actively writing new retail variable annuity products with substantial guarantee features (the last policies were issued in 2010 and the block shifted to run-off). The Closed Block Institutional Spread Products segment historically issued GICs and funding agreements and invested amounts raised to earn a spread. While the business in the Closed Block Institutional Spread Products segment is being managed in active run-off, we continue to issue liabilities from time to time to replace liabilities that are maturing. The Closed Block Other segment consists primarily of retained and run-off activity related to divestments, including our group reinsurance and individual reinsurance businesses, three broker dealers and Life Insurance Company of Georgia. Closed Block Other also includes certain reimbursed expenses related to ING Group s Latin America business, which was sold in December 2011. Accordingly, these segments have been classified as closed blocks and are managed separately from our ongoing business.

Trends and Uncertainties

Throughout this Management s Discussion and Analysis (MD&A), we discuss a number of trends and uncertainties that we believe may materially affect our future liquidity, financial condition or results of operations. Where these trends or uncertainties are specific to a particular aspect of our business, we often include such a discussion under the relevant caption of this MD&A, as part of our broader analysis of that area of our business. In addition, the following factors represent some of the key general trends and uncertainties that have influenced the development of our business and our historical financial performance and that we believe will continue to influence our business and financial performance in the future.

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Market Conditions

While extraordinary monetary accommodation has suppressed volatility in rate, credit and domestic equity markets, we are cognizant of the potential for an increase in volatility upon the normalization of monetary policy. In the short to medium-term, this potential for increased volatility, coupled with prevailing low interest rates, can pressure sales and reduce demand as consumers hesitate to make financial decisions. In addition, this environment could make it difficult to manufacture products that are consistently both attractive to customers and profitable. Financial performance can be affected adversely by market volatility as fees driven by AUM fluctuate, hedging costs increase and revenue declines due to reduced sales and increased outflows. In the long-term, however, we believe the recent financial crisis and resultant lingering uncertainty will motivate individuals to seek solutions combining elements of capital preservation, income and growth. Thus, as a company with strong retirement, investment management and insurance capabilities, we believe current market conditions may ultimately enhance the attractiveness of our broad portfolio of products and services. We will need to continue to monitor the behavior of our customers, as evidenced by mortality rates, morbidity rates, annuitization rates and lapse rates, which adjusts in response to changes in market conditions in order to ensure that our products and services remain attractive as well as profitable.

Interest Rate Environment

Yields across domestic fixed income classes moved notably higher in 2013; however, interest rates remain low by historical standards. The prolonged low interest rate environment has affected and may continue to affect the demand for our products in various ways. In the short- to medium-term, we may experience lower sales and reduced demand as the low interest rate environment makes it difficult to manufacture products that are consistently both attractive to customers and profitable.

Our financial performance may also be affected adversely by the current low interest rate environment. The interest rate environment has historically influenced our business and financial performance, and we believe it will continue to do so in the future for several reasons, including the following:

- Our general account investment portfolio, which was approximately $85 billion as of December 31, 2013, consists predominantly of fixed income investments and currently has an average yield of approximately 5.0%. In the near term and absent further material change in yields available on fixed income investments, we expect the yield we earn on new investments will be lower than the yields we earn on maturing investments, which were generally purchased in environments where interest rates were higher than current levels. We currently anticipate that proceeds that are reinvested in fixed income investments during 2014 will earn an average yield in the range of 4.25% to 4.50%. If interest rates were to rise, we expect the yield on our new money investments would also rise and gradually converge toward the yield of those maturing assets. In addition, while less material to financial results than new money investment rates, movements in prevailing interest rates also influence the prices of fixed income investments that we sell on the secondary market rather than holding until maturity or repayment, with rising interest rates generally leading to lower prices in the secondary market, and falling interest rates generally leading to higher prices.

- Certain of our products pay guaranteed minimum rates. For example, fixed accounts and a portion of the stable value accounts included within defined contribution retirement plans, UL policies and individual fixed annuities include guaranteed minimum credited rates. We are required to pay these guaranteed minimum rates even if earnings on our investment portfolio decline, with the resulting investment margin compression negatively impacting earnings. In addition, we expect more policyholders to hold policies (lower lapses) with comparatively high guaranteed rates longer in a low interest rate environment. Conversely, a rise in average yield on our investment portfolio would positively impact earnings if the average interest rate we pay on our products does not rise correspondingly. Similarly, we expect policyholders would be less likely to hold policies (higher lapses) with existing guarantees as interest rates rise.

Our CBVA segment provides certain guaranteed minimum benefits. A prolonged low interest rate environment may subject us to increased hedging costs or an increase in the amount of statutory reserves that our insurance subsidiaries are required to hold for these variable annuity guarantees, lowering their statutory surplus, which would adversely affect their ability to pay dividends to us. A prolonged low interest rate environment may also affect the perceived value of guaranteed minimum income benefits, which in turn may lead to a higher rate of annuitization of those products over time. For additional information on the CBVA segment s sensitivity to interest rates, see Business Closed Block CBVA and Quantative and Qualitative Disclosures About Market Risk.

In the long-term, however, we believe the recent financial crisis and resultant lingering uncertainty will motivate individuals to seek solutions combining elements of capital preservation, income and growth. Thus, as a company with strong retirement, investment management and insurance capabilities, we believe current market conditions may ultimately enhance the attractiveness of our broad portfolio of products and services. We will need to continue to monitor the behavior of our customers, as evidenced by annuitization rates and lapse rates, which adjusts in response to changes in market conditions, in order to ensure that our products and services remain attractive as well as profitable.

The Impact of our CBVA Segment on U.S. GAAP Earnings

Our ongoing management of our CBVA segment is focused on preserving our current capitalization status through careful risk management and hedging. Because U.S. GAAP accounting differs from the methods used to determine regulatory and rating agency capital measures, our hedge programs may create earnings volatility in our U.S. GAAP financial statements.

Governmental and Public Policy Impact on Demand for Our Products

The demand for our products is influenced by a dynamic combination of governmental and public policy factors. We anticipate that legislative and other governmental activity and our ability to flexibly respond to changes resulting from such activity will be crucial to our long-term financial performance. In particular, the demand for our products is influenced by the following factors:

Availability and quality of public retirement solutions: The lack of comprehensive or sufficient government-sponsored retirement solutions has been a significant driver of the popularity of private sector retirement products. We believe that concerns regarding Social Security and the reduced enrollment in defined benefit retirement plans may further increase the demand for private sector retirement solutions. The impact of any legislative actions or new government programs relating to retirement solutions on our business and financial performance will depend substantially on the level of private sector involvement and our ability to participate in any such programs. We believe we are well positioned to take advantage of any future developments involving participation in any such programs by private sector providers.

Tax-advantaged status: Many of the retirement savings, accumulation and protection products we sell qualify for tax-advantaged status. Changes in U.S. tax laws that alter the tax benefits of certain investment vehicles could have a material effect on demand for our products.

Aging of the U.S. Population

We believe that the aging of the U.S. population will affect both the demand for our products and the levels of our AUM and AUA. As the baby boomer generation prepares for retirement, we believe that demand for retirement savings, growth and income products will grow. The impact of this growth may be offset to some extent by asset outflows as an increasing percentage of the population begins withdrawing assets to convert their savings into income.

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Competition

Our ongoing business operates in highly competitive markets. We face a variety of large and small industry participants, including diversified financial institutions, investment managers and insurance companies. These companies compete in one form or another for the growing pool of retirement assets driven by a number of exogenous factors such as the continued aging of the U.S. population and the reduction in safety nets provided by governments and corporations. In many segments, product differentiation is difficult as product development and life cycles have shortened. In addition, we have experienced pressure on fees as product unbundling and lower cost alternatives have emerged. As a result, scale and the ability to provide value-added services and build long-term relationships are important factors to compete effectively. We believe that our leading presence in the retirement market and resulting relationships with millions of participants, diverse range of capabilities (as a provider of retirement, investment management and insurance products and services) and broad distribution network uniquely position us to effectively serve consumers increasing demand for retirement savings, income and protection solutions.

Seasonality

Our ongoing business results can vary from quarter to quarter as a result of seasonal factors. For example, the first quarters of each year typically have elevated operating expenses, reflecting higher payroll taxes and certain other annual expenses that are concentrated in the first quarter. These incremental expenses typically add approximately $10 to $15 million to our operating expenses in the first quarter. The first quarters also tend to have lower investment income from carried interest income from Investment Management and a higher Group Life loss ratio in Employee Benefits. In addition, the fourth quarters tend to have higher levels of performance fees in Investment Management.

Operating Measures

This management s discussion and analysis includes discussion of operating earnings before income taxes and operating revenues, each of which is a measure that is not determined in accordance with U.S. GAAP, because our management uses these measures to manage our businesses and allocate our resources. We also discuss these measures generally because we believe that they provide our investors with useful information regarding our financial performance. In particular, these measures facilitate a comparison of period-to-period results without the effect of the volatility created by certain changes in the financial markets that affect our financial results as reported under U.S. GAAP. Other companies may use similarly titled non-U.S. GAAP financial measures that are calculated differently from the way we calculate such measures, and accordingly, our non-U.S. GAAP financial measures may not be comparable to similar measures used by other companies.

We also discuss certain operating measures, described below, as well as operating earnings before income taxes and operating revenue which provide useful information about our businesses and the operational factors underlying our financial performance. See Note 20. Segments for a description of the adjustments made to reconcile Income (loss) before income taxes to Operating earnings before income taxes and the adjustments made to reconcile Total revenues to Operating revenues.

Operating Earnings before Income Taxes

Operating earnings before income taxes is an internal measure we use to evaluate segment performance. Operating earnings before income taxes does not replace Net income (loss) as the U.S. GAAP measure of the consolidated results of operations and consists of operating revenues less operating benefits and expenses. Each segment s Operating earnings before income taxes is calculated by adjusting Income (loss) before income taxes for the following items:

- Net investment gains (losses), net of related amortization of DAC, VOBA, sales inducements and unearned revenue. Net investment gains (losses) include gains (losses) on the sale of securities,

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impairments, changes in the fair value of investments using the fair value option (FVO) unrelated to the implied loan-backed security income recognition for certain mortgage-backed obligations and changes in the fair value of derivative instruments, excluding realized gains (losses) associated with swap settlements and accrued interest;

Net guaranteed benefit hedging gains (losses), which include changes in the fair value of derivatives related to guaranteed benefits, net of related reserve increases (decreases) and net of related amortization of DAC, VOBA and sales inducements, less the estimated cost of these benefits. The estimated cost, which is reflected in operating results, reflects the expected cost of these benefits if markets perform in line with our long-term expectations and includes the cost of hedging. All other derivative and reserve changes related to guaranteed benefits are excluded from operating results, including the impacts related to changes in our nonperformance spread;

Income (loss) related to business exited through reinsurance or divestment;

Income (loss) attributable to noncontrolling interests;

Income (loss) related to early extinguishment of debt;

Impairment of goodwill, value of management contract rights and value of customer relationships acquired;

Immediate recognition of net actuarial gains (losses) related to our pension and other postretirement benefit obligations and gains (losses) from plan amendments and curtailments; and

Other items, including restructuring expenses (severance, lease write-offs, etc.), integration expenses related to our acquisition of CitiStreet and certain third-party expenses and deal incentives related to the divestment of ING U.S., Inc. by ING Group.

Our CBVA segment is managed to focus on protecting regulatory and rating agency capital rather than achieving operating metrics and, therefore, its results of operations are not reflected within operating earnings before income taxes. When we present the adjustments to Income (loss) before income taxes on a consolidated basis, each adjustment excludes the relative portions attributable to our CBVA segment.

The most directly comparable U.S. GAAP measure to Operating earnings before income taxes is Income (loss) before income taxes. For a reconciliation of Operating earnings before income taxes to Income (loss) before income taxes, see Results of Operations Company Consolidated below.

Operating Revenues

Operating revenues is a measure of our segment revenues. We calculate operating revenues by adjusting each segment s revenue for the following items:

Net realized investment gains (losses) and related charges and adjustments, which include gains (losses) on the sale of securities, impairments, changes in the fair value of investments using the FVO unrelated to the implied loan-backed security income recognition for certain mortgage-backed obligations and changes in the fair value of derivative instruments, excluding realized gains (losses) associated with swap settlements and accrued interest. These items are net of related amortization of unearned revenue;

Gain (loss) on change in fair value of derivatives related to guaranteed benefits, which include changes in the fair value of derivatives related to guaranteed benefits, less the estimated cost of these benefits. The estimated cost, which is reflected in operating results, reflects the expected cost of these benefits if markets perform in line with our long-term expectations and includes the cost of hedging. All other derivative and reserve changes related to guaranteed benefits are excluded from operating revenues, including the impacts related to changes in our nonperformance spread;

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Revenues related to businesses exited through reinsurance or divestment;

Revenues attributable to noncontrolling interests;

Other adjustments to operating revenues primarily reflect fee income earned by our broker dealers for sales of non-proprietary products, which are reflected net of commission expense in our segments operating revenues as well as other items where the income is passed on to third parties.

Operating revenues also excludes the revenues of our CBVA segment, since this segment is managed to focus on protecting regulatory and rating agency capital rather than achieving operating metrics. When we present the adjustments to Total revenues on a consolidated basis, each adjustment excludes the relative portions attributable to our CBVA segment.

The most directly comparable U.S. GAAP measure to Operating revenues is Total revenues. For a reconciliation of Operating revenue to Total revenues, see Results of Operations Company Consolidated below.

AUM and AUA

A substantial portion of our fees, other charges and margins are based on AUM. AUM represents on-balance sheet assets supporting customer account values/liabilities and surplus as well as off-balance sheet institutional/mutual funds. Customer account values reflect the amount of policyholder equity that has accumulated within retirement, annuity and UL products. AUM includes general account assets managed by our Investment Management segment in which we bear the investment risk, separate account assets in which the contract owner bears the investment risk and institutional/mutual funds, which are excluded from our balance sheet. AUM-based revenues increase or decrease with a rise or fall in the amount of AUM, whether caused by changes in capital markets or by net flows.

AUM is principally affected by net deposits (i.e., new deposits, less surrenders and other outflows) and investment performance (i.e., interest credited to contract owner accounts for assets that earn a fixed return or market performance for assets that earn a variable return). Separate account AUM and institutional/mutual fund AUM include assets managed by our Investment Management segment, as well as assets managed by third-party investment managers. Our Investment Management segment reflects the revenues earned for managing affiliated assets for our other segments (based on arm s length agreements) as well as assets managed for third parties. Our consolidated AUM includes eliminations of AUM managed by our Investment Management segment that is also reflected in other segments AUM and adjustments for AUM not reflected in any segments.

AUA represents accumulated assets on contracts pursuant to which we either provide administrative services or product guarantees for assets managed by third parties. These contracts are not insurance contracts and the assets are excluded from the Consolidated Financial Statements. Fees earned on AUA can be based on the number of participants, asset levels and/or the level of services or product guarantees that are provided.

Sales Statistics

In our discussion of our segment results under Results of Operations Segment by Segment, we sometimes refer to sales activity for various products. The term sales is used differently for different products, as described more fully below. These sales statistics do not correspond to revenues under U.S. GAAP and are used by us as operating measures underlying our financial performance.

Net flows are deposits less redemptions (including benefits and other product charges).

Sales for Individual Life products are based on a calculation of weighted average annual premiums (WAP). Sales for Employee Benefits products are based on a calculation of annual premiums, which represents regular premiums on new policies, plus a portion of new single premiums.

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WAP is defined as the amount of premium for a policy s first year that is eligible for the highest first year commission rate, plus a varying portion of any premium in excess of this base amount, depending on the product. WAP is a key measure of recent sales performance of our products and is an indicator of the general growth or decline in certain lines of business. WAP is not equal to premium revenue under U.S. GAAP. Renewal premiums on existing policies are included in U.S. GAAP premium revenue in addition to first year premiums and thus changes in persistency of existing in-force business can potentially offset growth from current year sales.

Total gross premiums and deposits are defined as premium revenue and deposits for policies written and assumed. This measure provides information as to growth and persistency trends related to premium and deposits.

Other Measures

Total annualized in-force premiums are defined as a full year of premium at the rate in effect at the end of the period. This measure provides information as to the growth and persistency trends in premium revenue.

Interest adjusted loss ratios are defined as the ratio of benefits expense to premium revenue exclusive of the discount component in the change in benefit reserve. This measure reports the loss ratio related to mortality on life products and morbidity on health products.

In-force face amount is defined as the total life insurance coverage in effect as of the end of the period presented for business written and assumed. This measure provides information as to changes in policy growth and persistency with respect to death benefit coverage.

In-force policy count is defined as the number of policies written and assumed with coverage in effect as of the end of the period. This measure provides information as to policy growth and persistency.

New business policy count (paid) is defined as the number of policies issued during the period for which initial premiums have been paid by the policyholder. This measure provides information as to policy growth from sales during the period.

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Results of Operations Company Consolidated

The following table summarizes the consolidated financial information for the periods indicated:

($ in millions)	Years Ended December 31, 2013	2012	2011
Revenues:			
Net investment income	$ 4,689.0	$ 4,697.9	$ 4,968.8
Fee income	3,666.3	3,515.4	3,603.6
Premiums	1,956.3	1,861.1	1,770.0
Net realized capital gains (losses)	(2,534.8)	(1,280.8)	(1,531.4)
Other revenue	433.0	378.5	428.2
Income (loss) related to consolidated investment entities:			
Net investment income	545.2	556.6	528.4
Changes in fair value related to collateralized loan obligations	3.5	(113.4)	(48.8)
Total revenues	8,758.5	9,615.3	9,718.8
Benefits and expenses:			
Interest credited and other benefits to contract owners/policyholders	4,497.8	4,861.6	5,742.0
Operating expenses	2,686.7	3,155.0	3,030.8
Net amortization of deferred policy acquisition costs and value of business acquired	442.8	722.3	387.0
Interest expense	184.8	153.7	139.3
Operating expenses related to consolidated investment entities:			
Interest expense	180.6	106.4	68.4
Other expense	7.7	10.3	73.5
Total benefits and expenses	8,000.4	9,009.3	9,441.0
Income (loss) before income taxes	758.1	606.0	277.8
Income tax expense (benefit)	(32.5)	(5.2)	175.0
Net income (loss)	790.6	611.2	102.8
Less: Net income (loss) attributable to noncontrolling interest	190.1	138.2	190.9
Net income (loss) available to our common shareholders	$ 600.5	$ 473.0	$ (88.1)

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The following table summarizes AUM and AUA as of the dates indicated:

($ in millions)	As of December 31, 2013	2012	2011
AUM and AUA			
Retirement Solutions:			
Retirement	$ 343,014.0	$ 304,146.7	$ 287,843.7
Annuities	26,646.7	26,101.1	27,690.2
Investment Management	257,748.8	236,446.8	225,114.0
Insurance Solutions:			
Individual Life	15,995.6	15,322.5	14,769.8
Employee Benefits	1,755.1	1,759.5	1,741.2
Eliminations/Other	(183,585.9)	(170,346.5)	(167,939.3)
Total Ongoing Businesses	461,574.3	413,430.1	389,219.6
Closed Blocks:			
Closed Block Variable Annuity	45,699.0	43,198.4	42,645.5
Closed Block Institutional Spread Products	2,711.6	3,805.6	5,581.7
Closed Block Other	542.9	566.5	599.6
Total Closed Blocks	48,953.5	47,570.5	48,826.8
Total AUM and AUA	$ 510,527.8	$ 461,000.6	$ 438,046.4
AUM	$ 274,341.9	$ 247,325.1	$ 229,680.4
AUA	236,185.9	213,675.5	208,366.0
Total AUM and AUA	$ 510,527.8	$ 461,000.6	$ 438,046.4

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The following table summarizes the relative contributions of each segment to Operating earnings before income taxes for the periods indicated, and a reconciliation of Operating earnings before income taxes to Income (loss) before income taxes:

($ in millions)	Years Ended December 31, 2013	2012	2011
Retirement Solutions:			
Retirement	$ 595.8	$ 448.6	$ 441.9
Annuities	293.8	102.2	387.6
Investment Management	178.1	134.5	87.5
Insurance Solutions:			
Individual Life	254.8	196.2	279.3
Employee Benefits	106.1	109.4	83.3
Total Ongoing Business	1,428.6	990.9	1,279.6
Corporate	(210.6)	(182.3)	(230.2)
Closed Blocks:			
Closed Block Institutional Spread Products	35.9	45.7	83.2
Closed Block Other	14.7	64.0	(13.0)
Total Closed Blocks[(1)]	50.6	109.7	70.2
Total operating earnings before income taxes	1,268.6	918.3	1,119.6
Adjustments:			
Closed Block Variable Annuity	(1,209.3)	(692.3)	(564.5)
Net investment gains (losses) and related charges and adjustments	212.1	455.5	71.8
Net guaranteed benefit hedging gains (losses) and related charges and adjustments	19.4	97.2	(269.4)
Loss related to businesses exited through reinsurance or divestment	(59.8)	(45.8)	(35.1)
Income (loss) attributable to noncontrolling interests	190.1	138.2	190.9
Immediate recognition of net actuarial gains (losses) related to pension and other postretirement benefit obligations and gains (losses) from plan amendments and curtailments	405.2	(165.0)	(157.8)
Other adjustments to operating earnings	(68.2)	(100.1)	(77.7)
Income (loss) before income taxes	$ 758.1	$ 606.0	$ 277.8

(1) Our CBVA segment is managed to focus on protecting regulatory and rating agency capital rather than achieving operating metrics and, therefore, its results of operations are not reflected within Operating earnings before income taxes.

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The following table summarizes the relative contributions of each segment to Operating revenues for the periods indicated and a reconciliation of Operating revenues to Total revenues:

($ in millions)	Years Ended December 31, 2013	2012	2011
Retirement Solutions:			
Retirement	$ 2,399.4	$ 2,271.9	$ 2,225.4
Annuities	1,244.6	1,307.0	1,401.4
Investment Management	607.7	545.5	491.9
Insurance Solutions:			
Individual Life	2,791.9	2,793.9	2,785.0
Employee Benefits	1,262.5	1,251.2	1,246.2
Total Ongoing Business	8,306.1	8,169.5	8,149.9
Corporate	87.4	65.9	(13.7)
Closed Blocks:			
Closed Block Institutional Spread Products	109.1	127.2	188.1
Closed Block Other	27.7	43.8	52.2
Total Closed Blocks[(1)]	136.8	171.0	240.3
Total operating revenues	8,530.3	8,406.4	8,376.5
Adjustments:			
Closed Block Variable Annuity	(726.2)	(70.0)	794.9
Net realized investment gains (losses) and related charges and adjustments	157.4	603.4	219.2
Gain (loss) on change in fair value of derivatives related to guaranteed benefits	104.0	83.1	(399.0)
Revenues related to businesses exited through reinsurance or divestment	(76.2)	64.6	116.1
Revenues (loss) attributable to noncontrolling interests	411.2	313.8	399.1
Other adjustments to operating revenues	358.0	214.0	212.0
Total revenues	$ 8,758.5	$ 9,615.3	$ 9,718.8

(1) Our CBVA segment is managed to focus on protecting regulatory and rating agency capital rather than achieving operating metrics and, therefore, its results of operations are not reflected within Operating revenues.

We believe the following tables will help investors better understand the components of the reconciliation between Operating earnings before income taxes and Income (loss) before income taxes related to Net investment gains (losses) and Net guaranteed benefits hedging gains (losses) and related charges and adjustments.

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The following table summarizes the adjustment to Income (loss) before taxes related to Total investment gains (losses) and the related *Net amortization of DAC/VOBA* and other intangibles for the periods indicated:

($ in millions)	Years Ended December 31, 2013	2012	2011
Other-than-temporary impairments	$ (35.7)	$ (55.1)	$ (502.7)
CMO-B fair value adjustments[1]	(87.3)	221.1	326.5
Gains (losses) on the sale of securities	116.0	436.2	568.4
Other, including changes in the fair value of derivatives	170.9	10.7	(119.3)
Total investment gains (losses)	163.9	612.9	272.9
Net amortization of DAC/VOBA and other intangibles on above	60.8	(130.8)	(137.6)
Net investment gains (losses), including Closed Block Variable Annuity	224.7	482.1	135.3
Less: Closed Block Variable Annuity net investment gains (losses) and related charges and adjustments	12.6	26.6	63.5
Net investment gains (losses)	$ 212.1	$ 455.5	$ 71.8

(1) For a description of our CMO-B portfolio, see Investments CMO-B Portfolio.

The following table summarizes the adjustment to Income (loss) before taxes related to Guaranteed benefit hedging gains (losses) net of DAC/VOBA and other intangibles amortization for the periods indicated. This table excludes CBVA.

($ in millions)	Years Ended December 31, 2013	2012	2011
Gain (loss), excluding nonperformance risk	$ 113.0	$ 188.2	$ (377.9)
Gain (loss) due to nonperformance risk	(55.8)	(114.2)	(21.3)
Net gain (loss) prior to related amortization of DAC/VOBA and sales inducements	57.2	74.0	(399.2)
Net amortization of DAC/VOBA and sales inducements	(37.8)	23.2	129.8
Net guaranteed benefit hedging gains (losses) and related charges and adjustments	$ 19.4	$ 97.2	$ (269.4)

Notable Items

We believe the following tables will help investors identify more easily some of the larger causes of changes in our Operating earnings before income taxes during the periods discussed. The tables highlight notable items that are included in Operating earnings before income taxes from the following categories: (1) large gains or losses that are not indicative of performance in the period; (2) significant gains (losses) resulting from transactions to change our capital structure; and (3) items that typically recur but can be volatile from period-to-period (e.g., DAC/VOBA and other intangibles unlocking). In addition, we included the historic Interest expense because Interest expense has changed significantly over the period given the change in debt. There may be other items not included in the following table that caused increases (decreases) in Operating earnings before taxes for the periods presented. See the descriptions within the Results of Operations section for a more comprehensive discussion of the causes of changes in Operating earnings before income taxes.

Each quarter, we update our DAC/VOBA and other intangibles based on actual historical gross profits and projections of estimated gross profits. Also, generally during the third quarter, we complete our annual review of assumptions, including projection model inputs, in each of our segments (except for Investment Management, for which assumption reviews are not relevant). As a result of these reviews, we typically make a number of changes to our assumptions. The unlocking related to these quarterly updates and the third quarter annual assumption reviews is included in DAC/VOBA and other intangibles unlocking.

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During 2013, the Company received distributions of cash and securities in conjunction with a Lehman Brothers bankruptcy settlement (Lehman Recovery). In 2008, Lehman Brothers acted as a prime broker for assets held in partnership owned by the Company. In 2008, these partnership assets were written down to the then-assumed realizable value. The amount of the current distribution in excess of the book value of these assets of $135.2 million is being recognized as *Net investment income* within Operating earnings before income taxes, which excludes $9.0 million in *Net investment income* for the CBVA segment.

During 2013, the Company disposed of certain Low Income Housing Tax Credit partnerships (LIHTC) as a means of exiting this asset class and as a result recognized losses in *Net investment income* of $31.6 million.

Collectively the Lehman Recovery and LIHTC losses, net of DAC/VOBA and other intangibles impacts, are referred to as Net gain from Lehman Recovery/LIHTC.

During 2012, the Company entered into an agreement to sell certain general account private equity limited partnership holdings (sale of certain alternative investments), which resulted in a loss, which was recognized in investment income. See -Investments Sale of Certain Alternative Investments for further description.

	Years Ended December 31,		
($ in millions)	**2013**	**2012**	**2011**
Interest expense (including interest rate swap settlements)	$ (179.7)	$ (127.8)	$ (185.7)
DAC/VOBA and other intangibles unlocking(1)(2)	133.2	(77.0)	303.8
Net gain from Lehman Recovery/LIHTC	87.0		
Loss on sale of alternative investments(3)		(92.0)	
Reserve increase related to use of SSDMF			(68.9)

(1) Unlocking related to the Net gain from Lehman Recovery/LIHTC is excluded from DAC/VOBA and other intangibles unlocking for the year ended December 31, 2013 (and included in Net gain from Lehman Recovery/LIHTC).

(2) Includes the impacts of the annual review of assumptions.

(3) See -Investments Sale of Certain Alternative Investments for a description.

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The following table summarizes the net impact to Operating earnings before income taxes of the Net gain from Lehman Recovery/LIHTC and the related amortization and unlocking of DAC/VOBA and other intangibles by segment:

	Year Ended December 31, 2013			
($ in millions)	Net investment income (loss)	DAC/VOBA and other intangibles amortization(1)	DAC/VOBA and other intangibles unlocking(1)	Net gain from Lehman Recovery/ LIHTC
Retirement	$ 15.2	$ (7.0)	$ 4.7	$ 12.9
Annuities	20.3	(11.4)	4.6	13.5
Investment Management	13.2			13.2
Individual Life	47.2	(25.1)	17.6	39.7
Employee Benefits	4.3			4.3
Corporate	3.2			3.2
Closed Block Institutional Spread Products	(0.4)			(0.4)
Closed Block Other	0.6			0.6
Net gain included in segment Operating earnings before income taxes(2)	$ 103.6	$ (43.5)	$ 26.9	$ 87.0

(1) DAC/VOBA and other intangibles amortization and DAC/VOBA and other intangibles unlocking are included in *Fee income*, *Interest credited and other benefits to contract owners/policyholders* and *Net amortization of DAC/VOBA* (See *Unlocking of DAC/VOBA and other Contract Owner/Policyholder Intangibles* section).

(2) Amount excludes net gain for the CBVA segment of $9.0 million for the year ended December 31, 2013.

The following table summarizes the impact to Operating earnings before income taxes of the net loss on the sale of certain alternative investments in the prior period (see Investments Sale of Certain Alternative Investments for further description by segment):

($ in millions)	Year Ended December 31, 2012
Retirement	$ (48.1)
Annuities	(18.0)
Investment Management	2.2
Individual Life	(13.1)
Employee Benefits	(5.1)
Closed Block Institutional Spread Products	(8.0)
Closed Block Other	(1.9)
Net loss included in segment Operating earnings before income taxes(1)	$ (92.0)

(1) Amount excludes net gain for the CBVA segment of $0.1 million for the year ended December 31, 2012.

Terminology Definitions

Net realized capital gains (losses), *net realized investment gains (losses) and related charges and adjustments* and *net guaranteed benefit hedging losses and related charges and adjustments* include changes in the fair value of derivatives. Increases in the fair value of derivative assets or decreases in the fair value of derivative liabilities result in gains. Decreases in the fair value of derivative assets or increases in the fair value of derivative liabilities result in losses.

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In addition, we have certain products that contain guarantees that are embedded derivatives related to guaranteed benefits, while other products contain such guarantees that are considered derivatives (collectively guaranteed benefit derivatives).

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Net Income (Loss)

Net investment income decreased $8.9 million from $4,697.9 million to $4,689.0 million primarily as a result of portfolio restructuring in the prior period, the impact of the continued low interest rate environment on reinvestment rates, and lower average volumes in our Annuities and Closed Block Institutional Spread Products segments. Partially offsetting the overall decline is higher prepayment fee income, net investment income from Lehman Recovery/LIHTC in the current period, a loss on sale of certain alternative investments in the prior period and an increase in assets in our Retirement segment.

The decline in the volumes of our Annuities segment is a result of the continuing run-off of MYGAs. Our Closed Block Institutional Spreads Products business experienced a decline as a result of a decrease in block size.

Fee income increased $150.9 million from $3,515.4 million to $3,666.3 million primarily due to an increase in fees in our Retirement, CBVA and Investment Management segments associated with higher AUM.

Premiums increased $95.2 million from $1,861.1 million to $1,956.3 million primarily due to higher premiums associated with the annuitization of life contingent contracts in our CBVA segment, which are offset by a reserve increase in the corresponding *Interest credited and other benefits to contract owners/policyholders*.

Net realized capital losses increased $1,254.0 million from $1,280.8 million to $2,534.8 million primarily due to changes in fair value of derivatives from the CBVA segment liability hedge and CHO program, lower net realized investment gains, and changes in fair value of guaranteed benefit derivatives due to nonperformance risk in our CBVA segment. Lower gains on guaranteed benefit derivative hedging, excluding nonperformance risk, in our Retirement Solutions business were mostly offset by changes in the fair value of guaranteed benefit derivatives related to nonperformance risk. In addition, losses resulting from market value changes in the derivative associated with business reinsured are entirely offset by the corresponding *Interest credited and other benefits to contract owners/policyholders*. The increased losses, discussed in further detail below, were partially offset by changes in fair value of guaranteed benefit derivatives, excluding nonperformance risk in our CBVA segment.

Changes in fair value of derivatives from the CBVA segment liability hedge and CHO program resulted in an increase in losses of $1,683.9 million, from a loss of $1,801.5 million to a loss of $3,485.4 million, primarily as a result of rising interest rates and higher equity market growth. The hedge program in the CBVA segment focuses on protecting regulatory and rating agency capital from equity market movements rather than mitigating earnings volatility. Lower net realized investment gains of $449.0 million, as a result of net realized gains of $163.9 million in the current period compared to gains of $612.9 million in the prior period, were primarily driven by changes in fair value adjustments on our CMO-B portfolio and lower gains on the sale of securities, partially offset by derivative mark to market adjustments as a result of rising interest rates. Changes in the fair value of guaranteed benefit derivatives due to nonperformance risk in our CBVA segment resulted in an increase in Net realized capital losses of $50.9 million, from a loss of $443.6 million to a loss of $494.5 million. Lower gains on guaranteed benefit derivative hedging, excluding nonperformance risk in our Retirement Solutions business were primarily driven by changes in the fair value of derivatives associated with the Stable Value hedge program put in place during the prior period, in addition to reductions in expected future guaranteed interest rates on certain Stabilizer contracts in the prior period. These were partially offset by higher gains resulting from rising interest rates and equity market movements and changes in the fair value of guaranteed benefit derivatives related to nonperformance risk.

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Higher losses in the current period are partially offset by gains from changes in fair value of guaranteed benefit derivatives in our CBVA segment. Gains on guaranteed benefit derivatives, excluding nonperformance risk in our CBVA segment increased $923.6 million, from $833.9 million to $1,757.5 million, driven by higher equity market growth, rising interest rates and favorable changes in volatility in the current period compared to the prior period.

Other revenue increased $54.5 million from $378.5 million to $433.0 million primarily due to higher income earned by our Retirement segment s broker dealers for sales on non-proprietary products, which is partially offset by the corresponding higher broker-dealer expenses within *Operating expenses*. Changes in market value adjustments related to retirement plan sponsors upon surrender and an increase in production and performance related fees earned by our Investment Management segment also contributed to the increase.

Interest credited and other benefits to contract owners/policyholders decreased $363.8 million from $4,861.6 million to $4,497.8 million primarily due to a decrease in reserves in our CBVA segment and a decline in the funds withheld reserve with business reinsured resulting from market value changes in the related assets, the latter of which is entirely offset by a corresponding amount recorded in Net realized capital gains (losses). A decline in guaranteed benefit reserves in our CBVA segment driven by more favorable fund returns in the current period compared to the prior period is partially offset by an increase in reserves associated with the annuitization of life contingent contracts in our CBVA segment, which corresponds to the increase in *Premiums* described above. In addition, decreases in interest credited in our Annuities segment due to declining reserves for MYGAs and lower crediting rates, favorable reserve changes and intangible unlocking in our Individual Life segment, and declining contract owner account balances for the Closed Block Institutional Spread Products segment contributed to the decrease.

Operating expenses decreased $468.3 million from $3,155.0 million to $2,686.7 million primarily due to lower pension expenses in the current period related to the immediate recognition of actuarial gains, compared to losses in the prior period, largely due to changes in equity markets and interest rates as well as a curtailment in the third quarter of 2012. Additionally, lower LOC costs in the current period for our CBVA segment and for our Individual Life segment, lower sales related expenses in our Individual Life segment in the current period, and lower costs in the current period related to the divestment of the Company by ING Group all contributed to a decrease in Operating expenses. These decreases were offset by higher expenses in our Closed Block Other segment as a result of a reimbursement of expenses by ING Group during the prior period, higher broker-dealer and other asset-based expenses in our Retirement segment, higher commission expenses in our CBVA segment associated with higher AUM, an increase in variable expenses in our Investment Management segment and higher variable compensation costs in the current period compared to the prior period.

Net amortization of DAC/VOBA decreased $279.5 million from $722.3 million to $442.8 million. The decrease is primarily driven by favorable unlocking in the current period compared to the prior period as a result of prospective assumption changes in our Retirement and Annuities segments, as well as lower amortization associated with a decline in net realized investment gains in the current period compared to the prior period.

Interest expense increased $31.1 million from $153.7 million to $184.8 million primarily due to additional interest and debt issuance costs associated as a result of changes in debt structure. See a description of the changes in debt structure under Liquidity and Capital Resources Debt Securities.

Income (loss) before income taxes increased $152.1 million from $606.0 million to $758.1 million driven primarily by the immediate recognition of actuarial gains on pensions in the current period compared to losses in the prior period, Net gain from Lehman Recovery/LIHTC in the current period and the loss on the sale of certain alternative investments in the prior period, lower amortization of DAC/VOBA, and higher Fee income. This was partially offset by higher losses related to the incurred guaranteed benefits and guarantee hedge program in our CBVA segment and changes in the fair value of guaranteed benefit derivatives due to nonperformance risk, a decline in net investment gains and lower investment income on the CMO-B and alternative investment portfolios as a result of portfolio restructuring in the prior period.

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Income tax benefit increased $27.3 million from $5.2 million to $32.5 million. The low effective tax rate is because the tax expense (benefit) on Income (loss) before income taxes is mostly offset by increases/decreases in valuation allowances. Tax capital gains (losses) are generally not offset by changes in valuation allowances, which resulted in an $88.9 million increase in the income tax benefit. This increase in the tax benefit for capital gains (losses) was partially offset by a decrease in the benefit and valuation allowance from tax credits of $62.9 million.

Operating Earnings before Income Taxes

Operating earnings before income taxes increased $350.3 million from $918.3 million to $1,268.6 million as a result of several factors. Higher Fee income in our Retirement and Investment Management segments and improved margins in our Annuities segment related to MYGA run-off contributed to the increase. In addition, higher *Net investment income* was due to the Net gain from Lehman Recovery/LIHTC in the current period and the loss on the sale of certain alternative investments in the prior period was offset by lower investment income in our Retirement Solutions and Insurance Solutions businesses as a result of portfolio restructuring in the prior period. DAC/VOBA and other intangibles unlocking improved to $133.2 million in the current period compared to $(77.0) million in the prior period, largely as a result of favorable prospective assumption changes of $84.8 million in the current period. Offsetting these increases was higher Interest expense in our Corporate segment.

Adjustments from Income (Loss) before Income Taxes to Operating Earnings before Income Taxes

Closed Block Variable Annuity is discussed in Results of Operations Segment by Segment CBVA.

Net investment gains decreased $243.4 million from $455.5 million to $212.1 million primarily driven by changes in fair value adjustments on our CMO-B portfolio and lower gains on the sale of securities, as well as derivative mark to market adjustments. Higher gains on derivative mark to market adjustments were primarily due to rising interest rates, resulting in favorable changes to the fair value of derivatives that are hedging the Company s exposure to various market risks within the investment portfolio.

Net guaranteed benefit hedging gains (losses) and related charges and adjustments decreased $77.8 million from $97.2 million to $19.4 million. Lower gains on guaranteed benefit derivative hedging, net amortization of DAC/VOBA, and other intangibles, were primarily driven by changes in the fair value of derivatives associated with the Stable Value hedge program put in place during the prior period, in addition to reductions in expected future guaranteed interest rates on certain Stabilizer contracts in the prior period. These were partially offset by higher gains resulting from rising interest rates and equity market movements and changes in the fair value of guaranteed benefit derivatives related to nonperformance risk.

Loss related to businesses exited through reinsurance or divestment increased $14.0 million from $45.8 million to $59.8 million primarily due to higher costs associated with the business transferred from us to Hannover Re.

Immediate recognition of net actuarial gains (losses) related to pension and other postretirement benefit obligations and gains (losses) from plan adjustments and curtailments increased $570.2 million. We immediately recognize actuarial gains and losses. A net actuarial gain of $405.2 million was recorded in 2013, driven primarily due to strong investment returns in the assets of the pension plan and an increase in the discount rate used to value benefit obligations. A net actuarial loss of $165.0 million was recorded in 2012, driven primarily by the net impact of a decrease in the discount rate and a curtailment.

Other adjustments to operating earnings changed $31.9 million from $(100.1) million to $(68.2) million primarily due to lower costs in the current period related to the divestment of the Company by ING Group and integration expenses in the prior period related to our acquisition of Citistreet.

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Year Ended December 31, 2012 Compared to Year Ended December 31, 2011

Net Income (Loss)

Net investment income decreased $270.9 million from $4,968.8 million to $4,697.9 million partially due to a $91.9 million loss on the sale of certain alternative investments (see table above). Further decreases were due to lower investment income resulting from investment portfolio changes to improve capital, such as the sale of CMO-B assets, a decline in average assets in our Closed Block Institutional Spread Products segment and due to lapses in MYGAs. The decline in the assets of the Closed Block Institutional Spread Products is due to the continued run-off of this business. Certain MYGAs, mostly sold in 2002, have reached the end of their current guarantee period in 2012. Most of these MYGAs have high crediting rates and the supporting assets generate returns below the targets set when the contracts were issued, negatively impacting returns in our Annuities segment. During the year ended December 31, 2012, approximately $3.0 billion of the MYGAs reached the end of their current guarantee period, and approximately 66% of those policies up for renewal lapsed. The high lapse rate was expected as renewal crediting rates offered are lower than the credited rates during the initial term. The run-off of these MYGA contracts enhanced the results of our Annuities segment during 2012. These decreases were partially offset by an increase in assets in our Retirement segment driven by positive net flows, including customer transfers from variable separate accounts as well as improved performance of funds and partnership income from our Investment Management segment.

Fee income decreased $88.2 million from $3,603.6 million to $3,515.4 million primarily due to a decline in average AUM in the CBVA segment as well as higher unearned revenue amortization in our Individual Life segment in 2011 related to the emergence of gross profits for a particular block.

Premiums increased $91.1 million from $1,770.0 million to $1,861.1 million primarily due to growth in renewal premiums in our Life Insurance Solutions segment.

Net realized capital losses decreased $250.6 million from $1,531.4 million to $1,280.8 million primarily due to higher net realized investments gains as well as favorable derivative results in our Retirement Solutions business, offset by changes in fair value of guaranteed benefit derivatives due to nonperformance risk and higher losses on derivatives from the CBVA segment liability hedges and CHO program. Higher net realized investment gains were primarily due to a $447.6 million reduction in OTTI in 2012 compared to 2011. The favorable derivative results in our Retirement Solutions business were driven by $566.1 million in higher gains on guaranteed benefit derivatives, excluding nonperformance risk. The gains in 2012 on guaranteed benefit derivatives were mostly due to a reduction in expected future guaranteed interest rates on certain Stabilizer contracts, compared to losses in 2011 due to declining interest rates.

Partially offsetting these favorable items were changes in fair value of guaranteed benefit derivatives due to nonperformance risk, changes in fair value of derivatives from the CBVA segment liability hedges, and losses on the CHO program. Changes in the fair value of guaranteed benefit derivatives in the Retirement, Annuities and CBVA segments due to nonperformance risk resulted in a decrease in income of $1,053.5 million (from a gain of $495.7 million in 2011 to a loss of $557.8 million in 2012). The changes in derivative gains (losses) from the CBVA segment liability hedges reduced income by $2,526.3 million. This decrease was driven by significant gains in 2011 due primarily to interest rate decreases during that period compared to significant losses in 2012 due primarily to the equity market increase during that period. In addition, an increase in losses on the CHO program (from a loss of $129.9 million in 2011 to a loss of $351.0 million in 2012) resulted in a decrease to income of $221.1 million. The higher losses in 2012 were the result of the equity market increase in 2012 and higher notional amounts for hedging the associated underlying risk, as a result of assumption changes made in late 2011. The hedge program in the CBVA segment focuses on protecting regulatory and rating agency capital rather than mitigating earnings volatility and, as a result, the losses in 2012 are more than offset by a $2,969.4 million in gains (from a loss of $2,135.5 million to a gain of $833.9 million in 2012) from changes in fair value of guaranteed benefit derivatives, excluding nonperformance risk.

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Other revenue decreased $49.7 million from $428.2 million to $378.5 million due to changes in market value adjustment related to plan sponsors upon surrender, lower surrender fees on the CBVA segment as that business runs off and a reduction in the deferred gain amortization on the divested group reinsurance business. Partially offsetting these decreases is an increase in service fees earned by our Investment Management segment.

Interest credited and other benefits to contract owners/policyholders decreased $880.4 million from $5,742.0 million to $4,861.6 million primarily due to an increase in reserves in the CBVA segment due to updating lapse and other policyholder behavior assumptions in the fourth quarter of 2011, and a reduction in interest credited due to declining contract owner account balances for the Closed Block Institutional Spread Products segment and declining reserves for MYGAs. A reduction in average crediting rates across several product lines as well as favorable claim results in our Employee Benefits segment also contributed to the decrease. These reductions were partially offset by reserve changes and claim experience in our Individual Life segment due to a combination of growth in the business and adverse mortality results, net of reinsurance and reserve changes. Growth in general account assets in our Retirement segment also contributed to the increase.

Operating expenses increased $124.2 million from $3,030.8 million to $3,155.0 million primarily due to higher LOC costs related to the contingent capital LOC for our CBVA segment and for our Individual Life segment, a reduction in incentive compensation expense in 2011 that did not recur in 2012 and an increase in expenses due to growth in the business. Partially offsetting these increases were lower expenses in our Retirement business due to a reduction in recordkeeping cases, as well as a $22.0 million reimbursement of expenses by ING Group in 2012. These expenses were paid in 2011 by ING U.S., Inc. on behalf of ING Group s Latin America business. In 2011, operating expenses included $24.6 million of previously unreimbursed expenses.

Net amortization of DAC/VOBA increased $335.3 million from $387.0 million to $722.3 million. The increase is primarily related to favorable unlocking in 2011 and unfavorable unlocking in 2012, primarily in our Annuities segment, due to prospective assumption changes related to investment margins in 2011 and decreased projected margins on MYGA policies in 2012, respectively.

Income before income taxes increased $328.2 million from $277.8 million to $606.0 million primarily due to an improvement in net realized investment gains as well as favorable results from hedging activity in our Retirement Solutions business, higher assets and margins in our Retirement segment, improved fund performance in our Investment Management segment, and favorable claim results in our Employee Benefit segment. Offsetting these increases were losses on guaranteed benefit derivatives due to nonperformance risk and higher losses on derivatives from the CBVA segment liability hedges and CHO program, and the $91.9 million loss on the sale of certain alternative investments. Adverse mortality and reserve changes in our Individual Life segment and unfavorable changes in DAC/VOBA and other intangibles unlocking also contributed to the decrease.

Income tax benefit for the year ended December 31, 2012 was $5.2 million. We anticipate an effective tax rate of approximately 0%, as the tax expense (benefit) on Net income (loss) before income taxes should be offset by increases/decreases in valuation allowances. The Income tax expense (benefit) for 2011 was $175.0 million, which is higher than the tax at the statutory rate, primarily as a result of an increase in the valuation allowances of $175.0 million, the tax impact of non-deductible expenses of $32.0 million, offset by the $74.0 million impact of the dividends received deduction and $67.0 million of favorable impact from noncontrolling interests. The increase in the valuation allowance was due primarily to continued tax losses, the benefit of which is uncertain.

Operating Earnings before Income Taxes

Operating earnings before income taxes decreased $201.3 million from $1,119.6 million to $918.3 million primarily due to unfavorable DAC/VOBA and other intangibles unlocking in 2012 of $77.0 million compared to favorable unlocking in 2011 of $303.8 million, the $92.0 million loss in 2012 related to the sale of certain

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alternative investments, and adverse mortality and reserve changes in our Individual Life segment. These decreases were partially offset by the favorable impacts to income from an increase in assets and margins in our Retirement segment, improved investment margins in our Annuities segment and favorable claim results in our Employee Benefits segment.

Adjustments from Income (Loss) before Income Taxes to Operating Earnings before Income Taxes

CBVA is discussed in Results of Operations Segment by Segment CBVA.

Net investment gains increased $383.7 million from $71.8 million to $455.5 million, primarily due to a $447.6 million reduction in OTTI, partially offset by a reduction in gains on CMO-B fair value adjustments and gains on sales of securities.

Net guaranteed benefit hedging gains (losses) and related charges and adjustments changed by $366.6 million from a loss of $269.4 million to a gain of $97.2 million. Excluding nonperformance risk, we incurred a $377.9 million loss in 2011 primarily due to the decrease in interest rates during 2011, compared to a gain of $188.2 million in 2012, primarily due to a reduction in expected future guaranteed interest rates in certain Stabilizer contracts in our Retirement segment. This favorable impact was partially offset by a decrease in the fair value of guaranteed benefits related to nonperformance risk from a $21.3 million loss in 2011 to a $114.2 million loss in 2012. DAC/VOBA amortization related to the respective gain (loss) accounted for the remaining $106.6 million change.

Losses related to businesses exited through reinsurance or divestment increased $10.7 million from $35.1 million to $45.8 million primarily due to a reduction in the amortization of a deferred gain on the group reinsurance business that was divested at the end of 2009, partially offset by higher LOC costs in 2012 on the individual reinsurance business that was divested in prior years but where we remained responsible for a portion of the LOC costs.

Losses related to the immediate recognition of net actuarial gains (losses) related to pension and other postretirement benefit obligations and losses from plan adjustments and curtailments increased $7.2 million from $157.8 million to $165.0 million. The loss in both years is primarily due to a remeasurement loss, which resulted from the revaluation of our Retirement Plan s assets and obligations. The remeasurement loss in both years is due primarily to a decrease in the discount rate of plan liabilities which resulted from the declining interest rate environment.

Other adjustments to operating earnings changed $22.4 million from $(77.7) million to $(100.1) million due to increased expenses related to the divestment of the Company by ING Group.

Results of Operations Ongoing Business

We consider the Retirement, Annuities, Investment Management, Individual Life, and Employee Benefits segments as our ongoing businesses. The following table summarizes Operating earnings before income taxes of our ongoing businesses for the periods indicated:

	Years Ended December 31,		
($ in millions)	**2013**	**2012**	**2011**
Operating earnings before income taxes	$ 1,428.6	$ 990.9	$ 1,279.6

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The following table summarizes certain notable items that resulted in volatility in Operating earnings before income taxes:

	Years Ended December 31,		
($ in millions)	2013	2012	2011
DAC/VOBA and other intangibles unlocking[(1)(2)]	$ 133.2	$ (77.0)	$ 303.8
Loss on sale of alternative investments		(82.1)	
Net gain from Lehman Recovery/LIHTC	83.6		

(1) Unlocking related to the Net gain from Lehman Recovery/LIHTC is excluded from DAC/VOBA and other intangibles unlocking for the year ended December 31, 2013 (and included in Net gain from Lehman Recovery/LIHTC).

(2) Includes the impacts of the annual review of assumptions. See Unlocking of DAC/VOBA and other Contract Owner/Policyholder Intangibles for further description.

Ongoing Business Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Operating earnings before income taxes increased $437.7 million from $990.9 million to $1,428.6 million as a result of several factors. Higher *Fee income* in our Retirement and Investment Management segments and improved margins in our Annuities segment related to MYGA run-off contributed to the increase. In addition, higher *Net investment income* due to the Net gain from Lehman Recovery/LIHTC in the current period and the loss on the sale of certain alternative investments in the prior period was offset by lower investment income in our Retirement Solutions and Insurance Solutions businesses as a result of portfolio restructuring in the prior period. DAC/VOBA and other intangibles unlocking improved to $133.2 million in the current period compared to $(77.0) million in the prior period, largely as a result of favorable prospective assumption changes of $84.8 million in the current period.

Ongoing Business Year Ended December 31, 2012 Compared to Year Ended December 31, 2011

Operating earnings before income taxes decreased $288.7 million from $1,279.6 million to $990.9 million primarily due to unfavorable DAC/VOBA and other intangibles unlocking in 2012 of $77.0 million compared to favorable unlocking in 2011 of $303.8 million, the $82.1 million loss in 2012 related to the sale of certain alternative investments, and adverse mortality and reserve changes in our Individual Life segment. These decreases were partially offset by the favorable impacts to income from an increase in assets and margins in our Retirement segment, improved investment margins in our Annuities segment and favorable claim results in our Employee Benefits segment. See Results of Operations Segment by Segment.

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Results of Operations Segment by Segment

Retirement Solutions Retirement

The following table summarizes Operating earnings before income taxes of our Retirement segment for the periods indicated:

($ in millions)	Years Ended December 31, 2013	2012	2011
Operating revenues:			
Net investment income and net realized gains (losses)	$ 1,569.6	$ 1,499.9	$ 1,435.9
Fee income	759.9	715.0	713.5
Premiums	5.7	4.9	8.1
Other revenue	64.2	52.1	67.9
Total operating revenues	2,399.4	2,271.9	2,225.4
Operating benefits and expenses:			
Interest credited and other benefits to contract owners/policyholders	848.4	842.2	826.2
Operating expenses	839.9	824.9	844.5
Net amortization of DAC/VOBA	115.3	155.0	111.1
Interest expense		1.2	1.7
Total operating benefits and expenses	1,803.6	1,823.3	1,783.5
Operating earnings before income taxes	$ 595.8	$ 448.6	$ 441.9

The following table summarizes certain notable items that represented the volatility in Operating earnings before income taxes for the periods indicated:

($ in millions)	Years Ended December 31, 2013	2012	2011
DAC/VOBA and other intangibles unlocking(1)(2)	$ 45.6	$ 5.8	$ 44.2
Net gain from Lehman Recovery/LIHTC	12.9		
Loss on sale of alternative investments		(48.1)	

(1) Unlocking related to the Net gain from Lehman Recovery/LIHTC is excluded from DAC/VOBA and other intangibles unlocking for the year ended December 31, 2013 (and included in Net gain from Lehman Recovery/LIHTC).

(2) Includes the impacts of the annual review of assumptions. See Unlocking of DAC/VOBA and other Contract Owner/Policyholder Intangibles for further description.

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The following tables summarize AUM and AUA for our Retirement segment as of the dates indicated:

($ in millions)	As of December 31, 2013	2012	2011
Corporate market	$ 40,123.7	$ 33,265.9	$ 29,134.4
Tax exempt market	53,200.5	46,986.1	42,691.3
Total full service plans	93,324.2	80,252.0	71,825.7
Stable value[(1)]	8,914.3	7,792.1	5,560.9
Individual market	2,998.4	2,427.1	2,091.1
Total AUM	105,236.9	90,471.2	79,477.7
AUA	237,777.1	213,675.5	208,366.0
Total AUM and AUA	$ 343,014.0	$ 304,146.7	$ 287,843.7

(1) Consists of assets where we are the investment manager.

($ in millions)	As of December 31, 2013	2012	2011
General Account	$ 28,169.2	$ 27,222.6	$ 25,528.3
Separate Account	57,654.0	49,425.4	42,920.8
Mutual Fund/Institutional Funds	19,413.7	13,823.2	11,028.6
AUA	237,777.1	213,675.5	208,366.0
Total AUM and AUA	$ 343,014.0	$ 304,146.7	$ 287,843.7

The following table summarizes a rollforward of AUM for our Retirement segment for the periods indicated:

($ in millions)	Years Ended December 31, 2013	2012	2011
Balance as of beginning of period	$ 90,471.2	$ 79,477.7	$ 76,537.8
Deposits	14,856.0	14,457.0	13,162.1
Surrenders, benefits and product charges	(12,397.5)	(10,991.4)	(10,160.4)
Net flows	2,458.5	3,465.6	3,001.7
Interest credited and investment performance	12,307.2	7,527.9	(61.8)
Balance as of end of period	$ 105,236.9	$ 90,471.2	$ 79,477.7

Retirement Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Operating revenues

Net investment income and net realized gains (losses) increased $69.7 million from $1,499.9 million to $1,569.6 million primarily due to $15.2 million of net investment income from Lehman Recovery/LIHTC in the current period compared to a $48.1 million loss on the sale of certain alternative investments in the prior period. In addition, there was a favorable variance due to higher prepayment fee income as well as higher investment income due to increases in general account assets. General account assets increased from $27.2 billion to $28.2 billion primarily as a result of participants transferring funds from variable investment options into fixed investment options. The increases were partially offset by lower *Net investment income and net realized gains (losses)* primarily due to lower investment yields on the CMO-B portfolio and lower alternative investment income as a result of portfolio restructuring in the prior period, coupled with lower reinvestment rates.

Fee income increased $44.9 million from $715.0 million to $759.9 million primarily due to increases in full service plan fees, recordkeeping advisory fees and change order fees for the recordkeeping business. The increase

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in fees related to full service retirement plans was driven by net increases in separate account and institutional/mutual fund AUM. These increases were partially offset by a decrease in other recordkeeping fees primarily due to terminated contracts.

Other revenue increased $12.1 million from $52.1 million to $64.2 million primarily due to an increase in broker-dealer revenue and changes in market value adjustments related to plan sponsors upon surrender.

Operating benefits and expenses

Interest credited and other benefits to contract owners/policyholders increased $6.2 million from $842.2 million to $848.4 million primarily due to an increase in general account liabilities, which corresponds to the increase in general account assets as described above. This increase was mostly offset by a decrease in the average credited rates due to actions taken in 2012 and January 2013 to reflect the continuing low interest rate environment. Lower amortization of sales inducements also partially offset the increase.

Operating expenses increased $15.0 million from $824.9 million to $839.9 million due to an increase in general expenses and higher commission expense due to an increase in AUM, partially offset by lower expenses for the recordkeeping business.

Net amortization of DAC/VOBA decreased $39.7 million from $155.0 million to $115.3 million primarily due to changes in unlocking of DAC/VOBA. The favorable DAC unlocking in the current period was $44.5 million higher than the prior period favorable unlocking largely due to the impact of the prospective assumption changes.

Operating earnings before income taxes

Operating earnings before income taxes increased $147.2 million from $448.6 million to $595.8 million primarily due to higher Fee income related to full service retirement plans, an increase in *Net investment income* as a result of the loss related to the sale of certain alternative investments in the prior period along with a Net gain from Lehman Recovery/LIHTC in the current period, and favorable changes in DAC/VOBA unlocking. These were partially offset by a decline in *Net investment income* as a result of portfolio restructuring in the prior period.

Retirement Year Ended December 31, 2012 Compared to Year Ended December 31, 2011

Operating revenues

Net investment income and net realized gains (losses) increased $64.0 million from $1,435.9 million to $1,499.9 million primarily due to an increase growth of general account assets. General account assets increased from $25.5 billion to $27.2 billion in 2012 compared to 2011. The volatility in the equity market during the second half of 2011 resulted in participants transferring funds from variable investment options into the fixed investment option, which contributed to an increase in average general account assets. The increase was partially offset by a $48.1 million loss on the sale of certain alternative investments. We also reduced the fair value of our investments in LIHTC, which had an unfavorable impact of $4.6 million.

Other revenue decreased $15.8 million from $67.9 million to $52.1 million primarily due to changes in market value adjustments related to plan sponsors upon surrender.

Operating benefits and expenses

Interest credited and other benefits to contract owners/policyholders increased $16.0 million from $826.2 million to $842.2 million primarily due to an increase in general account liabilities, which corresponded to the increase in general account assets as described above. The increase was partially offset by a decrease in average credited rates on general account liabilities due to actions taken in January, April and July 2012 to reflect the low interest rate environment.

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Operating expenses decreased $19.6 million from $844.5 million to $824.9 million primarily driven by expenses of the recordkeeping business.

Net amortization of DAC/VOBA increased $43.9 million from $111.1 million to $155.0 million primarily as a result of lower favorable DAC unlocking in 2012. The 2012 results include a favorable impact of DAC/VOBA and other intangibles of $5.8 million compared to a favorable impact of $44.2 million in 2011. Favorable unlocking in 2011 was driven by future assumption changes and greater than expected net flows into fixed investment option funds.

Operating earnings before income taxes

Operating earnings before income taxes was slightly higher for 2012. Higher net investment income and lower operating expenses partially offset by higher *Interest credited and other benefits to contract owners/policyholders* and net amortization of DAC/VOBA contributed to the results.

Retirement Solutions-Annuities

The following table summarizes Operating earnings before income taxes of the Annuities segment for the periods indicated:

	Years Ended December 31,		
($ in millions)	**2013**	**2012**	**2011**
Operating revenues:			
Net investment income and net realized gains (losses)	$ 1,149.9	$ 1,223.3	$ 1,321.9
Fee income	45.1	35.5	29.8
Premiums	36.4	35.9	34.1
Other revenue	13.2	12.3	15.6
Total operating revenues	1,244.6	1,307.0	1,401.4
Operating benefits and expenses:			
Interest credited and other benefits to contract owners/policyholders	730.9	854.1	978.0
Operating expenses	127.0	124.7	126.7
Net amortization of DAC/VOBA	92.9	225.5	(91.5)
Interest expense		0.5	0.6
Total operating benefits and expenses	950.8	1,204.8	1,013.8
Operating earnings before income taxes	$ 293.8	$ 102.2	$ 387.6

The following table summarizes certain notable items that resulted in volatility in Operating earnings before income taxes:

	Years Ended December 31,		
($ in millions)	**2013**	**2012**	**2011**
DAC/VOBA and other intangibles unlocking[(1)(2)]	$ 83.3	$ (86.2)	$ 266.0
Net gain from Lehman Recovery/LIHTC	13.5		
Loss on sale of alternative investments		(18.0)	

(1) Unlocking related to the Net gain from Lehman Recovery/LIHTC is excluded from DAC/VOBA and other intangibles unlocking for the year ended December 31, 2013 (and included in Net gain from Lehman Recovery/LIHTC).

(2) Includes the impacts of the annual review of assumptions. See Unlocking of DAC/VOBA and other Contract Owner/Policyholder Intangibles for further description.

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The following table summarizes AUM for our Annuities segment as of the dates indicated:

	As of December 31,		
($ in millions)	2013	2012	2011
AUM:			
General account	$ 22,432.2	$ 22,915.8	$ 25,198.5
Separate account	829.6	751.7	730.4
Mutual funds	3,384.9	2,433.6	1,761.3
Total AUM	$ 26,646.7	$ 26,101.1	$ 27,690.2

The following table summarizes a rollforward of AUM for our Annuities segment for the periods indicated:

	Years Ended December 31,		
($ in millions)	2013	2012	2011
Balance at beginning of period	$ 26,101.1	$ 27,690.2	$ 27,849.3
Deposits	2,632.0	2,353.8	2,716.8
Surrenders, benefits and product charges	(3,528.9)	(5,086.1)	(3,935.1)
Net flows	(896.9)	(2,732.3)	(1,218.3)
Interest credited and investment performance	1,442.5	1,143.2	1,059.2
Balance as of end of period	$ 26,646.7	$ 26,101.1	$ 27,690.2

Annuities Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Operating revenues

Net investment income and net realized gains (losses) decreased $73.4 million from $1,223.3 million to $1,149.9 million primarily due to lower general account assets and lower investment income on the CMO-B portfolio. General account assets decreased as a result of MYGAs lapsing at the end of their initial terms, largely due to lower renewal crediting rates, which reflect the lower interest rate environment compared to the crediting rates during their initial term. In addition, investment income on the CMO-B portfolio was lower due to market conditions in the current period and portfolio restructuring in the prior period. These decreases were partially offset by $20.3 million of net investment income from Lehman Recovery/LIHTC, higher prepayment fee income and higher income on alternative investments, as the prior period included a loss on the sale of certain alternative assets.

Fee income increased $9.6 million from $35.5 million to $45.1 million due to growth in assets of mutual fund custodial products, which are sold by the annuity distribution force as an alternative retirement product. Average assets of the mutual fund custodial product increased 38% from $2.1 billion in 2012 to $2.9 billion in 2013 due to positive net flows and market performance.

Operating benefits and expenses

Interest credited and other benefits to contract owners/policyholders decreased $123.2 million from $854.1 million to $730.9 million primarily due to lower option costs of FIAs, a decrease in average crediting rates on MYGA renewals and lower average account values due to the continuing run-off of MYGAs. Favorable mortality on annuities with life contingencies also contributed to the decrease.

Net amortization of DAC/VOBA decreased $132.6 million from $225.5 million to $92.9 million primarily due to favorable changes in unlocking of DAC/VOBA due to prospective assumption changes compared to unfavorable unlocking in the prior period. Favorable unlocking in the current period was primarily as a result of

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updated margin projections for fixed rate annuities. In the prior period, unlocking was primarily due to a decrease in the projected margins on MYGA policies. Partially offsetting the decrease was higher amortization due to higher gross profits in the current period.

Operating earnings before income taxes

Operating earnings before taxes increased $191.6 million from $102.2 million to $293.8 million as a result of several factors including improved margins related to MYGA run-off, favorable changes in DAC/VOBA and other intangibles unlocking, a Net gain from Lehman Recovery/LIHTC and the loss on the sale of certain alternative investments in the prior period. Partially offsetting these increases was a decline in investment income on the CMO-B portfolio.

Annuities Year Ended December 31, 2012 Compared to Year Ended December 31, 2011

Operating revenues

Net investment income and net realized gains (losses) decreased $98.6 million from $1,321.9 million to $1,223.3 million primarily due to lower general account assets and the $18.0 million loss on sale of certain alternative investments. General account assets decreased as a result of MYGAs lapsing at the end of their initial terms, largely due to crediting rates that were lower than the crediting rates during their initial term.

Fee income increased $5.7 million from $29.8 million to $35.5 million due to growth in assets of mutual fund products which are sold by the annuity distribution force as an alternative retirement product. The balance of assets increased from $1.8 billion to $2.4 billion.

Operating benefits and expenses

Interest credited and other benefits to contract owners/policyholders decreased $123.9 million from $978.0 million to $854.1 million. The decrease was primarily due to lapses of MYGAs which resulted in a decrease to average account values, crediting MYGAs. Lower option costs of FIAs also contributed to the decrease. This decline in *Interest credited and other benefits to contract owners/policyholders* was partially offset by higher amortization on sales inducements.

Net amortization of DAC/VOBA increased $317.0 million from $(91.5) million to $225.5 million primarily due to changes in unlocking of DAC/VOBA that were partially offset by a lower amortization rate of DAC/VOBA. The unfavorable unlocking of DAC/VOBA in 2012 was primarily due to a decrease in projected margins on the MYGA policies. The favorable unlocking of DAC/VOBA in 2011 resulted primarily from prospective assumption changes related to investment margins on FIAs, or anticipated earned investment income less credited interest. Excluding unlocking, the decrease in DAC/VOBA amortization was due to a decrease in the amortization rate partially offset by higher amortization due to higher gross profits in 2012.

Operating earnings before income taxes

Operating earnings before income taxes decreased $285.4 million from $387.6 million to $102.2 million primarily driven by changes in DAC/VOBA and other intangibles unlocking and a decline in net investment income, which were partially offset by lower *Interest credited and other benefits to contract owners/policyholders*.

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Investment Management

The following table summarizes Operating earnings before income taxes of our Investment Management segment for the periods indicated:

($ in millions)	Years Ended December 31, 2013	2012	2011
Operating revenues:			
Net investment income and net realized gains (losses)	$ 37.0	$ 41.6	$ 8.8
Fee income	530.8	474.7	469.3
Other revenue	39.9	29.2	13.8
Total operating revenues	607.7	545.5	491.9
Operating benefits and expenses:			
Operating expenses	429.6	411.0	404.4
Total operating benefits and expenses	429.6	411.0	404.4
Operating earnings before income taxes	$ 178.1	$ 134.5	$ 87.5

Our Investment Management operating segment revenues include the following intersegment revenues, primarily consisting of asset-based management and administration fees.

($ in millions)	Years Ended December 31, 2013	2012	2011
Investment Management intersegment revenues	$ 157.8	$ 157.6	$ 164.1

The following table summarizes certain notable items that resulted in volatility in Operating earnings before income taxes for the periods indicated:

($ in millions)	Years Ended December 31, 2013	2012	2011
Net gain from Lehman Recovery	$ 13.2	$	$
Gain on sale of certain alternative investments		2.2	

The following table summarizes AUM and AUA for our Investment Management segment as of the dates indicated:

($ in millions)	As of December 31, 2013	2012	2011
AUM:			
Institutional/retail			
Investment Management sourced	$ 66,362.2	$ 54,061.9	$ 49,391.5
Affiliate sourced[(1)]	53,935.0	47,284.6	37,851.8
General account	78,988.8	80,404.8	78,878.3
Total AUM	199,286.0	181,751.3	166,121.6
AUA:			
Affiliated sourced[(2)]	58,462.8	54,695.5	58,992.4

Total AUM and AUA	$ 257,748.8	$ 236,446.8	$ 225,114.0